

The following transcript is provided for your convenience, but does not represent the official record of this meeting. The transcript is provided by the firm that provides closed captioning services to the City. Because this service is created in real-time as the meeting progresses, it may contain errors and gaps, but is nevertheless very helpful in determining the gist of what occurred during this meeting.

>> Councilmember Liccardo: Get this party started. Here we are at the transportation and environment committee. Madam clerk would you call the roll.

>> Certainly. Chair Liccardo, here. Vice Mayor Chirco, here. Councilmember Herrera, and one absentee. We have a quorum.

>> Councilmember Liccardo: So we've got a quorum. We'll plug ahead. Reviewing the work plan, item B.

>> Ed Shikada: Thank you chair, members of the committee, Ed Shikada, assistant City Manager. I do have one or two corrections to make. We do have a number of items that are requesting deferral. B 1, storm water five year implement plan, staff would like to defer that to February 2011 rather than January as listed. And number 4, the same change would apply, litter reduction, February 2011 rather than January. Of course both will be noted in your work plan for this spring.

>> Councilmember Liccardo: Great, thanks Ed. Okay. Unless there are any discussion. Could we have a motion?

>> Move to approve.

>> Second.

>> Councilmember Liccardo: Great, all in favor, opposed, that passes unanimously. No items on consent so we'll move straight to the reports to committee. Verbal report on energy efficiency and renewable energy activities. With cool props.

>> Good afternoon, Kerry Romanow. Assistant Director with Environmental Services. In our monthly energy report today, we have three topics: Municipal energy efficiency, community energy efficiency, and then an update on smart meters from PG&E, who brought the cool props.

>> Councilmember Liccardo: Yes.

>> So you have pictured the central service yard. So work is progressing. You can see solar panels over the parking lot. That is set to be commissioned in early December. So we're pretty excited about that. This should have been before obviously. We didn't pull them off for the second picture. So there's two pictures just to kind of give you a scale and feel for what it looks like out there. And then our energy efficiency program. We have energy efficiency audits contracting with the city's approved contractors at nine sites. And then we are on track with the EECBG work, which is a good thing, because DOE will be here on November 10th for a monitoring visit, so they'll just be checking to see that we're doing all work in accordance with the grant requirement. Next, this month, mid-November the city will also be issuing a proposal for LED street lights, again, funded by ARRA EECBG money. And then the 12 megawatts of solar on city facilities to be -- 38 city facilities is moving forward. We've completed seven interviews in the qualifications based phase. We will short list those and then phase 2 is the cost component. And we expect to have a final recommendation on vendor selection in the spring of 2011. Community energy efficiency. The Green Vision energy showcase which is pictured there it's the parking lot across the street from City Hall. It's moving forward, the electrical infrastructure is being installed and as you can see, today if you walked by there's a security fence out front. And ultimately when it's filled to capacity there will be 16 vendors onsite. We expect it to be filled by earth day. We're going to have an opening celebration with nine of the ten vendors in place on December 8th at 10:30. We'll be doing the ribbon cutting on that, and those vendors will be up and running and connected to the grid shortly after. In the next month or two. Silicon Valley energy watch is doing a neighborhood energy action program which is based on moderate income, and that program is going to roll out in two to three SNI neighborhoods so you may hear some conversation around that in the community. We're working with SNI housing and the county to select the final neighborhoods and then work with those neighborhoods to move forward with those particular grant programs. With that I'll turn it over to Popia Gamblin. Popia is a manager in PG&E and used to spend a lot more time here in San José and is back again.

>> Councilmember Liccardo: Welcome back, Popia.

>> Thank you. It's good to be back and good to see all of you. We're going to give you a quick overview and status on the smart meter program. In your packets that are in front of you, we have provided a whole host of information and there is a brief presentation that you can follow along. It's titled PG&E smart meter program, should be on the left side. And so I also wanted to introduce today with me is Carla Rodriguez Lomax who is going to be your day-to-day person available to you from PG&E. We wanted to give you a quick update on smart meter as I said and really we're proud of the progress that we've made from an infrastructure standpoint. It is the foundation for our smart grid endeavor that we are starting with smart meter and I'll have Carla touch on our nice prop and then we'll go over and review some of the nice things we've provided you in the packet.

>> We've got two smart meters here, one is electric one is gas.

>> Councilmember Liccardo: You might want to take that mic. Sorry, we have all kinds of rules about getting on the --

>> This is your gas meter right here, you'll be able to have daily readings on that and then your electric you'll have it hourly. This is the first time that customers are going to have access to this information so it's pretty powerful. And before you've even got your online tools available to you, you can go outside and actually see what your usage is on the meter and go room by room if you wanted to, to figure that out. So a smart meter device gives you automated meter readings so you have more access to your meter readings and there's capability if the customer so chooses to have it for two way communication between the meter and the user, and this is where the home area network comes into play, and it's CPUC approved. And so we're using these at the answer centers that we're doing locally all over the place, which Popia will touch on, and we have folks like Liz Williams who are our smart meter specialists who go into the community and tell them how to use it and what it's about.

>> Thank Carla.

>> Councilmember Chirco: I have a question. What are the initials you used?

>> Oh, the CPUC. It's approved by the CPUC, California Public Utilities Commission.

>> Councilmember Chirco: Got that one, I just didn't understand her initials.

>> Oh, no, no worries. So I think you know we've talked to many of you about the Smart Meter over the last few months, and we've really taken into account the feedback that you've given us. So we've simplified our customer outreach into three segments. The first is to talk to customers about the actual deployment. What does deployment mean and what does that look like? What's the installation experience, and then, how do you read the smart meter once you receive it. And to date, in San José, we've deployed 504,000 meters, roughly. We have a total of 582 that we're deploying total citywide. So roughly 78,000 left to go in the city. So we're about 87% of the way through. So as we look at talking to customers about smart meter and getting them educated on justing the tools we've enhanced the ways that we're reaching out to them. Initially, we sent out a letter. It was in one language, and it just really talked about the fact that it's coming. And that was the extent of that. I think what we've actually done is taken a look talked to folks like yourself and other folks in the community to get feedback on what to do. We've beefed it up and you have examples in your packet. We have a letter in the booklet that talks to customers about how to reach out to us, the phone numbers that are available and what exactly is a smart meter and why should they even care that this is on their home? Following that, we talked to customers with the literature about what -- when we're coming to their home, what does that look like from an installation standpoint and then the beginnings of the experience that they can have with the smart meters themselves. As Carla touched on the meters read, the electric meters will give us hourly information, gas gives us daily, and then how that information would then translate to usable data that's available on Website and by phones. And lastly, we'll let folks know once that information is available online, so you receive a lot of info as you get the information but then we transition for a while into kind of a state where we're waiting to install the meters in the area. Once we have a consensus of meters we can start reading them online. They all communicate with each other, to make the information available online, and so once that occurs, we send more information to the customer, you're ready to now engage with this -- the online tools or the phone tools that are available, and that can start that process. All of the information we're providing in your packet are in multiple languages. And so that I think also helps getting everyone up to speed and experiencing it the right way. In your packet we show kind of steps on logging on. You

just simply meet, if you use the Website, last name, first name, e-mail, you don't need to use your account number. We moved away from that. Most people don't have their PG&E account number with them. So we tried to simplify some of the things we do to make the experience a little bit more easier. Of course if you have your account number that's helpful. The log on, it's also displayed, some of the things I wanted to highlight I thought was interesting was the range you can access your information. With the hourly information that's available you can compare year to year or all the way to hour to hour on the electric side. So it's very diverse in its capability. And you can do that on your own. So someone may choose to look at month to month, someone might just choose year to year. You can also look at your information mid-month. And then project out. If you're on the right path to what we believe or you believe should be what your range would be of away you're spending and there's tips and other things that are available to help you monitor your usage. On page 4, we have some information on energy alerts. And energy alerts is a new program that's being offered from PG&E. And what it will do is, it will allow customers that are about to enter tier 3, 4 and 5, to receive an e-mail, text or phone call when they're about to go into that particular tier. It's a nice way for people to get ahead of their energy use and to really engage in saving money. And it's fairly easy to sign up for. And there's some examples on page 5 and 6. Some people are graph people. Some people are spreadsheet folks. So we wanted to take into account the various ways people like to receive their information. And so there's a variety of examples of the different graphs and spreadsheets that are available online that will allow you to compare your usage information so you can engage and save energy or just monitor your energy use. Carla had mentioned the answer centers, and that was another thing we got feedback from, from folks here at the city and customers, how do you want to receive information? And answer centers, we found, have been very -- an intimate way to speak with our customers about questions that they have on individual account components, or just general questions. It's a range. We've had two so far in San José, and we plan to have three more. And there's a flu flyer in your packet that talks about the next answer centers. We did have one on district 4 on October 20th and we had one in the downtown at our payment center in late November. And then the last page on page 7 of the presentation is just reminders of links and other resources that are available, to try to make this experience easier as people get up to speed on how to use and get empowered from this information. So I'll stop there and entertain questions.

>> Councilmember Liccardo: Thanks, Popia. Questions?

>> Councilmember Chirco: Yes, I had a couple. When you send out the initial mailing, does that go out in multiple languages, or does that go out in English only? In other words how does the family get the language that's most appropriate for them to understand in the best method possible?

>> It does go out in multiple languages. The languages are English, Chinese and Spanish.

>> Councilmember Chirco: What about Vietnamese?

>> We don't have Vietnamese available. But that's something that we can look at, and --

>> Councilmember Chirco: I think that would be important. What information, because you were going through it pretty quickly. Is this the information that comes to the home when they get notice?

>> Yes. So that's the first packet. They get actually three versions, through the different stages. So it's -- the first piece is the welcome.

>> Councilmember Chirco: So this is the welcome.

>> That is the welcome. And those are the welcome in the other languages.

