

**Regular Minutes  
City Council/Redevelopment Agency  
City of Huntington Beach**

Monday, October 17, 2005  
4:30 P.M. - Room B-8  
6:00 P.M. - Council Chambers  
Civic Center, 2000 Main Street  
Huntington Beach, California 92648

An audiotape of the 4:30 p.m. portion of this meeting  
and a videotape of the 6:00 p.m. portion of this meeting  
are on file in the Office of the City Clerk.

The 4:00 p.m. portion of the meeting was recessed by Deputy City Clerk Kelly Mandic to 4:30 p.m. in Room B-8 due to a lack of quorum.

**Call to Order**

Mayor Hardy called the regular meetings of the City Council/Redevelopment Agency of the City of Huntington Beach to order at 4:35 p.m. in Room B-8.

**City Council/Redevelopment Agency Meeting Roll Call**

Present: Hansen, Coerper, Sullivan, Hardy, Green, Bohr, Cook  
Absent: None

**The City Clerk Announced No Late Communications**

Pursuant to the Brown (Open Meetings) Act, City Clerk Joan L. Flynn announced no Late Communications regarding this agenda item had been received by her office following distribution of the agenda packet.

**The Following Additional Late Communications Were Submitted During the Meeting:**

Communications submitted by Edward Barnes, undated, titled *Report on the Prevailing Wage Law of Nevada, Its History, Cost and Effects* and *Questions and Answers about Davis-Bacon: Protecting the American Standard of Living*.

Communications submitted by Jim Adams dated October 17, 2005 titled *Public Works' Prevailing Wage Study Session and Review*, which includes copies of studies titled *The Davis-Bacon Act: A Response to the CATO Institute's Attack*, *Losing Ground: Lessons from the Repeal of Nine "Little Davis-Bacon" Acts*, *Opinion – Cutting Wages Won't Save Tax Money*, *Prevailing Wage Laws and the California Economy*, *The Effect of State Prevailing Wage Laws on Total Construction Costs*, *A Comparison of Public School Construction Costs*, *California's Prevailing Wage: An Investment in Quality*, and *State Prevailing Wage Laws and Construction Costs: A Reply to Professor Thieblot*.

Communication submitted by Doug Chappell, undated, titled *Prevailing Wage Laws Effects on School Construction*, *Independent Studies Done by Peter Phillips, Ph.D., University of Utah, Economics Department*, *Howard Wial, Ph.D., The Keystone Research Center*, and *Mark J. Prus, Ph.D., Department of Economics SUNY Cortland on Prevailing Wage Laws, and their Effects on the Cost of School Construction*.

## Public Comments

**Hart Keeble** spoke in support of prevailing wages, asserting that they protect the lower-middle class, and asked Council to consider protecting the ordinances.

**Doug Chappell**, Business Manager with the International Brotherhood of Electrical Workers Local No. 441, spoke in support of prevailing wages, noting that the cost of living in Orange County is quite high. He referred to a Late Communication he submitted to Council and stated some contractors want to import workers from other areas, and this would hurt local workers.

**Jim Adams**, affiliated with the Los Angeles and Orange County Building and Construction Trades Council, spoke in support of prevailing wages stating that it is not a union issue, but a labor issue. He noted the cost of living in Huntington Beach and referred to the Impact Study, stating that certain issues are not included in the study. He asked Council to take the time to read and review the information in a packet he submitted as a Late Communication.

**Ken Maylone** voiced his support for prevailing wages ordinances and cited studies conducted in other cities which he stated document the negative impact of repealing prevailing wage laws.

**Edward Barnes**, Southern California Regional Director for the State Building and Construction Trades Council of California, referred to a Late Communication he submitted in support of the prevailing wages ordinance. He stated repealing the ordinance would hurt workers and local businesses, and asked for Council support.

**Chuck Scheid** requested that copies of all materials presented at this meeting be made available to the public.

Addressing the previous speaker, Mayor Hardy announced that copies of Late Communications would be available in the City Clerks office the day after the meeting.

