

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

Monday, December 15, 2003
4:00 P.M. - Room B-8
7:00 P.M. - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

An audiotape of the 4:00 p.m. portion of this meeting
and a videotape of the 7:00 p.m. portion of this meeting
are on file in the Office of the City Clerk.

Call to Order

Mayor Pro Tem Hardy called the regular meetings of the City Council/Redevelopment Agency of the City of Huntington Beach to order at 4:00 p.m. in Room B-8.

City Council/Redevelopment Agency Meeting Roll Call

Present: Coerper, Hardy, Boardman, Cook (Sullivan arrived 4:02 p.m.; Green arrived 4:01 p.m.; Houchen arrived 4:12 p.m.)

Absent: None

Public Comments

Russ Reinhart, representing the Huntington Beach Police Officers Association, thanked Council for trying to reach a resolution to the city employee health insurance issue. He informed Council that representatives from all seven City of Huntington Beach employee associations had met and had agreed that the health plan offered by CalPers (State of California Public Employees' Retirement System) is the best for city employees.

Jacques Pelletier, representing the Fire Management Association, also commented on the recent positive experience of all the representatives from employee associations meeting together on the health care issue. He stated that he hoped Council would approve the CalPers health care plan for city employees which he believes Council will be discussing during the City Council's Closed Session.

Greg Crow, representing the Marine Safety Officers Association, informed Council that the MSOA strongly supports the CalPers health insurance coverage plan for city employees and requested Council's support of the plan.

Chuck Thomas, representing the Huntington Beach Police Management Association, informed Council that the HBPMA has done a significant amount of research and that they believe the CalPers insurance coverage represents the best plan for the City and city employees.

John Von Holle, President of the Municipal Employees' Association, spoke in support of the consensus reached by the employee associations that CalPers was the best plan. Mr. Von Holle asked Council for their support of the plan.

Kate Hoffman, representing the Management Employees Organization, stated her support for Councilmember Coerper's item regarding his request of approval of funds to pay part of employees health insurance costs on the City Council agenda, and stated her association's support for the CalPers health coverage plan.

Michael Perry, representing the Huntington Beach Firefighters Association, reported his association's support for the CalPers health insurance coverage and stated his support for Councilmember Coerper's agenda item concerning the city employee health care issue.

(City Council/Redevelopment Agency) Study Session Held – Presentation Made by the Economic Development Department on Redevelopment Agency Financial Issues (310.30)

Economic Development/Deputy Executive Director David Biggs gave a PowerPoint report titled *Recommendations Redevelopment Agency Financial Issues Study Session December 15, 2003* which was included in the agenda packet. The presentation included background information on debt, short-term cash flow, long-term debt analysis, policy issue questions and incorporated an outline of staff's recommendations regarding the Policy Issues/Questions for Council/Redevelopment Agency consideration.

Director David Biggs reported that based upon the input received in this study session, staff will return to the Council/Redevelopment Agency Board with a series of actions to address the implementation of the policy direction desired.

Communication and a PowerPoint presentation titled *Recommendations Redevelopment Agency Financial Issues Study Session December 15, 2003* from the Economic Development Department were included in the Agenda Packet.

Policy issue questions presented by Director Biggs related to Ocean View Mobile Home Estates; Emerald Cove; Business Development Expense; overhead charges; proposed conveyance of the Shank House from the Redevelopment Agency to the city; Capital Project Fund Debt; interest rate; land acquisition/debt; and long term debt issues.

Discussion was held between Council/Agency members and staff regarding Redevelopment Agency financial issues and overhead charges.

City Administrator/Executive Director Ray Silver stated overhead charges will be calculated.

Director David Biggs informed Council of proposed future study sessions scheduled to optimize time spent on debt issues. He stated that the goal is to clarify issues, formulate questions, discuss information and seek Council direction. He reported that the main purpose is to provide a point of reference for future Councils.

Mayor/Chair Cathy Green thanked staff for the report.

Motion to Recess to Closed Session – Approved

A motion was made by Boardman, second Hardy to recess to Closed Session on the following items. The motion carried by the following roll call vote:

AYES: Sullivan, Coerper, Hardy, Green, Boardman, Cook, Houchen
NOES: None
ABSENT: None

(City Council) Closed Session – Pursuant to Government Code Section 54957.6 to meet with its designated representatives: Agency Negotiators: Ray Silver, City Administrator; William Workman, Assistant City Administrator; Clay Martin, Director of Administrative Services; Jim Engle, Director of Community Services; Kenneth Small, Chief of Police; Duane Olson, Fire Chief; and Steven M. Berliner, Esq. and Bruce Barsook, Esq. of Liebert Cassidy Whitmore regarding **labor relations matters – meet and confer** with the following employee organizations: **MEO, MEA, PMA, FMA, HBPOA, HBFA, MSOA, SCLEA and Non-Associated.** (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 **Irma Levine, et al. v. City of Huntington Beach, et al.**; Orange County Superior Court Case No. 03CC03482. (120.80)

(City Council) Closed Session – Pursuant to Government Code Section 54956.9(b)(3)(B) to confer with its attorney regarding pending litigation. Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might result in litigation against the agency and that are known to a potential plaintiff or plaintiffs, which facts or circumstances shall be publicly stated on the agenda or announced. **Subject: Potential Litigation** (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 **William David Brown v. City of Huntington Beach, et al.**; Orange County Superior Court Case No. 02CC16222. (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 **Howard Jarvis Taxpayers Assn., et al. v City of Huntington Beach, et al.**; Orange County Superior Court Case No. 818780; Court of Appeal, 4th District, Case No. G029292. (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 **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. HBPOA (Gun Range), and related cases.** (120.80)

City Council Closed Session – Pursuant to Government Code Section 54956.9(b)(3)(A) to confer with its attorney regarding pending litigation. Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed. **Subject: Potential Litigation** (120.80)

Reconvened City Council/Redevelopment Agency Meeting – 7:00 P.M. – Council Chambers.**City Council- Redevelopment Agency Roll Call**

Present: Sullivan, Coerper, Hardy, Green, Boardman, Cook, Houchen

Absent: None

No Actions Taken Which Require a Reporting Pursuant to Government Code §54957.1(a) (3) (B)).