>> Councilmember Chirco: And do they all come in the same mailing?

>> Actually they don't all come. If the customer has demonstrated a language preference they will only receive their language preference, otherwise they'll get the English version and then they'll --

>> Councilmember Chirco: In the welcoming -- because I got a packet which frankly did not mean much to me and I did not get one of these. But in your letter is there any indication that if they would prefer to receive it in another language that there's a number or --

>> Yes, that's available.

>> Councilmember Chirco: So that is in the letter?

>> Uh-huh.

>> Councilmember Chirco: I'm going back and read it. And then on the online, as you're looking at these various pages, are there O.J. pages in multiple language where they can choose the language of their choice?

>> That's a very good question. The initial online version that's available for web presentment what we're showing you is in English. We do have a Chinese and Spanish Website. That talks about the attributes of the program, of the different components that are available for energy use. But those whole -- that entire Website's not yet translated. We are scheduled to do that, next year in 2011. So when you go on, and you go, with your log-on and you're engaging in energy use activities, the plan will be to have those web -- that entire web experience in multiple languages. But right now, it's not available.

>> Councilmember Chirco: In some ways I want to say that's kind of a sadness because this has received so much negative publicity. And if people are already going online to try to better understand it, to have it accessible in the language they are most comfortable with. They came out to install our smart meter. I had no idea when they were coming. We keep our gate locked because we lost a dog one time when the gate was not -- they were back within two days, renoticed this. We had no previous concept of what time they would be in to install the meter. So it's been an exercise in frustration. So I don't know how ire noticing communities, what would be the time frame. And if they have special circumstances like accessibility, to contact someone. Is that something that is possible?

>> Absolutely. I would say over the last six months, we've made strides to try to improve our customer service. Prior to that, I think we really didn't do a good job. And we'll be honest about it. And I think you're familiar with the structure report that was done by the California public utilities commission where it talks about accuracy in billing and a variety of issues. And we were successful in the operational side of what we offer. But we weren't very successful with our customer service. And I think truly, we've seen a lot of changes. I think when we first started deploying we only sent a letter. The packet you have now is a much more exhaustive exercise reaching out to our customer, engaging our customer, so that it's not an assumption. That we would be able to come onto a property and take care of the needs of the customer. So I think we're making strides, and we're always looking for more feedback so that we can continuously improve.

>> Councilmember Chirco: I really want to compliment PG&E, I think they have made great strides. What I'm referencing is a experience I've had in the last couple of weeks. I did get a letter it was a couple of months ago. And then they appear, within this time frame we'll be out installing if there's accessibility please contact us. So that we can make that happen. That would have been helpful. So now --

>> That's good feedback.

>> Councilmember Chirco: -- I have no idea where I am. Somebody's supposed to get back with me. Thank you.

>> We can help with that, too.

>> Councilmember Liccardo: Rose.

>> Councilmember Herrera: Yes, I was wondering, have you seen -- are you keeping track of the number of complaints that came in have you seen a dropoff? I know in my office I had quite a few complaints a few weeks ago and I've noticed there's a dropoff. So I don't know if you just finished installing, and there's no more people

left? Because 87% is a pretty high number for things have improved. And also, when does all of this new information, this more thorough program begin where you -- at what point in the installation is this -- within the last few weeks? Oh. Can you hear me here? Okay.

>> For the feedback, and customer complaints, our primary complaint was accuracy. And I think since the structure report which there's copies available in that packet, once the structural report came out our call volume significantly dropped. I think that was the biggest concern for people. But we are tracking and we have about 300 customer complaints open at this time in the City of San José. So we're addressing about 300 open complaints at this point.

>> Councilmember Herrera: How do you close them, I mean, what's the process then?

>> It's active communication with the customer, resolution with the customer, and then an opportunity for the customer to provide feedback on their experience with us.

>> Councilmember Herrera: I think this is much better than what I'd seen at the beginning so you people really have heard the customers. I glanced over that report and there were weather and all kinds of other things that were creating increased bills that also coincided with the deployment of the smart meter. So that certainly would add to it. This is very interesting, the graphical interface here where customers can go to the Website and take a look at their usage. Is that available on cell phones, too, is there an app for that on the cell phone?

>> There is not the app for that but you can get an energy alert on your cell phone and there's plans for that in the packet.

>> Councilmember Liccardo: Are there plans for that too? Because it seems like everyone is managing that from the smart phone, too.

>> I think there is.

>> Councilmember Herrera: Good, I'm looking forward to the future of this. I think I'm looking forward to how it is going to help people figure out how to use less energy, save money, especially in these tough economic times, everybody's looking for how to reduce their bills, how to be smarter about everything like that. And also the peak usage on a really tremendous day, which I know is a very big concern for PG&E in terms of being able to manage energy. Making sure that we can all, we understand at a very micro-level how we're using it and how we can be part of the solution. So thank you.

>> Councilmember Liccardo: And I'm guessing there are already a thousand people in this valley who are working on smart phone apps along with other things on this, along with the various other apps. This is great Popia. Thank you for your team's hard work and I certainly appreciate your forthrightness about problems you've had in the past. I've had a question. I know there are urban myth about smart phone or smart meter. So when we get calls from constituents that the Smart Meter is causing my male pattern baldness or it's causing my tooth decay, do we contact Carla, or who do we -- who do we refer that to?

>> Carla will be your primary point of contact.

>> Councilmember Liccardo: Lucky you. Thank you very much.

>> Councilmember Chirco: This looks like a wonderful packet of information. It's kind of getting a chance to flip through it, so I think it really affirms what you just said about PG&E. Thank you.

>> Councilmember Liccardo: Great, Kerry. That's the whole show?

>> That concludes our report. You have your typical monthly listing of some public classes, if folks would like to forward that on to their constituents, that would be great.

>> Councilmember Liccardo: Kerry, one last question. I know that Nissan Leaf demonstration was out there by the Boston Properties site. Near the convention center. And I remember watching, I was thinking how cool that was, all these electric cars were out there, wondering, did they try to get that across the street over at the City Hall site where we're doing our demonstration, or did we -- I thought that would have been a great location for it, given that's our clean energy demo site.

>> The electric hasn't been hooked up to that site yet, so it's not something that was talked about. We will have electric vehicles parked out front, the plug-in ones, but maybe we can get them to come back.

>> Councilmember Liccardo: That would be cool. Thank you. Okay, we'll move on then.

>> Ed Shikada: Good segue.

>> Councilmember Liccardo: Yes to the next item. D-2 our electric vehicle infrastructure development. Is it Hans? Welcome. Hans is fresh off a pod car conference, very successful event. Where people attended from around the world. To look at what we're doing here in San José so we could look at what they're doing around the world, as well. Welcome Hans.

>> Hans Larsen: Good afternoon. Mr. Chair, members of the committee, I'm Hans Larsen acting director of transportation. Have with me a team of folks here to give you an informational presentation on electric vehicle infrastructure. Following up on your comments to the Nissan leaf electric vehicles are coming. In addition to the leaf we have the Chevy volt and new Tesla sedan. One of San José's goals along with all of the Bay Area, is to be the electric vehicle capital of the United States. And we're very pleased to give you a report on the efforts that San José is doing to help support that claim and that reality. So we're going to give you an overview of first Scott Green is going to talk about why this is important, particularly for the Silicon Valley economy in developing electric vehicle infrastructure. Ed Tolentino from the building division is going to talk about what the city is doing to assist people who are buying electric vehicles to get charging stations installed on their properties, and then Randy turner is going to talk about what we're doing on the public side both in terms of getting electric vehicles as part of

our fleet and supporting electric vehicle charging stations that are accessible to the public. And so without further ado I'm going to turn it over to Scott for further introductory comments. Thank you.

>> Thanks, Hans. Just give a quick overview real quick. Electric vehicles are coming, you know that, you've heard that. It's a key component of our national transition to a clean energy economy. According to a recent Pike's research report, more than 7 million charging stations will be accessible worldwide with nearly a million of those expected in the U.S. A lion's share in the Bay Area and the predominance of them charging in residence. It's a dynamic area of public and private investment. DOE has invested more than \$5 billion to electrify America's transportation infrastructure. The investments are under the stimulus package and the ATVM, the Advance Technology Vehicle Manufacturing loan program, to support development, manufacturing and deployment of batteries, components, vehicles and EV chargers necessary to put millions of EVs on the road. In addition to the resources that I've just referenced, multiple bipartisan bills have been introduced in the House and Senate to advance EV infrastructure deployment. One of those bills is coauthored by two members of our delegation. And while the bills aren't currently moving, it demonstrates a great interest at the federal level. The likely path that we will see is a stand alone energy bill next year which will include EV infrastructure in some manner. At a regional level, San José is active through the Bay Area EV corridor and the Bay Area Climate Collaborative. It's a partnership that includes the Silicon Valley Leadership Group, Bay Area council, Bay Area air quality management district, Silicon Valley clean cities coalition, among others, seeking to bring resources to cities for EV infrastructure deployment. And you're going to hear a bit about recent funding announcements from MTC and CEC that are going to support this effort. Local economic impact, an area that we care a great deal about, we want to link this to the demonstration, our demonstration policy and the demonstration of Coulomb's first charging station across from City Hall. We talk about our demonstration policy and here's an example of how it work. We needed to access capital to drive speed to market quickly and create scalable events from a technology deployment standpoint. So a year ago Coulomb's first station across the street has unlocked \$15 million of DOE money, \$3.4 million of CEC money to offset install costs and unlock private capital as well. And so now the charge point America program which is the subject of these charging stations will be in nine early adopter cities across America. And a real example of scale for emerging technologies. Each install puts two people to work for a day, and Coulomb estimates they will need to hire up 85 employees to handle the ramp-up in manufacturing

locally. Real quick, we're being targeted as an early adopter's marketplace. General services and DOT and some other folks hosted the VP of Chrysler's EV line in May, and they're targeting San José in May as an early adopting community, and that's not surprising at all. Finally, we have many companies working in this space. Charging stations, vehicle and battery technology, Tesla, Right Speed, Coulomb, Better Place, successful efforts in this space create multiple benefits for the region, both direct and indirect. So I'll hand off to Ed now.