**(City Council/Redevelopment Agency) Study Session Held – Finance Board Gave a Presentation on Prevailing Wage History and Perspective as it Relates to Huntington Beach. Presentation Included Finance Board Recommendations. (110.10)**

## Finance Board Roll Call

Present: Charles Falzon – Chair, Bob Jones, Andy Weiss, Tim Geddes, Frank Lograsso  
Absent: Joe Domingo, Gerald Chapman

Finance Officer Dan Villella introduced the Finance Board. Finance Board Chairman Falzon gave a PowerPoint report titled *Huntington Beach City Council/Finance Board Study Session October 17, 2005, which* was included in the agenda packet. The report detailed the history of the board's actions prior to and subsequent to February 22, 2005. Chair Falzon noted goals including: Financial policies, Form 700 (to be brought back to Council in November), and prevailing wage. He spoke in detail regarding prevailing wages, outlining the opportunity for savings including maintenance contract opportunities, the impact study, a prior study done in 2002, and other considerations including limitations to the study. Lastly, Chair Falzon spoke regarding the board's recommendations: to adopt a policy to accept non-prevailing wage bids wherever possible and to provide staff the option of sourcing funds in the budget that would maximize opportunities to obtain non-prevailing wage contracts.

Councilmember Green inquired about workers' legal status and Mr. Weiss responded, speaking of employer's legal obligation to ensure the legality of workers. City Administrator Penny Culbreth-Graft also responded regarding processes to ensure compliance. Councilmember Green inquired about the quality of work received with projects and Mr. Jones responded, speaking of bidding. Officer Villella also responded regarding completion bonds. Councilmember Green inquired about the licensing of workers and benefits provided, and Public Works Director Robert F. Beardsley reported regarding requirements and standards met in terms of the contract and certified payroll.

Mayor Pro Tem Sullivan commented on Finance Board recommendations, asking for clarification. Officer Villella reported on funding of projects and choosing labor-intensive projects for non-prevailing wage. Mayor Pro Tem Sullivan also gave examples of current non-prevailing wage contracts including refuse services and ambulance services. He commented on the use of the word "inaccurate" when speaking of the 2002 wage study. He also stated his opinion that savings would be significantly larger than noted in the PowerPoint report, and commented on street sweeper prevailing wages. He thanked the Finance Board for their efforts and urged Councilmembers to study the situation.

Chair Falzon referred to a City of Sunnyvale study, and the methods used to determine prevailing wage figures.

Councilmember Coerper thanked the Finance Board, and inquired about a survey of Orange County cities. Chair Falzon reported this study was done in 2002, and agreed to submit copies to Council.

Councilmember Bohr spoke relative to his interest in studying City-funded service contracts rather than services currently performed by City employees.

Councilmember Cook spoke regarding what she referred to as a disturbing trend of local income in the area dropping in rank as compared to other areas of the country. Mr. Weiss commented, stating his opinion that factors that made prevailing wages necessary are no longer present.

Councilmember Green stated her interest that workers have benefits so that non-profit organizations are not overwhelmed with requests. She thanked the Board, as did the Mayor.

### **Motion to Recess to Closed Session – Approved**

A motion was made by Sullivan, second Green to recess to Closed Session on the following items. The motion carried by the consensus of all present, none absent.

**(City Council) Closed Session** – Pursuant to Government Code Section 54956.9(a) to confer with its attorney regarding pending litigation which has been initiated formally and to which the city is a party. The title of the litigation is **City of Huntington Beach v. State of California, Coast Community College District, City of Tustin, City of Stanton, et al.**, Orange County Superior Court Case No. 05CC00118; **and related actions: City of Huntington Beach v. Huntington Beach Police Officers Association**; United States District Court Case No. SA 01-1125 JVS; **and Scottsdale Insurance Company v. Huntington Beach Police Officers Association, and the related counterclaim, American States Insurance v. City of Huntington Beach**, United States District Court Case No. SA 03-1143 JVS. Subject: **City of Huntington Beach v. State of California, Coast Community College District, City of Tustin, City of Stanton, and related cases (Gun Range)** (120.80)

**(City Council) Closed Session** – Pursuant to Government Code Section 54956.9(a) to confer with its attorney regarding pending litigation which has been initiated formally and to which the City is a party. The title of the litigation is **Thomas Pejovich v. City of Huntington Beach**, Orange County Superior Court Case No. 04CC07087. Subject: **Thomas Pejovich v. City of Huntington Beach** (120.80)

**(City Council) Closed Session** – Pursuant to Government Code Section 54957.6 to meet with its designated representatives: Agency Negotiators: Penelope Culbreth-Graft, City Administrator; Chuck Thomas, Acting Deputy City Administrator, Dan Villella, Finance Officer; and Irma Youssefieh, Human Resources Manager regarding labor relations matters – meet and confer with the following employee organization: **SCLEA**. Subject: **Labor Relations – Meet & Confer**. (120.80)

**Reconvened City Council/Redevelopment Agency Meeting – 6:11 P.M. – Council Chambers.**

#### **City Council/Redevelopment Agency Roll Call**

Present: Hansen, Coerper, Sullivan, Hardy, Green, Bohr, Cook  
Absent: None

**(City Council) City Attorney's Report of Action Taken by the City Council in Closed Session on October 17, 2005 (Pursuant to Government Code §54957.1) Regarding City of Huntington Beach v. State of California, Coast Community College District, City of Tustin, City of Stanton, et al.; Orange County Superior Court Case No. 05CC00118; and related actions: City of Huntington Beach v. Huntington Beach Police Officers Association; U.S. District Court Case No. SA 01-1125 JVS; and Scottsdale Insurance Company v. Huntington Beach Police Officers Association, and the Related Counterclaim, American States Insurance v. City of Huntington Beach, United States District Court Case No. SA 03-1143 JVS.**

City Attorney Jennifer McGrath reported that on Monday, October 17, 2005 the City Council convened in closed session to discuss the matter of City of Huntington Beach v. State of California, Coast Community College District, City of Tustin, City of Stanton, et al.; Orange County Superior Court Case No. 05CC00118; and related actions: City of Huntington Beach v. Huntington Beach Police Officers Association; U.S. District Court Case No. SA 01-1125 JVS; and Scottsdale Insurance Company v. Huntington Beach Police Officers Association, and the related counterclaim, American States Insurance v. City of Huntington Beach, United States District Court Case No. SA 03-1143 JVS.

Council voted to authorize the following actions:

1. The Mayor to sign and the City Clerk to attest to a settlement in the amount of \$71,200 with the State of California regarding the Huntington Beach Gun Range.
2. In exchange for the payment to the City, the City will:
  - (a) Dismiss with prejudice its suit against the State.
  - (b) Defend and indemnify the State and hold it harmless against any claims arising out of its use of the Gun Range.

- (c) Apply with the State for Court approval of the settlement agreement. If granted, Court approval would bar anyone (including the POA) from suing the User regarding the cost of cleaning up the Gun Range. If the Court denies the application, the settlement requires the City to defend the State against any third-party claims.

The Council voted as follows: 7 Ayes; 0 Noes; 0 Abstentions.

**Pledge of Allegiance** – Led by Girl Scout Troop 540

**Invocation** – Led by Reverend Peggy Price, Greater Huntington Beach Interfaith Council

### **The City Clerk Announced Late Communications**

Pursuant to the Brown (Open Meetings) Act, City Clerk Joan L. Flynn announced Late Communications regarding agenda items that had been received by her office following distribution of the agenda packet:

PowerPoint presentation submitted by the Planning Department, dated October 13, 2005 titled *Conditional Use Permit No. 02-04, Coastal Development Permit No. 02-05 – Seawater Desalination Facility.*

Communication submitted by Jan D. Vandersloot, MD dated October 17, 2005 titled *Code 241.10 Requires Denial of Poseidon Desalination Project Agenda Item D-4.*

Communication submitted by John Earl, President of Residents For Responsible Desalination (R4RD) concurring with the opinions expressed in Jan Vandersloot's email regarding Municipal Code 241.10 and its application to the proposed Poseidon Seawater Desalination Project.

Communication submitted by Mike Costello, dated October 13, 2005 stating concerns regarding the Poseidon pipeline route.

Communication submitted by an anonymous party, a copy of a submission written by Gary Gorman and published in the Huntington Beach Independent on September 29, 2005 titled *No Good Reason to Reject Poseidon.*

Communication submitted by Poseidon Resources dated October 17, 2005 titled *Letter of Intent Regarding Water Purchase Agreement and Owner's Participation Agreement.*

Communication submitted by Sandra Genis of Planning Resources stating in accordance with Section 241.10 of the Huntington Beach Zoning Code, denial of the application for Conditional Use Permit No. 02-04 is required.

Twelve communications in opposition to the approval of Conditional Use Permit (CUP) 02-04 and Coastal Development Permit (CDP) 02-05 for the Poseidon Seawater Desalination Project from the following individuals: Jan D. Vandersloot, MD, Traci Thiele, Patrick, Maria & Patricia Coponiti, Rose M. Zoia, Attorney on behalf of Residents for Responsible Desalination (R4RD), Mary Jo Baretich, Alfred L. Vari, Marinka Horack, John & Judy Nichols, Linda & Roy Guite, Lena Hayashi, Debbie DeMeulle, and Edward DeMeulle.

Nine communications in favor of the approval of Conditional Use Permit (CUP) 02-04 and Coastal Development Permit (CDP) 02-05 for Poseidon Seawater Desalination Project from the following individuals: Theresa O'Gara, Jeff Harrelson, Todd Fairbanks, Myra Arenas, April Schleede, Brenda St. Hilaire, Nina Flores(2 communications), an Ron & Anna Winship.