>> Councilmember Liccardo: Ed.

>> Chairman and members of the committee, I'm Ed Tolentino, chief building official. To help the residents and their contractors in acquiring building permits for the installation of electric vehicle charging equipment, the process, the permitting process has been streamlined. And as a result, we are able to issue permits over the counter. And applicants should be able to get their permits within an hour. As a result of streamlining the process, the cost associated with the permits have also gone down and now we are able to charge a reasonable fee of \$310 for its permit. To further help the contractors, we are -- our staff is currently reaching out to the car manufacturers certified installing contractors to help them try to understand our requirements and, at the same time, help them through the process. So they can go through the process as smoothly as possible.

>> Hans Larsen: Wanted to highlight another policy incentive that the city has, as the committee's aware since 2001, San José has had a clean vehicle incentive program by which we provide free parking on our streets and in our city garages, for people who purchase clean vehicles in San José or who are residents of San José. This clean vehicle in its current form, which includes hybrids, CNG vehicles, electric vehicles is set to expire in June of 2011. As staff, we are recommending that we continue the program for zero emission vehicles. We would look to no longer include hybrids, as they would no longer even be eligible in the HOV lane system with the state -- the incentive the state has had, but we would want to continue to have that in place certainly for electric vehicles. So we'll be coming back to city council in spring with some modifications to that program and our thinking of staff is that we would want to continue that as an incentive for San José residents, to either buy cars or residents to purchase electric vehicles as an added incentive program, in addition to the streamlining efforts that Ed mentioned.

>> But what about our city fleet? Green Vision goal number 8 wants to move us towards 100% alternatively fueled vehicles in our municipal fleet by 2022. Today, we're at about 42%. A big portion of that solution is electric vehicles. We have 147 electric vehicles, in the fleet currently. That number's going to grow pretty soon to a figure closer to 170. All of those vehicles are what we consider back of house vehicles. Electric carts, vehicles that would not necessarily be driven on the road. But they are a big portion of our fleet as they've replaced gasoline powered vehicles over the last couple of years. We have had a significant amount of grant activity over the last year, year and a half in this particular area. I do want to point out at the airport, we were successful in getting a veil grant that brought in 15 of those electric vehicles for air side of the airport operation. Those were placed all gasoline or propane powered carts. And then most recently, I want to talk about our MTC grants. For those of you who were on the plaza La week MTC announced a great grant award for the City of San José, three in fact I'll try to get to all three today. With specific regard to the fleet we partnered with 11 other agencies along the EV corridor to put together a \$2.8 million grant request that would bring approximately 90 electric vehicles into the region for a demonstration purposes. The general breakdown of those vehicles is, there's 79 Nissan leafs and 11 or so Ford transit connects. Very interesting vehicle that I'm not sure we're quite ready for just yet but we're going after the Nissan leafs. We're working through the details of that grant today. We had a great opportunity last Wednesday to hear that the grant was awarded and today the work began on trying to put together all the contracts for all of the agencies to work together. Fortunately for us, Alameda County has taken the lead on the grant as well as their purchasing department, is moving forward on an area-wide procurement for both vehicle types for all agencies and we're participating there as well. Moving on to the infrastructure for supporting these electric vehicles our EV charging stations. Believe it or not we have 12 existing chargers in the city. I think our report speaks to 13 and sometime between the time the report was written and today we've managed to reduce that number to 12. Actually, we inaccurately reported 13. Of those 12 existing chargers there are eight at 4th and San Fernando garage. A vast majority of those are what we would call legacy chargers. They're level 1 type chargers from an earlier electric vehicle program dating back to the Rav 4, the Toyota Rav program back in the '90s. There are a few of those vehicles still out on the road and we're trying to meet those customers' needs by keeping that infrastructure in place. There are two brand-new level 2 chargers at the convention center that were installed in July. Just before and I mean hours before the plug-in conference, that San José hosted. And we have

as Scott mentioned the level 1 charger right out here on Santa Clara. And another level 1 charger out near Cureton elementary school in District 5. So all told, 12 and we're looking to move that number significantly north to a much larger number. Currently, working with Coulomb who has graciously going to provide the City of San José with 55 level 2 chargers, they were successful in landing a \$37 million DOE grant to provide over 4600 chargers in nine regions of the United States. One of those obviously is here in the Bay Area. And so we feel very fortunate for Coulomb to look to us in their Charge Point America program to provide us with about 55 of those units. Other grant activity in this area has focused around two primary grants. One is leveraged on the other. One is part of our EV corridor program where we partner with 11 other agencies in trying to put together a comprehensive EV network, EV charging network in the entire Bay Area, from San José all the way up to Sonoma, that we did receive tentative notice of award that was at about the 25% level. That would have landed us about 10 charging stations. And then a secondary MTC grant which was also announced last Wednesday that would bring us about 40 or so additional charge points. And while we're excited about the MTC grant it appears at this point that the MTC is -- while committed to devoting dollars to EV infrastructure, over the next 90 days, wants to consider how to best distribute those funds, whether it's to go to municipal organizations or to go to private operators. So we'll stay close to those conversations and try to influence San José's perspective so we can assure some level of award here for our customers and our constituents in San José. I think finally, the last program I wanted to speak to was a very interesting concept called the battery swap program. This was the third grant for which San José received an award last Wednesday. The largest amount which was just under \$7 million. It's a very unique program concept, and from my perspective, it bridges the range anxiety that electric vehicle drivers may get, along with what we currently see today, is when we run out of fuel, we drive into a fuel station, we fill up our vehicle. The battery swap program essentially is that you drive your electric vehicle to the point where you need a recharge, and you drive into a swap location, and then in less than a minute you get a completely recharged battery cell that will carry you onto your next point. We partnered on this concept with better place in San Francisco. Better place has recently launched a demonstration project in Tokyo, Japan where they've focused primarily on electric vehicle taxis and in their demonstration over the last four months they've successfully done nearly 2,000 change-outs of batteries without any issues at all in terms of overall performance. So we were looking to take that concept, bring it into the Bay Area, partnered with Better Place in San Francisco, as I mentioned, to create a battery swap program for the region, and were awarded that grant by the MTC. In concept

what better place will end up doing is build four battery swap locations, one here in San José, three to a bedroom community just to the north and provide about 60 electric vehicle taxis for the entire program. We believe that San José will get 20 of those taxis. And we will, once we receive all of those elements, we will begin implementing that program with a -- either a local taxi operator or a unit much along the lines of VTA's outreach program. That, in essence, is the infrastructure report for what the city is doing. As we move forward into next steps, what staff is going to be focusing on is really clarifying the funding allocations in the MTC grant. I mentioned that there's a 90-day discussion and study that the MTC will be undergoing regarding how they want to deploy the \$2.4 million for charging infrastructure. We're going to continue to work with our partners, in Alameda County, on the procurement of electric vehicles, making sure that we meet all of the guidelines of the grant. I heard today, in our telephone conference, that according to the grant stipulation, that we may not be able to have any electric vehicles roll into any of the jurisdictions until May 1st. So that may be a bit of a challenge for us all but we'll have to work through those requirements. And then finally under the grants award piece is to initiate a flight selection process as well as the permitting process for the battery swap program. We've already laid down some initial groundwork with a local operator and we think with a thousand square feet we can create a swap-station that will handle up to 100 vehicles. We're very encouraged with that demonstration. The last bullet is implementation. I mentioned that we've been given the opportunity to accept 55 charging points from Coulomb. We've -- staff report talks about finalizing a list of those locations. Perhaps a little misleading, we've generated a list of locations that we want to install chargers for a phase 1 review. The preponderance of those stations will be in the downtown core, with the remaining portions around the perimeter of the downtown looking at geographic balance across the entire fabric of the city. So we'll be looking to finalize an installation budget, the locations and the schedule for those installs. So that concludes our presentation, and staff is here to answer any questions.

>> Councilmember Liccardo: Thanks. Questions?

>> Councilmember Chirco: It's a curiosity question. You were talking about the charging stations and having a variety of stages, some that were older and I think you said level 2 and level 3. Has there been any standardization of these outlets so we don't constantly have this problem?

>> There have. And when we talk about the legacy chargers that's where we really get into the issues of standardization. One of the first pieces of work that the EV corridor did was work towards standardization of that infrastructure along the entire network. Working back with the manufacturers, that standardization of plug types for level 1 and 2 have been implemented. So whether you buy a device from Coulomb or Better Place or some other manufacturer, that plug standard is there and that's what the automobile manufacturers are utilizing and putting into their electric vehicles.

>> Councilmember Chirco: I hate to see all those --

>> Hans Larsen: I think committee member Chirco, as I understand level 1 is a charge that you can get off of a 110 volt system and then 220 is the level 2. And so whether you want to spend, what, 16 hours charging your car at a low level which you might have in your garage already, or if you have a 220 system which like your dryer or something like that would operate under, that's considered a level 2 charger and can charge up your battery in half the time.

>> Councilmember Chirco: And then I had another question about batteries, seems like I remember some conversation. Now, to go into a battery switch-out station it sounds like you switch batteries, but -- and then the other is charged so it's ready for the next vehicle. But what is the life expectancy of the batteries and what is -- you know, at some point where they have to be --

>> Recycled, re-purposed?

>> Councilmember Chirco: Thank you. And what -- where are we at on that element of --

>> That's a great question. I had the opportunity to go to the Nissan ride and drive last Friday, second time for driving a Leaf, and it's a fantastic car by the way. And we asked the same question about battery life. They are -- most of the manufacturers will be warranting the battery for at least an eight year life cycle. They anticipate that that life cycle will last as long as ten years. The batteries in the old days with our rechargeable calculators, where

batteries would create a memory, and you would eventually lose capacity in your batteries. That's not necessarily the case in this new technology. The manufacturers are taking into consideration when they do re-purpose the batteries, that in most cases they're recycling back to a local utility for battery storage, or in this case it would be for PG&E or with dismantlers where they recycle all the recyclable parts and put them back into a new battery production. So it seems theoretically that it's a closed loop in terms of how we're going to process batteries. But to directly answer your question we're thinking eight years at minimum for life cycle on batteries.

>> Councilmember Chirco: You know eight years clicks by very quickly as I can attest to closing in on the end of my eighth year. To like at this as being part of the element of the complete cycle for San José, that this is a critical piece of the puzzle that appears to be missing at this point. And I don't know if you feel that way or not. Because eight years will pass, and we will have more electrical EVs on the roads, and so that needs to be part of the conversation now.

>> And what I would offer is that a year ago, when we were talking about battery technology, or where we've come in a year, is phenomenal. So I think your point is valid. I think we're going to have to be careful about how we deploy electric vehicles, finding the right location and make sure that as the technology advances that we can keep pace with it and extend the battery life to the extent that the technology will allow us.

>> Councilmember Chirco: And then just one last question. On the battery change-outs or the charging stations, these are all available to people that have EVs? Or is it just for public vehicles?

>> Well, charging stations will be offered when you buy an electric vehicle. Today I think you could contact Coulomb or any of the manufacturers and place an order for a charger. Better place, the swap program is a demonstration. So it's at this point considered a science project, if you will. That while scalable, it may -- if we can prove the theory, it may have several applications that may come to market.

>> Councilmember Chirco: It's looking how we give incentives because we've got the park element for EVs, those are maintenance and kind of O&M for investments. So I was just curious what's the infrastructure to support that kind of vehicle ownership?

>> For a switch-out?

>> Councilmember Chirco: For anybody that buys an EV.

>> It's really interesting. The -- there's not a whole lot of moving parts on these electrical vehicles. The -- to completely charge a 24-kilowatt-hour battery which is what Nissan has on their leaf and 16 for the volt, Hans mentioned depending on the level of charger that you get the time varies. But to fully charge a battery is about \$2.70. There's no oil to change. There's brakes. There's minimal lubrication. So from an O&M perspective as a residential owner, getting past the I think it will be easy to get past the O&M element. It's the range anxiety that really folks are going to have to deal with.

>> Councilmember Chirco: I was thinking of, like the range, but the charging, and then also the battery change-out, those are the things you covered in your report that I was interested.

>> I think again with the battery switch-out we'll be measuring a lot of information in terms of the cost to do the switch-out. Again, it's about a minute per switch-out. But in terms of the overall cost of ownership I think those are overall costs that we're going to be measuring to see if it can come to market and be a rental program.

>> Councilmember Chirco: Thank you.

>> Councilmember Herrera: Do you envision the switch-out stations being the new gas stations and replacing the gas station, and how many would you think --

>> That's great question.

>> Councilmember Herrera: How would they relate to in terms of ratio to the charging station? Can you just maybe discuss that a little bit?

>> What better place is saying is that each switch-out station which is about a thousand square feet will support 100 vehicles. And I can't do the arithmetic quick enough but if it's a minute per switch-out, can you turn a lot of vehicles in a 24-hour day. My personal feeling is, is that I think the switch-out market is going to -- it's going to be a niche market. I think the battery technology in a year has come so far that once the electric vehicles really begin to hit the market and become a regular way of traveling, that the technology is going to be so advanced, we're going to get more than 100 miles range and we're going to get past that battery switch-out notion. So I think it's a niche market. For a taxicab concept it probably has great application. But it really is going to be dependent on where the technology takes us over the next four to five years.

>> Councilmember Herrera: So it's more of an interim -- kind of an interim solution, and of course the taxicabs it is going to be an ongoing thing.

>> For wanting to be the electric vehicle capital of the world, we didn't want to leave any -- no pun intended -- any leaf unturned, we wanted to definitely test this switch concept to see if it has application, whether it's in the municipal fleet or elsewhere.

>> Councilmember Herrera: Yeah, I think that's important that we provide those bridges to exploring that. In terms of the stations that are -- charging stations that are going to be set up throughout the city, where are you thinking, what types of locations would you be looking at, at this point, what are you thinking and are you taking into consideration or do you know where early adopters are within the city? Where would they be more higher concentration of people going to buy electric cars or how are you thinking about that?

>> We don't have that information yet, normally, you would build a service based on need or request. Clearly, we think that there's going to be a greater need for charging infrastructure in the downtown core. People are going to

come downtown, they're going to park in our parking structures and our surface lots. So we think a greater concentration of charging infrastructure needs to be downtown. As we move out within the overall city fabric, we're looking to leverage our existing facilities that we own, whether it's libraries or community centers or even service yards, where appropriate, to stage charging infrastructure so that the driving community has a place to get a quick charge. Most people are going to be charging their vehicles in their garage, at night. Off peak hours. Charging infrastructure that's out and about away from their home is really going to get that bridge charge to get them to their next location or in the event that they forgot to charge their vehicle that night, they'll have a place to get a quick charge. So we don't know. Working with Coulomb, we want to install a fabric or a network of electrical vehicle infrastructure, and then measure its use. The network will have enough intelligence to know by sight how many charge sessions are implemented, how many minutes are charged and we'll be able to gather data to determine if that's the right location and how we're marketing to our customers. So we feel it's important to get in front of it. But not too far in front of the vehicle rollout because we don't know exactly what the right ratio is going to be.

>> Councilmember Herrera: Thank you.

>> Councilmember Liccardo: Thanks, Randy. I know that better place had been working pretty hard in a lot of sites around the world, even before Tokyo, and I was under the impression that they had already gotten a fair amount of vehicles engaged in Israel previously. Is it fair to say they've proven the concept already at least somewhere in the world?

>> Yes. And I think the most recent -- I just spoke to the most recent demonstration. But I think the concept has been proved. It's just that its application here in the Bay Area will be -- is the next frontier I should say.

>> Councilmember Liccardo: Okay. The one thing I -- the free feedback I got out there on the plaza was that there was some amount of frustration in terms of our ability to find this site for the better place, the battery switch location.

>> Right.

>> Councilmember Liccardo: And I assume you're looking at the airport, maybe the convention center, I don't know where else. Has that been at least resolved the general site where we're going to have this?

>> We're narrowing in on a site in the northern part of the city. Quite possibly might be on a VTA, the outreach site, where their outreach vehicles deploy. They have the space. There's interest in discussion right now. So that might be the best place to do that initial deployment.

>> Councilmember Liccardo: That's at their service yard?

>> Uh-huh.

>> Councilmember Liccardo: Okay, appreciate working with VTA and certainly the utility of doing that. It seems like a shame to have this extraordinary technology in San José in a place where no one's going to see it. And in terms of branding the city, it seems like really a missed opportunity, particularly in light of the fact that San Francisco is already fair to say out in front with regard to their infrastructure on this issue.

>> That's a great point. I would say that we haven't decided on the site. That's one area that we've been focusing on. We think it's a great opportunity. I wish we had two sites. Because that would be one, along with perhaps the airport, as well. But that's going to be our over the next three to six months as we look for siting for this one station, we'll continue to review all possible sites.

>> Councilmember Liccardo: Okay, thanks Randy. Judy.

>> Councilmember Chirco: I have no idea what it is, but the site that we're doing for the household hazardous waste, what is that site called?

>> Councilmember Liccardo: Yeah, that is over at Las Plumas.

>> Councilmember Chirco: Yes, the Las Plumas. I don't know if there's any land out there, but that -- because that is already a place that will attract. It's got the educational component. It's going to have the household hazardous waste. I don't know if there's even land, or if it's something suitable but just --

>> That's a great suggestion. Thank you.

>> Councilmember Liccardo: All right, well, thank you gentlemen. We do have one comment from the member of the public. David Wall David, you know the drill. You have two moneys.

>> David Wall: And if I smell a little smoky it was because I was in the presence of our honorable firefighters today up on north 10th street. San José tries so hard to be something other than it's not. Being the capital of electric cars isn't one of them. The whole issue of what to do with these batteries has been glossed over. In other words, what we've heard today is nothing more than blather. What are you going to do with the thousands of these batteries, how to are recycle them, how do you keep them from being just chucked into a creek or on the road side? These infrastructure plans are paramount for any type of these things to begin with. Also, we note unfortunately, what has become a cause celebre. It's grant farming. These grants are not for sustainable funding for these stations or these programs, so what are you going to do when the grants dry up and go away? So that part has to also be discussed. Who's going to pay for this infrastructure, the maintenance of it? There are a lot of problems with these electric vehicles that have yet to be discussed, but primary amongst them should be solved in a very short-order drill is what to do with these batteries. How they're recycled, where do you get rid of them and how easy it is to get rid of them. Thank you.

>> Councilmember Liccardo: David --

>> David Wall: Food is the thing you should focus on for the capital of this city.

>> Councilmember Liccardo: Thanks David. So we simply accept the report? Okay.

>> Councilmember Chirco: Move to accept the report.

>> Councilmember Herrera: Second.

>> Councilmember Liccardo: All in favor? That passes unanimously. Thank you very much, gentlemen. Move on to automated camera enforcement of red light running. D-3.