**The Following Additional Late Communications Were Submitted During the Meeting:**

PowerPoint report submitted by Bob Harrison dated October 17, 2005 titled *HB Water Treatment Facility, Huntington Beach City Council*.

Communication submitted by Norm "Firecracker" Westwell dated October 17, 2005 asking Council to vote "Yes" to approve the staff recommended action on the seawater desalination project (Poseidon).

Communication submitted by Joe Geever dated October 17, 2005 titled *Poseidon Desalination Facility – Statement of Overriding Considerations & CDP/CUP*.

**Presentation** Mayor Jill Hardy called on Police Chief Ken Small and Fire Chief Duane Olson who introduced and presented commendations to the graduates of the Summer 2005 Orange County Law Enforcement Explorers from Huntington Beach who are part of the Search and Rescue Explorer unit. Search and Rescue Coordinator Officer Adam Burke introduced the graduates. (160.40)

**Presentation** Mayor Jill Hardy called on Ray Hiemstra, Environmental Board Chair, who present the Environmental Board Awards for 2005. Mr. Hiemstra announced the following recipients: Cartridge World Huntington Beach, Shirley Dettloff, Gary Gorman, Claire Grozinger, Evan Henry, Kim and Thierry Kolpin, Jean Nagy, Brian R. Parker, Simple Green, and Linda Wolfe. (160.40)

**Mayor's Award** Mayor Jill Hardy called on Library Director Ron Hayden to present the Mayor's Award to Facilities Coordinator Renee Brown and Theater Media Technician Mark Pearce who work together to ensure the Library's facility program is a success. Director Hayden announced that the two individuals worked together to break a record for revenue generation in the past year. (160.40)

**(City Council) Part 2 of 2 Parts of Public Hearing Opened/Closed and Continued from September 6, 2005 – Continued to November 21, 2005: Approve Conditional Use Permit (CUP) No. 02-04 and Coastal Development Permit (CDP) 02-05 for Seawater Desalination Project (Poseidon) Forwarded by the Planning Commission. Approve CEQA Statement of Findings and Fact with a Statement of Overriding Considerations. Approve the Mitigation Monitoring and Reporting Program. (420.80)**

Mayor Hardy asked Councilmembers if they would like to reopen the public hearing to allow comments on the agenda item pertaining to the seawater desalination plant during the public hearing.

A motion was made by Sullivan, second Coerper to reopen the public hearing. (The motion was subsequently replaced by a substitute motion.)

Councilmember Green stated her opposition to the motion. Councilmember Cook suggested opening the public hearing during public comments. Councilmember Bohr stated his interest in continuing the agenda item in question, since new information has been provided. Mayor Hardy asked for clarification.

A **substitute** motion was made by Bohr, second Hansen to pull forward and continue the two agenda items pertaining to the seawater desalination plant to November 21, 2005. (vote to follow)

Mayor Hardy stated her support for the substitute motion. Mayor Pro Tem Sullivan stated his opposition to the substitute motion.

The substitute motion carried by the following roll call vote:

AYES: Hansen, Coerper, Hardy, Green, Bohr  
NOES: Sullivan, Cook  
ABSENT: None

**(Redevelopment Agency) Continued to November 21, 2005 – Authorization to Enter Into Negotiations With Poseidon Resources Corporation to Construct and Operate a Seawater Desalination Plant at a Site in the Southeast Coastal Redevelopment Area (400.10)**

Continued to November 21, 2005 meeting by motion approved 5-2 (see above.)

**Public Comments**

**Norm “Firecracker” Westwell** thanked Council for continuing the Poseidon Seawater Desalination Plant agenda items to a future meeting.

Councilmember Bohr asked for clarification when public comments for the Poseidon Seawater Desalination Plant should occur. Mayor Hardy clarified that all who wish to speak on this item should speak during Public Comments.

**Je’net Kreitner** thanked Poseidon Resources for their water donation to the food drive. She reported that the Library doubled their donation poundage. She also reported that the City collected 13,778 pounds of food and \$1,500, which is an 810% increase from last year. Ms. Kreitner asked for a Councilmember and for citizens to sit on next year’s committee, and asked interested individuals to call 714-771-1343 x139. She also presented a commendation to the City.

**Mark Bixby** gave a PowerPoint report, his annual Shea Parkside update.

**Jean Nagy**, President of the Huntington Beach Tree Society, spoke regarding recent plantings of trees by the Tree Society. She encouraged individuals to view the newly planted trees, and recognized the citizens who donated money to the program. Ms. Nagy thanked the Park, Tree and Landscape crew, irrigation crew, residents, and corporate donors for their support and asked individuals to call 714-564-1396 to report areas that need more trees.

**Dean Albright** asked Council why there is a rush to annex Bolsa Chica. He also asked about placing water lines below a sewer lines and about closing Los Patos, which he stated might delay response time for public safety calls. Mr. Albright asked Council to resolve these issues before decisions on annexation are made.

**Joseph Jeffrey** announced his intention to return to speak November 21, 2005 regarding the seawater desalination project.

**Dave Guido**, President of Huntington Beach Tomorrow, thanked Council for delaying the decision on the Poseidon project. He stated his opposition to Poseidon, but not to desalination. Mr. Guido asked Council to research the project that he said is currently in process with the Metropolitan Water District.

**Chris St. Hilaire** displayed what he claimed are cards from 8,000 supporters of the desalination project. Mr. St. Hilaire said he would return November 21 to speak further on the topic.

**Dr. Prem Saint**, professor from Cal State Fullerton, spoke in support of the desalination project stating sustained development hinges on being self-sufficient as a City.

**Don MacAllister**, long-time resident, asked Council to think about long-term planning related to the desalination project. Mr. MacAllister voiced his support for the Poseidon project and asked Council to approve the project in November.

**Cathy Meschuk**, southeast resident, thanked Council for taking the time to research the Poseidon project and urged them to support it. Mr. Meschuk stated her reasons for support including: a reliable source of fresh drinking water, tax benefits, jobs, improvements to the surrounding area, and no cost to the City.

**Paul Cross** congratulated Council on the City's libraries. Mr. Cross spoke in opposition to the Poseidon project, citing concerns with the AES power plant.

**Carolyn Crockett** spoke in opposition to the Poseidon project stating concerns that the lifestyle in southeast will change if a new industrial project is added. Ms. Crockett asked Council to vote "No" on the project.

**Robin Leffler**, Costa Mesa resident, stated concerns that the pipeline for the Poseidon project would go through the City of Costa Mesa. Ms. Leffler asked Council to announce the facts if her concern is accurate.

Mayor Pro Tem Sullivan clarified that the Environmental Impact Report (EIR) was submitted to the City of Costa Mesa for comments.

**Guy Adams** voiced his opposition to the Poseidon project citing no proof that tax dollars will increase. He stated appreciation for Councilmembers' comments and their efforts to research the issue. Mr. Adams stated his preference that the AES power plant cease to exist and that people convert to solar sources for electricity.

**Jacqueline Gould**, 92646 Zip Code resident, voiced her opposition to the Poseidon project based on concerns about the ocean and marine life. Ms. Gould also stated her preference for conservation rather than new water sources.

**Dominic Menaldi**, resident across from the Ascon site, stated he had installed solar panels in his home and voiced his opposition to the proposed desalination plant. Mr. Menaldi also spoke regarding the AES power plant and its negative visual image and polluting particles that attach to his solar panels.

**Jack Adams**, 30-year resident and local business owner, stated his opposition to the desalination plant as a surfer and user of the ocean. He asked Councilmembers to disclose if they have accepted or plan to accept donations from Poseidon. Mr. Adams also spoke regarding a brochure produced by Poseidon.

Councilmember Cook announced that information regarding campaign contributions is available in the City Clerk's office.

**David Stiller**, Costa Mesa resident, spoke in opposition to the Poseidon project and the proposed pipeline which he said would entail construction in his city. Mr. Stiller asked Council to vote "No" on the project.

**Brittini Newman**, 16-year resident, voiced her concern for the name and reputation of the City. Ms. Newman voiced her opinion that the ocean should not be used as a resource for money generation.

**Howard Barnes**, local real estate agent, spoke in favor of the Poseidon project. He cited a need for water sources to allow property values to continue to increase. Mr. Barnes also voiced concerns about a desalination plant being operated by a public agency, and how this would effect the City.

**Bob Polkow** spoke in support of the Poseidon project, stating that streets will be in better shape after the project than they are currently. Mr. Polkow asked Council to vote "Yes" on the project.

**Bob Harrison**, 35-year southeast resident, registered professional engineer and member of Amigos de Bolsa Chica and the Bolsa Chica Conservancy gave a PowerPoint report in support of the Poseidon project, citing numerous benefits.

**Tim Geddes**, southeast resident, spoke in opposition to the Poseidon project. He stated he had attended a Costa Mesa City Council meeting and that Costa Mesa citizens are concerned. Mr. Geddes voiced his opinion that statements made about increased tax revenue from Poseidon are overstated.