>> Hans Larsen: Yes, Mr. Chair, Hans Larsen again, invite Laura Wells to come join me up here for this item. You have with you a status report on automated camera enforcement, in fact our recommendation is to suspend the program. As just -- by way of background, in May of 2009, committee and council recommended that the Department of Transportation and the police department develop a pilot program for automated red light camera enforcement. We had worked the following year on developing a program, and issuing an RFP for a vendor to help implement the program. We came back to this committee in April of this year with the recommendation that we put the program on hold, primarily because of two factors. One is that we would need some money to be able to encumber a contract for this, and there wasn't money currently in the City's budget and with the budget challenges we were facing we were not sure we would have the money to do that. We also raised the issue of staffing concerns in order to roll out a new program like this, to the community, there'd need to be an investment in public relations and advising the community at the start of the program. So we wanted to wait to see what came out of the budget process. As the committee is aware there have been significant cuts both to the Department of Transportation, the police department, which has only made the rolling out a new program like this more challenging. The other thing that we've mentioned in this report is that the -- kind of the policy or legislative environment regarding red light camera programs has only gotten more challenging and I would say kind of unstable. There's been several pieces of legislation proposed that have looked at reducing the fines for red light camera violations. There's legislation that's been proposed that would create additional administrative responsibilities and limits on agencies that do these programs. The courts have also raised concerns with the amount of increased activity that they're getting on challenges, to red-light tickets. And so kind of back to the --

sort of the original issues which are still with us, you know, the budget to be able to start a program, the lack of resources to roll it out, and now kind of what I would consider an unstable kind of a policy environment. At this time, we're recommending that we suspend the program. We do believe that this can be very valuable for the city, in terms of improving safety. But we would look towards another time or a window of opportunity, to raise this back. So that's our brief report on the topic. Laura and I are happy to take any questions that you have.

>> Councilmember Liccardo: Thanks, Hans. Any questions? Judy.

>> Councilmember Chirco: Talk about the best of the worse news. Best part, it could improve safety, the worst part, we can't afford it. So thank you for your work.

>> Councilmember Liccardo: Rose.

>> Councilmember Herrera: I think your recommendations are well founded given where it looks like legislation is going, too. So given that additional burden, I can see why you are recommending suspending it.

>> Councilmember Liccardo: If I could ask just a question or two. I'm trying to understand first what's happened and then sort of what our options are at this point. As you I look at the list of legislation that's identified by the bullet points. Am I right in believing that none of these proposals were actually enacted, or was SB 1362 actually enacted?

>> Hans Larsen: I believe the two that were introduced this year were not enacted.

>> Councilmember Liccardo: Right. AB 909 got killed, right, that was vetoed?

>> Hans Larsen: That's correct.

>> Councilmember Liccardo: In terms of what we might fear, that hasn't happened yet, is that fair to say?

>> Hans Larsen: That's fair to say. I would just add whether these bills got through our sense is that's kind of a concern in other communities, is that the concerns that this legislation was trying to address hasn't really been resolved, and there are likely to be other mechanisms brought forward to try to address some of the concerns about red light camera enforcement. So that creates for us the unstable environment to go forward. I think kind of our concern is the analysis that we've done, and the research we've done with other agencies, is that clearly, we would not move into this program as an effort to make money. Sort of despite the impressions that that's what's motivating local agencies. We think it's an effective safety tool. Most agencies are breaking even with their programs, some are losing money, some are making a little bit. If they make some money they reinvest them back into other safety programs. We're wanting to get into this, really looking at achieving cost recovery. But our concern is, is that with some of the kind of policy legislative accord actions is make it more challenging to try to achieve cost recovery with these kinds of programs.

>> Councilmember Liccardo: Right, and we don't have the authority to set the amount of fine?

>> Hans Larsen: No, that's determined by the state.

>> Councilmember Liccardo: Okay. Let me just say I have no moral qualms about the notion that we could make money with this program, if that were the case. So I know some are concerned about that, but I certainly don't have any misgivings about that, assuming 218 allowed it. But the question I had was really knowing that the \$200,000 capital investment is sort of what we expected up front, I guess that's between outreach and whatever capital expenses we might have, was there any waive making that go away by virtue of an RFP or negotiation with any of these companies that said, look, you guys get to pick up the up-front cost and you get to keep more of the back-end revenue. Was that explored?

>> Hans Larsen: Just to clarify some of the numbers, the \$200,000 that was in our report was really the cost of the staff work, to research the program and develop it. What we anticipate we would need as really seed money to start the program and get a firm on board, somewhere in the order of \$600,000. So that would be what we'd

need to encumber as part of a project. And then if the program is -- has no net cost we would expect that we would be able to recoup that initial investment through fines that we would receive over the course of a year-plus.

>> Councilmember Liccardo: Right.

>> Hans Larsen: And so really it's that startup money to enter into the contracts. So there are --

>> Councilmember Liccardo: The pay-back period is pretty short then, roughly a year you're saying?

>> Hans Larsen: Roughly -- it would be a little more than a year to begin with because we would need to encumber the money. And then there's the consultant, our contractor would deploy the equipment. At their cost. But the structure of the RFP that we put out is that there's a two-year commitment to operate the program, with then the ability to renew it. And so, they're look at -- and they, based on state law, they're not getting a percentage of the tickets but they're basically a service provider to the city to run the program. So they get a fixed amount whether -- and so like the risk of whether we make money or lose money is on the City's side.

>> Councilmember Liccardo: Okay so there's --

>> Hans Larsen: Fully to answer your question --

>> Councilmember Liccardo: Is what you're saying is legally there's no way to force them to be able to capitalize the up front cost, that their fee is said by statute somehow or --

>> Hans Larsen: I mean the structure of the RFP is that we would -- and this is for example of using three locations.

>> Councilmember Liccardo: Right, but we set the structure of the RFP. So the question is couldn't we set a structure that would essentially allow them to capitalize the cost so the burden wouldn't be on us?

>> Hans Larsen: They would capitalize the cost, so they would pay for the equipment, and the installation, and then we're committing to paying them essentially a monthly service fee for a minimum of two years. And the revenue off the system comes back to the city.

>> Councilmember Liccardo: Let me ask the question a different way. Is there a way in which the amount of money the city would generate would be sufficient to be able to pay off the City's costs and the question is now whether or not we have the money in the budget but whether or not we can send out an RFP that would allow them to finance the cost, right?

>> Mollie Dent: I think what's happening is because you don't know you will receive that amount of revenue, you have to be able to encumber the amount of their monthly payments up front. So you essentially have to budget the amount that you would be required to pay them. You may or may not receive the revenue depending on how much activity is generated. And so there's not a way to make them only get paid if you generate sufficient activity. So that's the dilemma. You need to have the money to be able to encumber it in the year, whenever you issue the contract to the contractor.

>> Councilmember Liccardo: Okay. But to be fair, that's the reality we face with every fee program we have in the city. Which is we don't know if that revenue is going to come in. We budget under the assumption it will and we adjust our projections throughout the year.

>> Mollie Dent: The difference is it's not fee revenue, it is fine revenue. I think it's a little bit more -- it isn't the same exactly as a fee revenue based program.

>> Councilmember Liccardo: I understand the distinction, don't know what the difference is.

>> Ed Shikada: To your point councilmember, the distinction is whether we're borrowing against our current operating cost which would effectively be necessary in order to fund or cash flow the staff costs for development

of the program and ultimately have it reimbursed through any actual revenues generated by citation. So it this we have not taken that leech to effectively pro against the future potential revenue.

>> Councilmember Liccardo: Okay. And I understand we're not in the business of taking a lot of speculative risks right now particularly given the state of the budget. But in the sense that we may be borrowing in this sense, we are borrowing every time we decide the staff, the Planning Department or the building department with a particular number of people, that sufficient fees will come in to support that number of employees. And that's a left of risk we take in that context. That's why I'm not understanding the decision to back off, unless we -- and there's no way to generate the revenue that would take care of the cost. In that case, I would get it, and I could use time in helping to understand that, it doesn't have to be now it could be at another time so just to understand where my concern is focused.

>> Hans Larsen: And I understand if the program and the fine structure holds in the year-our expectation is that we can identify pilot Olympics that are going to generate enough activity that we'd be able to return revenue that would cover really the cost of the contracts. And what were -- so there's the issue of the front money but I would -- you know it's not different than if we accept a new grant and we've got to front it first and we get paid back later. So there's a cash flow issue with it. What I think is most troubling is that the proposals to significantly affect the fine structure where I think a ticket was going from over \$400 whether it was \$100 or \$200 so a significant reduction in the fine for certain kind of red light violations. The other bill was proposing limits for how the city could operate the program and reporting requirements. So it created a fairly significant administrative burden on the city that you know we hadn't factored into kind of the cost calculations that we had thus far. I think even more significantly, though, I think from my perspective, is that you know, the staff that we would have that would roll out this program, is our neighborhood traffic management, traffic safety team. And that based on budget cuts last year, that group was cut almost by 50%. The police department is also had cutbacks in terms of their kind of traffic enforcement group as well.

>> Councilmember Liccardo: Hans I really appreciate those concerns, believe me I do. Honestly I believe we ought to start looking at technologies like this. You don't have enough people and the police don't have enough

people. But I appreciate your concerns. I'm hopeful maybe we can continue the conversation offline a little bit just understand the numbers a little better.

>> Hans Larsen: Sure.

>> Councilmember Liccardo: Thank you. Rose.

>> Councilmember Herrera: Yeah I just wanted to understand over time in one of these programs, would you see a decrease in revenue because people would hopefully would have some impact and you'd have fewer red light runners? How would that factor in?

>> Hans Larsen: That's been the experience with other cities that have had this for a while. That their initial revenue off the program is higher and then, over time, as people realize that there's automated enforcement, you get better compliance. Which frankly is what we're looking for.

>> Councilmember Herrera: What you're after, yes.

>> Hans Larsen: So revenues do tend to then decrease. But either to the point that it's still cost recovery, or it's within a range that the program is justified because of the safety benefits that are accrued to the community.

>> Councilmember Herrera: So you wouldn't have to worry that it would go so low that it wouldn't be able to pay for the program itself then? You're saying it probably he wouldn't go that -- that's not one of the concerns that it would drop so low?