**Monika Galluccio**, resident, stated her appreciation for Council and the City Clerk in organizing the seawater desalination agenda item. She spoke regarding experiences in Salzburg with a pedestrian zone and comparisons to Surf City. Ms. Galluccio voiced her opposition to the desalination plant, and concerns about the source of power to run the plant.

**Carol Hughes**, 30-year resident, voiced her opposition to the Poseidon plant. Ms. Hughes stated her concerns with polluting of the ocean and with adding an industrial plant to the area.

**Pat McCully**, 38-year resident, stated her opinion that vital public services should not be privatized. Ms. McCully voiced her opposition to Poseidon, based on the company's history.

**Gus Mau**, affiliated with Orange Coast Unitarian/Restore Democracy End Corporate Rule Committee, asked Council to consider present and future residents before making a decision on the desalination plant. Mr. Mau voiced his concerns with Poseidon Resources' track record, the risk of added noise pollution, soil contamination, and deteriorated ocean conditions.

**Bill Hartge** voiced his support for additional water sources, Poseidon or other. Mr. Hartge spoke regarding a serious drought in the Rocky Mountains a few years ago, and the dangers of few water sources.

**(City Council) Councilmembers Coerper, Green and Mayor Pro Tem Sullivan Reported on Marine Battalion “3/1” Committee (110.10)**

Councilmember Coerper reported on Marine Battalion “3/1” Committee fundraising and assistance. He announced the presentation of two sets of clothes washers and dryers, prepaid gasoline cards, a Halloween event for “3/1” families, the 4<sup>th</sup> of July event, ceremonies at Camp Pendleton, the Time Warner program, and asked for more donations.

Mayor Pro Tem Sullivan reported on community support, asking for volunteers and funds. He announced the \$31 Campaign, that a donation receives a window decal indicating support for the “3/1”, and that other denominations are also acceptable. He asked individuals to call 714-375-3131 or visit hb4marines@aol.com for further information. The Mayor Pro Tem also announced upcoming events including a golf tournament scheduled for May 22, 2006 at Camp Pendleton, with sponsorships still available; and the intention to have another picnic after the July 4<sup>th</sup> parade for “3/1” families.

Councilmember Green announced coordination of care packages for soldiers in Iraq and asked interested individuals to call Cindy at 714-375-3131.

**(City Council) Reviewed and Accepted Shari Freidenrich, City Treasurer’s August, 2005 Report Titled *City of Huntington Beach Summary of City Investment Portfolio, Bond Proceeds, and Deferred Compensation Activity* (310.20)**

The City Council considered a communication from City Treasurer Shari Freidenrich transmitting the Monthly Investment Report for August 2005.

City Treasurer Freidenrich gave a PowerPoint presentation titled *August Treasurer’s Report*, which was included in the agenda packet.

A motion was made by Coerper, second Hansen to review and accept the monthly report titled *Summary of Investment Portfolio, Bond Proceeds, and Deferred Compensation Activity for August 2005*, pursuant to Section 17.0 of the Investment Policy of the City of Huntington Beach. The motion carried by the following roll call vote:

AYES: Hansen, Coerper, Hardy, Green, Bohr

NOES: None

ABSENT: Sullivan (out of room), Cook (out of room)

**(City Council) Public Hearing Held – Approved the City of Huntington Beach Consolidated Plan 2005-2010 for Submittal to the U. S. Department of Housing and Urban Development (HUD). Pulled from Agenda of October 3, 2005 and Rescheduled to October 17, 2005. (340.70)**

Mayor Hardy announced that this was the time noticed for the public hearing to consider a communication submitted by the Acting Economic Development Director transmitting the following **Statement of Issue**: In order to receive the City’s annual entitlements from the U.S. Department of Housing and Urban Development, it is necessary every five years to conduct a public hearing and to approve a Consolidated Plan. Funding allocations for fiscal year 2005-2006 were approved by the City Council on July 18, 2005.

Legal notice as provided to the City Clerk's Office by staff had been published and posted.

Economic Development Consultant Mike Hennessey gave a PowerPoint report titled *Consolidated Plan for U. S. Department of Housing and Urban Development (HUD)*.

Mayor Hardy declared the administrative public hearing open.

City Clerk Joan L. Flynn announced that there were no Late Communications for this item.

There being no persons present to speak on the matter and there being no protests filed, either written or oral, the Mayor declared the public hearing closed.

A motion was made by Green, second Coerper to:

1. Approve the City of Huntington Beach Consolidated Plan 2005-2010

**and**

2. Authorize submittal of the Consolidated Plan to the U. S. Department of Housing and Urban Development. The motion carried by the following roll call vote:

AYES: Hansen, Coerper, Sullivan, Hardy, Green, Bohr, Cook

NOES: None

ABSENT: None

### **Consent Calendar – Items Removed for Separate Discussion**

The following items were removed from the Consent Calendar for separate discussion:

(City Council) Release of the Cash Bond to CIM Group for Tract 16406, The Strand

(City Council) Amendment to West Orange County Water Board (WOCWB) Joint Powers Agreement (JPA) Increasing Meeting Compensation to Board Members

(City Council) Resolution 2005-69 Authorizing Execution of Revised Program Supplement Agreement No. M029 Rev. 1 to Master Agreement No. 12-5181 Which Covers Preliminary Engineering, Construction and Construction Engineering Costs for the Beach Boulevard Parkway Landscape Enhancement Federal Transportation Enhancement Activities (TEA) Project, CC-1229

### **Consent Calendar – Items Approved**

On motion by Green, second Coerper Council approved the following Consent Calendar items, as recommended. The motion carried by the following roll call vote:

AYES: Hansen, Coerper, Sullivan, Hardy, Green, Bohr, Cook

NOES: None

ABSENT: None

**(City Council/Redevelopment Agency) Approved and Adopted Minutes (120.65) -** Approved and adopted the minutes of the City Council/Redevelopment Agency Regular Meeting of August 15, 2005 and City Council/Redevelopment Agency Regular Meeting of September 6, 2005 as written and on file in the Office of the City Clerk. Submitted by the City Clerk.

**(City Council) Approved Orange County Flood Control District (OCFCD) Cooperative Agreement D05-040 for Newland Street Widening Project at Huntington Beach Channel, CC-1095 (550.20)** Approved and authorized the Mayor and City Clerk to execute the Cooperative Agreement D05-040 with the City of Huntington Beach and the Orange County Flood Control District (OCFCD) for the Newland Street Widening at the Huntington Beach Channel. Submitted by the Public Works Director. Funding Source: No funding is required for this action.

**(City Council) Adopted Resolution 2005-68 Approving Commitment of \$875,600 of Federal Home Investment Partnership Program Funds to the Pending Studios at Center Affordable Housing Project (340.70) – Adopted Resolution No. 2005-68; “A Resolution of the City of Huntington Beach Committing HOME Federal Housing Funds to the Pending Studios at Center Affordable Housing Project”.** Submitted by the Acting Director of Economic Development. Funding Source: \$875,600 of HOME Program Funds, Account Numbers 85180401 and 85280401.

**(City Council) Continued to November 7, 2005 - Release of the Cash Bond to CIM Group for Tract 16406, The Strand – Staff to Report to Council on Remedies from DDA (420.60)**

The City Council considered a communication from the Public Works Director transmitting the following **Statement of Issue:** The CIM Group is requesting a refund of the funds submitted as a Cash Bond for improvement securities for Tract 16406, the Strand Project. Funding Source: The Bond and Trust Fund, 706.

Councilmember Green requested this agenda item be removed from the Consent Calendar to inquire why the bond is being released. Public Works Director Robert F. Beardsley reported that the bond is an exchange of security. Councilmember Green asked if Council can deny request. Staff reported, stating further research is needed to respond.

Mayor Hardy inquired about the potential for delay of work if the item is continued. Staff reported.

Councilmember Cook stated her preference to offer CIM the same courtesies offered to other developers.

Councilmember Bohr inquired about the project status. Deputy City Administrator Paul Emery reported.

Councilmember Green voiced concerns with project delays.

Mayor Pro Tem Sullivan stated his concurrence with comments made by Councilmember Green and his opinion that penalties should be levied when developers do not meet set performance dates. City Administrator Penny Culbreth-Graft stated staff would review the DDA and report back to Council on remedies.

A motion was made by Green, second Sullivan to continue this agenda item to the November 7, 2005 meeting. The motion carried by the following roll call vote:

AYES: Hansen, Coerper, Sullivan, Hardy, Green, Bohr, Cook  
 NOES: None  
 ABSENT: None

**(City Council) Approved Amendment to West Orange County Water Board (WOCWB) Joint Powers Agreement (JPA) Increasing Meeting Compensation to Board Members (600.40)**

The City Council considered a communication from the Public Works Director transmitting the following **Statement of Issue**: The City is a member of the West Orange County Water Board and 56.1 percent owner of the Board's facilities. Two City Councilmember are appointed to the Board to represent the City. The Board was created by a Joint Powers Agreement in 1967. The Joint Powers Agreement allows for \$50 per meeting compensation to Board members. The amendment increases this amount to \$100 per meeting. Funding Source: The Board's expenses are funded by each of the member cities (Huntington Beach, Seal Beach, Garden Grove and Westminster) based on percentage of ownership. The City of Huntington Beach's portion of Board operations is funded by the Water Fund.