>> Hans Larsen: That's a risk that you would take that if you get excellent compliance then the economics of the program goes away. What some other jurisdictions are doing is that if they have locations you know the compliance is good and they're not getting enough revenue they'll move the equipment around to other locations.

>> Councilmember Herrera: Well, I am concerned about being able to fund enough police officers and enough enforcement. So I, too, like Councilmember Liccardo, am very concerned about utilizing technology where we can. So I'll be interested in -- when I first was reading this I was thinking that this legislation had occurred and I guess there's risk of it still occurring because issues keep coming up. And you're saying the state's setting the rate, right?

>> Hans Larsen: That's correct.

>> Councilmember Herrera: That's a little concerning. Sort of out there. But --

>> Hans Larsen: Well, it's even a percentage of the revenue, is that you know, the revenues are split between state, counties and the cities. It is the cities that are running the program, incurring the expense of operating it but we actually get the smallest share of the revenue. Which has been something that we've raised as a policy issue is that perhaps those formulas should change. But they're obviously not popular with the counties and the state.

>> Councilmember Herrera: But it would have to go through the state to change those formulas?

>> Hans Larsen: Yeah, uh-huh.

>> Councilmember Herrera: I'd be interested in hearing other options down the road to see if this could be somehow put into place.

>> Hans Larsen: Yeah.

>> Councilmember Liccardo: Judy.

>> Councilmember Chirco: There's a couple of issues that we've had to change based on legislation, and one was the speeding in the neighborhoods and the camera. That was the legislative issue and now here we have the

red light legislation that really makes it infeasible for us to -- so I was trying to look, I realize the next item is legislative --

>> Councilmember Liccardo: Betsy picked that.

>> Councilmember Chirco: Along with other things that were asked. Maybe we can discuss that in our next one. These all have to do with safety in our neighborhoods so -- and I know there's a safety in San José area in the legislative guiding principles. So maybe we can talk about that a little bit when we get to the guiding principles.

>> Councilmember Liccardo: Excellent segue. Any other questions or comments?

>> Councilmember Chirco: No, I would just move to accept the status report.

>> Councilmember Herrera: Second.

>> Councilmember Liccardo: Okay, all in favor, one no, that passes 2 to 1. Moving on, thank you very much. Thanks Laura, thanks Hans. Moving on to item D-4. The 2011 legislative guiding principles.

>> Betsy Shotwell: Thank you Mr. Chair, members of the committee, Betsy Shotwell, Director of Intergovernmental Relations. And I have before you today a draft of the legislative guiding principles for 2011. This is a practice I do every fall going to all the committees with relevant guiding principles that the departments, the agency have either edited, revised stream lines or changed. And so that is what is here before you today with some input, edits from the airport and from the Department of Transportation, with that be happy to continue the commentary or discussion or answer any questions that you might have. I would like to say that this is going on at the same time as the legislative priorities process is taking place, these two will be joined, in going to council and the Rules Committee and the council in early December. And that is more specific to the issues you would want to engage in, in 2011, whether it be in Sacramento or Washington or regionally, as well. So these

are a little bit broader and more general, what you have before you, and then the more specific appropriations requests, et cetera, those will be in the separate legislative priorities matrix that we're working on right now.

>> Councilmember Liccardo: Thanks, Betsy. And it just so happens that, as Judy mentioned, I had written on my notes, speed cameras are ROC programs are at the top of the list. Judy.

>> Councilmember Chirco: I was trying to, the previous item was being discussed, I was trying flip through and see if there's anything that speaks to neighbor -- we do have support efforts to keep San José safe but it talks about police fire emergency management and emergency million services.

>> Betsy Shotwell: And then if you move a little bit further, Department of Transportation added this a few years ago related to similar concerns the council had in this area, and it was number 6, where it says promote transportation safety and security for all modes, including traffic calming within neighborhood, safe routes to school for children, and increased local authority to set effective traffic control practices on local streets.

>> Councilmember Chirco: And so my question really is, in the previous issue, Hans, you had talked -- so my question to Hans is, these are issues that have been of concern to our community. Is this something that since it is in our legislative guiding principles, that as we continue to work with this at a state level, if there is legislation that changes the environment that it can come back so that we could look at the red light cameras or the --

>> Hans Larsen: Are you referring to that NASCOP program that we had?

>> Councilmember Chirco: Exactly.

>> Hans Larsen: The neighborhood automated speed radar program.

>> Councilmember Chirco: So those were effective tools but it was the legislation that didn't permit the deployment of either the cameras or the NASCOP.

>> Betsy Shotwell: Correct and compounded with the litigation issues as well with that program.

>> Councilmember Chirco: So if the legislation should change that is something that you would bring back to the city because those were well received by the community.

>> Hans Larsen: That has been something that we've advocating for legislation to try to allow us to bring back the NASCOP program and even the -- item number 8 here under safety is to promote technologies that provide for increased safety of road users, pedestrian, bicyclists and drivers, sort of the automated enforcement programs would fall underneath that umbrella. And I had talked and Betsy had talked about Roxann Miller about opportunities to bring back NASCOP and promote our efforts to use technologies for transportation safety. And unfortunately, the environment is pushing things backwards and making it more difficult to do that. And so that's -- I think our efforts I mean this last year were oriented around resisting the measures that we -- that were identified in the previous report. So I mean certainly, we have an outstanding record in San José as a safe big city in terms of transportation and we want to continue to improve and even get better in that. And we they automated enforcement is a way to go. Unfortunately it is -- it is very challenging to move the ball in the right direction on that right now. But certainly, continue to work on that.

>> Councilmember Chirco: Thank you.

>> Councilmember Liccardo: Hans, I understand there's some push back from the officer unions about automated enforcement and I would imagine maybe the negotiation might be directly with those organizations those unions rather than just to see if there's a way in which we can soften their concerns about the program. And I'm wondering if there's been had any engagement with Roxann and those groups.

>> Betsy Shotwell: There's been lot of engagement in years past, nothing recently, this year, but there was of course with the previous bills introduced by senator Kuehl from Southern California when she was in the senate. So there was a lot of discussion. There was a lot of discussion as well with the California Highway Patrol

Association who was the more vocal or signed opponent with regards to your point, a uniformed officer versus something in the mail two weeks later and balancing the impact. So there was a lot of discussion. I -- frankly, discussions along a number of areas and topics really have come to a dead halt this past year due to the state budget. I'm not using that as a crutch. It's just that that's been the reality of policy moving forward which has been minimal this year. Next year, and the following, start of the two-year session, different administration in Sacramento. I don't know where these issues may fall out. I haven't heard either of the candidates express priorities in this area. I'm sure that will happen. It will have to. But in the last few months of the session or the last half-year this has not been a topic in the end of the two-year session.

>> Councilmember Liccardo: Thanks, Betsy. I'm sorry the budget has squeezed out all other discussion. As I look at category C and D I see legislation near and dear to my heart, regarding long term funding for maintenance and operations of our transportation infrastructure. And I know when we were at our last meeting I didn't quite see it, I realize now it's in a different location from throughout. I'm looking at C-7, C-12 and D-15. And I'm wondering if maybe it would make sense in terms both of our transportation and maybe our advocacy to really lay out all the potential formulations in which we believe we could deal with our transportation and I guess our broader infrastructure shortfalls in a single point and in a single -- you know, not to say that -- and this document is fine. But I wonder if maybe that might help, be more helpful just to call out all the different ways, avenues we see in legislation, whether it be assessment districts or user fees --

>> Betsy Shotwell: Perhaps in the first two pages where we summarize under the bullet, we could collaborate some of those points where in the first two pages we sort of take the document and this actually becomes the summary document we bring to Sacramento and we visit our legislators.

>> Councilmember Liccardo: That's great.

>> Betsy Shotwell: And had something in there with regards to a little more language, enhance that language a little stronger and then actually then it becomes our walking talking piece in Sacramento and Washington and it's highlighted.

>> Councilmember Liccardo: That would be great. Because I see when legislators see, you know, we're concerned about funding for maintenance or whatever, they think that means, okay, more money out of the state kitty, which we don't have. For instance I'm looking at that time last bullet you have on that walking piece, promote investment in infrastructure, maintenance and rehab, and really what we want is just some liberalized rules around assessment districts or how we can engage with user pricing in this city, you know just reducing some of the legal barriers to some of the mechanisms we know. People might be quite willing to accept, if they know it's going to significantly improve their quality of infrastructure.

>> Betsy Shotwell: All right.

>> Councilmember Liccardo: So anyway, I think all in all the document's incredibly complete. I know you've got a lot in there. The last concern I just raise was around flexibility and impact fees.

>> Betsy Shotwell: Uh-huh.

>> Councilmember Liccardo: Whether it be transportation impact fees or Quimby act fees, you know, PDO mechanism or whatever else, the fact that they're so capital restrictive has certainly tied our hands in so many ways, and I wonder if there's any openness from the legislature to be able to give us the ability to use any of that money for operations?

>> Betsy Shotwell: Maybe we don't want to tell them. Sorry, don't quote me. Yes, I remember you raised this in the Community and Economic Development committee, and I know Ed Moran was at that meeting, and I'll be working with the attorney's office on some language because we have it here throughout the document, but maybe something wraps up a few of those points.

>> Councilmember Liccardo: Wonderful, thank you. Great, thank you very much.

>> Hans Larsen: Chair Liccardo, if I might just add on that as a follow-up to the study session that we had with the city council on pavement maintenance, we spoke a little bit to what our various policies or our legislative strategies could be in addressing that issue. And we expect it will be coming back to this committee with follow-up from that study session where we can kind of focus on that particular area and what we might be able to pursue as priorities. So we see that probably coming back together as part of the next step of you know, what our legislative priorities, and having a section that really focuses on our pavement infrastructure challenge.