Councilmember Hansen commented on the per meeting increase and stated his opinion that no increase should be made.

A motion was made by Hansen, second Cook to deny the amendment. (the motion was subsequently replaced by a substitute motion)

Mayor Hardy stated her support of the motion.

Councilmember Hansen inquired about the effect of a "No" vote, and City Attorney Jennifer McGrath reported that an amendment requires unanimous approval of the cities.

Mayor Pro Tem Sullivan asked Councilmembers about stipends for other Boards, stating his opinion that the increase is justified based on time spent.

Councilmember Hansen suggested amending the motion to bind participating Councilmembers to also vote "No". (Second to the motion declined the amendment)

Mayor Pro Tem Sullivan inquired further about stipends, and stated opposition to the motion.

A **substitute** motion was made by Coerper, second Sullivan to approve the amendment to the Joint Powers Agreement and authorize the Mayor and City Clerk to execute the amendment. (vote to follow)

Councilmembers Bohr and Cook stated their support for the substitute motion.

Mayor Pro Tem Sullivan commented that Huntington Beach does not pay stipends to Councilmembers for attending Redevelopment Agency meetings.

The substitute motion carried by the following roll call vote:

AYES: Coerper, Sullivan, Green, Bohr, Cook  
 NOES: Hansen, Hardy  
 ABSENT: None

**(City Council) Adopted Resolution 2005-69 Authorizing Execution of Revised Program Supplement Agreement No. M029 Rev. 1 to Master Agreement No. 12-5181 Which Covers Preliminary Engineering, Construction and Construction Engineering Costs for the Beach Boulevard Parkway Landscape Enhancement Federal Transportation Enhancement Activities (TEA) Project, CC-1229 (340.70)**

The City Council considered a communication from the Public Works Director transmitting the following **Statement of Issue**: This resolution will authorize the Mayor and City Clerk to execute Program Supplement Agreement No. M029 Rev. 1 for preliminary engineering, construction, and construction engineering related to the Federal Transportation Enhancement Activities (TEA) program. The project has already been authorized to receive Federal funding for both the design and construction phases. Funding Source: The project is fully funded through a combination of TEA Grant, Gas Tax and Water Fund. The budgeted project amount is \$940,000 including \$210,000 for water line relocation.

Mayor Pro Tem Sullivan requested that this agenda item be removed from the Consent Calendar.

A motion was made by Sullivan, second Coerper to adopt **Resolution No. 2005-69** – “A Resolution of the City Council of the City of Huntington Beach Authorizing the Mayor and City Clerk to Execute Program Supplement No. M029 Rev. 1 to Agreement No. 12-5181 for Beach Boulevard Parkway Landscape Enhancement Project.” The motion carried by the following roll call vote:

AYES: Hansen, Coerper, Sullivan, Hardy, Green, Bohr, Cook  
 NOES: None  
 ABSENT: None

**(City Council) Councilmember Green Announced Dedication of Peter Green Park, Availability of Flu Shots (120.85)**

Councilmember Cathy Green announced the dedication of Peter Green Park, to be held on Saturday, October 22, 2005. She also announced flu shots may be obtained at Huntington Beach Hospital by calling 714-843-5000.

**(City Council) Councilmember Coerper Reported on Fire Station Open House, Illness of Family Member (120.85)**

Councilmember Gil Coerper reported that he had attended the Fire Station Open House. He thanked the Fire Chief and staff for the event. He also announced that one of his brothers is terminally ill, and Councilman Coerper may be out of town for the next meeting.

**(City Council) Councilmember Hansen Reported on Fire Station Open House (120.85)**

Councilmember Don Hansen reported that he had attended the Fire Station Open House on Gothard Street. He thanked Division Chief Jacques Pelletier for his assistance.

**Adjournment – City Council/Redevelopment Agency**

Mayor Hardy adjourned the regular meetings of the City Council/Redevelopment Agency of the City of Huntington Beach at 8:38 p.m. to Monday, November 7, 2005, at 4:00 p.m., in Room B-8 Civic Center, 2000 Main Street Huntington Beach, California.

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City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach and Clerk of the Redevelopment Agency of the City of Huntington Beach, California

ATTEST:

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City Clerk-Clerk

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Mayor-Chair