>> Councilmember Liccardo: Great, thanks Hans. All right, thank you very much.

>> Betsy Shotwell: Thank you.

>> Councilmember Liccardo: Do we simply accept this one? Okay is there a motion to accept?

>> Councilmember Herrera: Motion to accept.

>> Councilmember Chirco: Second.

>> Councilmember Liccardo: All in favor? That passes unanimously. I'm sorry, there was a request from a member of the public to speak. It was David Wall. David, will you forgive me?

>> David Wall: I've always said, councilmembers can do no wrong. He's the only one on record that believes me. What I think should be done and I've discussed this from our honorable person from rules and the rest of the great people at rules, is the legislative process isn't working in so far as the lobbyists are concerned. You don't have the money anymore to pay Patton Boggs \$600,000 plus or the Sacramento people. But you have unique resources here in the City of San José that could cause these elected representatives to snap-to in ways long thought dead. You could create city council TV. And have a news hour. And tell the exploits of congresswoman Zoe Lofgren in regards to D.C. efforts. Or our state people. And convince voters, perhaps, that these people shouldn't be representing them. There's all sorts of creative ways of doing this. The Sacramento express created

by Councilmember Pyle, outstanding idea, have a councilmember on duty up at Sacramento doing the same thing. Telling the people representing San José take care of us, or there will be sustainable consequences. And can you say it with a smile. But you can't keep funding this rigmarole of state lobbyists and Washington lobbyists and think you're going to get anywhere. Because you haven't gotten anywhere yet and people will still get run over by people going through red lights. And what for? Those things will be changed locally instantaneously. City council, the news hour. You could have a lot of fun with it.

>> Councilmember Liccardo: Thank you, David. Fortunately we are having fun. Thank you very much. We'll move on then to item D-5, special events and venues greening. Welcome John.

>> John Stufflebean: Yes, John Stufflebean, director of environmental services. And I have with me Jeff Anderson and Donna Thurmond, who are deeply involved in this program. We do not have a presentation. You have the memo in front of you. We think the program is -- continues to be very successful, and even more successful year after year. And we're here to take any comments you have and try to answer any questions. Thank you.

>> Councilmember Liccardo: Thank you. That was an excellent presentation, John.

>> John Stufflebean: Done it all weekend.

>> Councilmember Chirco: I would like to add to chair Liccardo, nice job.

>> Councilmember Liccardo: Having 62 tons of diversion, and overall rate of 80%, that's pretty impressive. Rose?

>> Councilmember Herrera: Move the report.

>> Councilmember Liccardo: Nothing to comment when it's all good, right? Thank you so much.

>> John Stufflebean: Thank you.

>> Councilmember Liccardo: We have no items, no cards from the public. This is simply to accept or are we transmitting it -- okay.

>> Councilmember Chirco: Move to accept the report and congratulate the staff on a great job!

>> Councilmember Liccardo: Motion to accept and congratulate.

>> Councilmember Herrera: Second.

>> Councilmember Liccardo: Okay, all in favor? All right, that passes unanimously. Thank you and congratulations. Moving on to item D-6. Proposed storm water treatment requirements for smart growth development.

>> John Stufflebean: So I must apologize that we do have a presentation on this one.

>> Councilmember Liccardo: That's okay, John, you're allowed.

>> John Stufflebean: But it's a great one. Melody Tovar, our Deputy Director in watershed, she will be giving the presentation.

>> Hi, good afternoon. I'm joined by Elaine Marshall, our storm water program manager. And we're here today to report to the committee about an ongoing effort between ESD, public Works and planning to define how storm water treatment requirements will be done on certain types of smart growth developments as allowed by our storm water permits. When we came back to you guys in August of 2010 to give kind of an overview of the breadth of the permit we identified a subset of areas that were going to be challenging. This is one of those. And

so today we'll be seeking your and council's support to continue to work with our Bay Area storm water agencies to develop a regional proposal and to submit that to the regional water quality control board or to develop a San José specific proposal if our efforts to collaborate regionally don't address San José's specific needs. So our permit requires that effective December 1, 2011, that we use what's called low impact development treatment techniques. It's one year later in 2012 for our public projects. The term low impact development more broadly is synonymous with smart growth development. Such concepts include using land efficiently by clustering our buildings, by minimizing roads and parking and other auto related needs and preserving the natural drainage characteristics of a site and using landscape to treat storm water where we can. But in the context of the permit, low-impact development refers to a subset of treatment techniques that will be allowed hierarchy for what kind of treatment techniques are appropriate for new and redevelopment sites. And they include at the top of the pyramid, capture and reuse of storm water. We have a photo example here on our right that is not in our area. And then down the tiers evaporation, and infiltration, infiltration being challenging with our clay soils here in this area, green roofs, shown here on the left, and then eventually bio-treatment. If the other things don't prove feasible, then we can go to bio-treatment. We show an example here in the center. So fundamentally, our development projects will be faced, come 2011, with a shrinking tool box for how they're going to meet storm water treatment requirements. Many of the practices in use today, such as tree well filters, we've shown an example here on the left, that small shrub is actually atop a storm water filter. Modular bio-treatment units, we've shown a center one that would be an underground unit that also does filtration, and modular bio-treatment units, here on the right-hand side, that landscape areas is actually a small wetland, will no longer be allowed under the permit's low impact development-based treatment requirements. Tree planter systems are not included in the permit's LID treatment measures because they provide filtration primarily at a very high rate, and the permit elsewhere in the language places a maximum flow rate that they believe is acceptable for adequate treatment. And so because these flow too fast, they have been excluded from the family of low-impact development techniques. Vault base systems like you see here commonly used in urban settings where utility and other site constraints prove that it is the only thing that we would be able to do. In many cases the very nature of the project itself using the whole of the site for the development itself allows very little if any room for above ground techniques and so these underground techniques have proven essential. So the permit, while ambitious does not -- does include some opportunities. And so for a subset of projects we can identify opportunities that we would call

them smart projects and they would be afforded greater flexibility in how they would manage storm water treatment on their site. The permit's special projects provision acknowledges that high-density, transit-oriented, pedestrian-friendly development yields greater water quality and other environmental benefits by reducing accessory impervious areas and reducing vehicle use and automotive related pollutants. So the special project can be defined based on their geographic location and by the type density on that site. The way the regional conversation has gone the proposal is that such projects be given 100% flexibility. We have over the conversation over the journey talked about different percentages of flexibility, what part of the site could be treated using these other techniques, and we have landed on for this very small set of projects we would request 100% flexibility. While a regional proposal does have its benefits it is not without its own journey, and so as the city focused on redevelopment and densification in order to meet our sustainable growth strategy, our vision of smart growth tends to be a little different than many of the communities here in the Bay Area. Remember, there are 76 permittees across the Bay Area included in this same permit and would be impacted by the same regional proposal. We've been coordinating strongly with our BASMA partners and have also reached out to our local development community members, the home builders association, and more recently to ABAG and to the Metropolitan Transportation Commission to try and bring a variety of perspectives to the conversation, particularly those involved in regional planning. So today we want to go and talk to you about really what are the core elements of the project proposal and seek your support on us asserting these as the core elements of the proposal. The first one is in-fill. In-fill in our proposal is defined as projects that create no more than one acre of impervious surface, with permanent structures essentially going lot line to lot line. These are fully built-out projects smaller than an acre. They must be included in an area that's part of the municipality's stated objective to preserve or enhance a pedestrian-oriented type of urban design, and they must be located in a municipality's legally defined central business district, the downtown core area, or a neighborhood business district. We've given a couple of examples. I'll highlight just the one on the right. 1 East Julian, it is 43 residential units on just .46 acres of land. It's got covered parking, so there is no other parking on the site, it's adjacent to light rail and to the downtown core. And the other project is similar characteristics. So we're saying these projects by their very nature help with environmental benefits and even water quality benefits and should be given full flexibility to still treat their storm water. They still have to treat their storm water, but be given a fuller tool box when doing so. Our second category of high density. This category includes projects creating or replacing up to two acres of

impervious surface area with no surface parking, other than incidental parking that you would need for emergency or passenger dropoff or ADA type access. To achieve a smart growth type of urban design these projects shall have a following minimum development requirements, so some minimum density thresholds associated with this project category. Residential projects would need to have at least 30 dwelling units per acre, commercial projects would need to have a floor area ratio of at least 2 to 1. And mixed use projects including residential and commercial would need to have a minimum floor area ratio of 2 to 1. In this case we think that when we look at these projects, they're things like the 360 residence, it's got 203 units on 1.2 acres, they do tend to be a little bit bigger than an acre sometimes, and that's why it was important that this criteria include something larger than the one acre site. We capped it out at 2. But it's got basement parking. There is no other above-ground parking in the downtown core area. Again, these are the kinds of projects that offer environmental benefit and would be dramatically challenged to meet this low-impact development small tool box of techniques for storm water treatment. For this particular project criteria, we've -- at a regional level we've arrived at this idea of 30 units per acre as a threshold. As we proceed with conversations with stakeholders, San José would be able to go higher than the 30 as a minimum threshold. And 50 would probably be a number closer to our common minimums. Projects that look like that. But again as part of the regional conversation we're currently at 30. Our third core category is transit oriented development. This includes projects located within a one half mile radius essentially a ten mile walk of an existing or planned transit hub or area designated as a transit village center a transit noticed a transit corridor or priority development area under the city's general plan or specific plan with no surface parking, once again, other than incidental parking. And so our example here -- I'll go on the one on the left because it's closer to my house -- is 256 residential units on 6.7 acres. So these can be larger projects, but they must be within walking distance to these core transit hubs. In that case it also includes mixed use. It's got about 30,000 square feet of commercial space. Again, valuable projects located near transit. Inherently these will reduce vehicle trips, which will reduce automotive related pollution, and we think that they should be given the fuller tool box, so we would be proposing 100% flexibility for them as they again treat storm water, they're still doing that. There are some other categories. These are not what we're describing as our core categories. But these are other project types that are also challenged and so as we've had the regional conversation about what to include in this proposal two other categories have come up. One of them is roadway widening. We don't do this very often except this part of development projects. But when and if we do we are often confronted with utility

challenges underground or no space aboveground. And so looking for alternatives would be important.

Redevelopment sites, when you develop just over, anything over 50% of the site, you are required by the currently permit to treat the whole site, even the site you're not affecting. That could present significant drainage challenges of how you get the existing site drainage to your new site development area. You could do things like pumping the water. This seems a little contrary to our other energy related goals, so we would propose that such projects get some type of credit. Again, we don't see these a lot in San José. We tend to develop a smaller portion of the site or the whole thing. That's what we've seen in our experience. Speaking of our experience, a more recent development since we did the staff report is that we, as other cities are doing, have taken a look at our past project inventory to see how would these core project criteria come to play if we looked at our past project history. It's been important from the water board staff's perspective that this special projects category be special so this should be the exception and not the rule. So when we look at the 223 projects we've reported to the water board on in the last four years 28, 13-ish percent, would fall into those core three categories I described. 13% might sound like a lot, but when we look at the area of those projects, it represents only 4% of the impervious area that have been addressed by those 223 projects. And so the other 96% of the area would need to be treated using those low impact development techniques. So we think that meets the exception not the rule kind of criteria they're looking for. Again, we found little road widening, if any, no partial site redevelopment in our past catalog. When we looked at our existing workload of what's in the pipeline for development, we found that we have 18 qualifying projects that we would need to report to the water board when they're approved, and all of those met the TOD criteria, but they all had parking. And so looking at our core definition none of them would fall into those three buckets. Regionally, when we've looked at the TOD idea there has been more conversation about some parking. There might be some park allowed on these sites. We have been pretty strict in our definition to date, and so we foresee that there might be some continued conversation on what some parking looks like. Not easy to define and it's more likely that those would get some credits. And so not 100% flexibility like the core categories we've described to you earlier. We've done a ton of coordination, we continue to do that now. I -- we have asserted all along the way that it's important for a level playing field and so we've worked very hard to stay within the regional arena to do this work. The water board perspective when we met with them recently, they did want to see more tiering. The 100% credit was a bit surprising for them. They have looked at some areas that don't look anything like our area that had more tiered credit systems. You get a certain percentage for this, a

certain percentage for that. We have continued to instead focus on making this a very small pool of projects overall and to give them the flexibility they need to get the site done and still manage their storm water. Over time we could see that the proposals could evolve. Again I talked about that one category that had 30 units for dwelling acre now, so long as we walked away with 50 dwelling units per acre with 100% flexibility we believe it would meet the core needs for San José. Some other secondary factors may also come to play for partial credit. Having said that the water board also didn't have the performance standard that we have here. So they don't have the fuller picture that we've got today. And their latest feedback to us was that they're optimistic that we will find a common ground together, but we can expect pretty tight controls on how we implement this. They remind us that this permit is a five-year permit, so this goes to 2014 and then there would be new requirements implemented after that and those requirements would no doubt be part of a different conversation that would be informed by how we implement this over the next three years. And so our proposal is due to the water board December 1st. This will require water board action, not just their administrators, but the actual water board itself, and so this will require a public hearing to adopt at some point. We believe spring 2011 is the soonest the staff would be ready to go to their board. So we ask today that the committee accept this report on the special projects proposal to the water board and that you recommend to the city council to authorize the administration to continue coordinating with BAASMA and to move forward with the San José specific proposal if we feel the regional one isn't meeting our needs. That concludes our presentation, we're ready for questions.

>> Councilmember Liccardo: Thanks for the presentation. Questions, Judy.

>> Councilmember Chirco: I believe you said there was 76 participants in this storm water perm. The ones you outlined, would those -- they sound reasonable by the definition. Is that something that would then be district-wide or that would be just San José-specific?

>> So these criteria have been developed as part of a regional conversation, and so these categories, the way we've described them, would apply everywhere.

>> Councilmember Chirco: Oh, okay.

>> Some of them got a little wordy in the descriptions themselves. The reasons for that is we have diverse ways of talking about what transit is and diverse ways of talking about what neighborhood district look like across 76 agencies. And so, yes, it would apply region-wide to all permittees in the permit.

>> Councilmember Chirco: And are all the other agencies creating, you know, looking at problems within their responsibility area and coming up with similar and that will all go to the public meeting?

>> Yes. So the data that we provided about our screening of projects is being done by other cities as well.

>> Councilmember Chirco: Okay.

>> I don't know that every city is doing it but a good number of cities is also providing that information. That's part of our regional proposal to help the water board staff understand that this is an exception not a rule when you apply these criteria to development projects.

>> And you said you thought this would probably be in the spring it would go to the water board?

>> Yes.

>> Councilmember Chirco: I'd like to tell you I'll come back to find out but maybe I'll read it online. [Laughter]

>> Councilmember Liccardo: We'll call you Judy.

>> Councilmember Chirco: Thank you.

>> Councilmember Liccardo: Rose? No. Good luck with your advocacy with the water board. I think it's really important to emphasize to them, that there aren't many jurisdictions in the South Bay, in fact none, that are

building density like we are. Certainly, not at the high density kind of residential that we're building or for that matter office either. You know we look around at neighboring jurisdictions and you know Mountain View just declined to push forward high density right on a CalTrain corridor right at the station. It was pretty remarkable. And you know we're building 200 units to the acre here. I think water board needs to understand that they need to allow for San José and cities that are willing to accept the responsibility to build high density, they need to allow us the flexibility to be able to do it. Because we have a high water table, we have an airport that constrains our ability to build high and developers do not find it from a geographic standpoint a welcoming place to build. So if we don't get the flexibility from them it won't get built anywhere. Thanks a lot.

>> Ed Shikada: Mr. Chair, members of the committee, if I can make one possible clarification on the second bullet there, I do believe we have an inconsistency with the staff report. The second bullet indicates it will go to the full council but in some subsequent conversation among staff, we were comfortable proceeding with the committee's feedback. So unless there's a need for at the committee's discretion or pleasure to take it to the full council we'll proceed based on the feedback we get here today.

>> Councilmember Liccardo: Sit with the committee's pleasure.

>> Councilmember Herrera: Do we need a motion then and amend that second recommendation then or --

>> Councilmember Liccardo: Actually the recommendation in the staff report doesn't mention the full council.

>> Mollie Dent: So just accept the staff report. If you accept the staff report then staff will be moving forward on their own. If you want there to be direction with respect to the submittal then it would need to go to the council.

>> Councilmember Herrera: Motion to accept the staff report.

>> Councilmember Chirco: Second.

>> Councilmember Liccardo: And follow the separate recommendation?

>> Councilmember Herrera: Follow the separate recommendation.

>> Councilmember Liccardo: All in favor. Pardon me, take that vote back. David Wall.

>> Councilmember Herrera: Hold that thought.

>> Councilmember Liccardo: Mollie, we didn't officially have a vote yet.

>> Mollie Dent: Okay.

>> David Wall: Good because I recommend that you reject the report with extreme prejudice. The issue is basically regulatory compliance. And although the city attorney's office is outstanding in everything they do they are short-handed and so I recommend, for example, looking -- having staff prepare you a budgetary outline with reference to an organizational chart, I would submit to you that you could eliminate several management positions within storm water and fund attorneys to deal with the compliance issues. And therefore, your program costs would be significantly reduced. Also there's been no discussion of the funding for these smart projects. It is perceived that it will, coming out of the storm drain fund but I consider this to be burdensome and oppressive therefore objectionable. These projects themselves and high density living projects themselves, as you purport, if they're to be built, there must be reformulations of the parcel tax so these entities can pay for their own storm drain issues, instead of just lopping it off the storm drain fund and making single family homeowners and everybody else pay an increase to support these projects. In other words, when you have your high-density living projection they should be self-funded. I personally compliment Mountain View, Los Altos Hills, Saratoga, all these other places that see how high-density living projects are an anathema to environmental type living. It should be just completely outlawed. But focusing in on the management costs off to my right, there's more management costs off to my right than your salaries are in toto. And yet you are the ones making the decisions. I've watched the storm drain group and I'm not grossed. Take a walk down any creek or any river in our city Our storm drains

are in an atrocious mess and yet we're supposed to believe that these folks can come up with a program that we can be proud of and that we can fund? No, no. I don't accept it. Thank you.

>> Councilmember Liccardo: Thank you, David. With that we can now take a vote. All in favor? Any opposed? That passes unanimously. We now have time for open forum. David.

>> David Wall: As I mentioned earlier, today I had the privilege of being in the presence of the San José fire department. Now, I would recommend that all of you vote no, come to redemption here and vote no on measure V and measure W. Just tell the public that you made a mistake because America loves stories of redemption. Let me give you an example of why the fire department and their response time would be very important with the following truthful account. As I was proceeding southbound on north fifth street to come to this meeting today, lo and behold there was a bicycler in a suit similar to our learned chairman there, without a helmet on, and running a stop sign! Now, it would have been a horrible situation if a car would have smacked Your Honor, and then the fire department would have to come out to save you because I'm not a doctor but I was right behind you but you didn't see me. But riding a bicycle without a helmet and breezing through a stop sign is a sure way to get smacked. And hurt. And maybe even horrible, more horrible things. But the fire department, because of their deployment strategy may not get to save you on time. And I'd be there sitting there, Sam, could have been saved if the fire department would have been properly staffed, vote no on measure V and measure W. What can I say? I -- do you need some money to buy a helmet? I'll give you some. I -- because after Rules yesterday or last week you didn't have your hell helmet on there, either. Let's do safety and that's what government's job is and that will be it. Thank you.

>> Councilmember Liccardo: Thank you.