Mayor Cathy Green asked City Attorney Jennifer McGrath if there were any actions taken by the City Council or Redevelopment Agency in Closed Session that required a reporting. City Attorney McGrath responded that there were no actions to report.

Pledge of Allegiance – Led by Mayor Cathy Green

Invocation – Offered by Reverend Peggy Price

The City Clerk Announced Late Communications

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

Communication submitted by Steffen Goltra dated December 12, 2003 titled *Poseidon Desalination Plant* transmitting support of building a desalination plant in Huntington Beach.

Communication submitted by Laura J. Simonek, Manager, Environmental Planning Team, Metropolitan Water District, dated December 12, 2003 titled *Poseidon Seawater Desalination Project* transmitting concerns regarding the proposed project.

Communication submitted by Marty Meisler, Interim Manager, Environmental Planning Team, Metropolitan Water District, dated October 28, 2002 titled *Draft Environmental Impact Report for the Poseidon Seawater Desalination Project* transmitting input to the city's planning process.

Communication submitted by Ricky Ramos, Associate Planner with the City of Huntington Beach, dated September 23, 2003 titled *PC Minutes September 23, 2003* transmitting Planning Commission meeting minutes pertaining to the proposed Poseidon Seawater Desalination Plant project.

Communication submitted by Ronald A. Van Blarcom of Van Blarcom, Leibold, McClendon & Mann, A Professional Corporation, dated December 11, 2003 titled *Appeal of the Planning Commission's Certification of Environmental Impact Report No. 00-02 (Poseidon Seawater Desalination Report)* transmitting support for Council certification of the Poseidon EIR (Environmental Impact Report).

Communication submitted by Susan Jordan, Director, California Coastal Protection Network dated December 12, 2003 titled *Request for Denial of Certification of Huntington-Poseidon Desalination Environmental Document* transmitting support to deny certification of the Poseidon EIR.

Communication from Don Schulz, Executive Committee, Surfrider Foundation, Huntington Beach/Seal Beach Chapter dated December 9, 2003 (untitled) transmitting support to deny the Poseidon Desalination Environmental Impact Report.

Communication from Craig Shuman, D. Env., Staff Scientist, Heal the Bay, dated December 12, 2003 titled *Huntington-Poseidon Desalination EIR* transmitting support to deny the Poseidon Desalination Environmental Impact Report.

Communication from Tom Luster, California Coastal Commission, dated December 8, 2003 titled *Comments on the City of Huntington Beach Environmental Impact Report (EIR) for the Proposed Poseidon Desalination Facility* transmitting opposition to certification of the Poseidon EIR.

Communication from Joe Geever, Surfrider Foundation, Southern California Regional Manager, dated December 11, 2003 titled *Huntington-Poseidon Desalination EIR: Surfrider Foundation Comments* transmitting support to deny certification of the Poseidon EIR.

Communication from Gregory Helms, Manager, Santa Barbara Field Office, The Ocean Conservancy, dated December 11, 2003 titled *Certification of Environmental Document, Huntington-Poseidon Desalination* transmitting support to deny certification of the Poseidon EIR.

Communication from Dr. Scott Jenkins, Senior Engineer, dated December 5, 2003 titled *Wind data for the Poseidon Desalination Project at Huntington Beach* transmitting clarifying information concerning wind data for the proposed Poseidon desalination project in response to questions raised.

Communication from Tom Luster, California Coastal Commission, dated December 9, 2003 titled *Additional comments on Huntington Beach desalination EIR* transmitting additional comments from Coastal Commission staff regarding the City of Huntington Beach environmental review for the proposed Poseidon desalination facility.

Communication from Annie Jelnick dated December 12, 2003 titled *Poseidon Development* submitting support to deny the Poseidon EIR at this time to allow additional deliberation of the proposed project.

Communication from Jan D. Vandersloot, M.D. dated December 12, 2003 titled *Poseidon versus HB Staff Reports dated November 17 re: Nov 7 CEC Letter* transmitting concern regarding content duplication on correspondence.

Communication from Robert Thomas dated December 11, 2003 titled *Proposed Poseidon Desalination Plant* transmitting support to deny the request for proposed construction by Poseidon.

Communication from Neil D. Tsutsui, Ph.D., Department of Ecology and Evolutionary Biology, University of California, Irvine, dated December 15, 2003 titled *Poseidon EIR and CUP* transmitting opposition to certification of the EIR and CUP (Conditional Use Permit) for the Poseidon desalination plant proposal.

Communication from Debbie and Steve Clark dated December 8, 2003 titled *no on the desalination plant* transmitting opposition to the construction of the proposed Poseidon plant.

Communication from Jill Tyler dated December 9, 2003 titled *Poseidon vote Dec. 15th* transmitting opposition to the proposal by Poseidon.

Communication from Nicola Peill dated December 10, 2003 titled *Late Communication Re: Desalination Plant* transmitting opposition to the approval of the proposed desalination plant installation at the Huntington Beach power plant.

Communication from Jeff Stevens dated December 15, 2003 titled *Agenda Item D-2a, D2-b, Please Oppose Poseidon EIR and CUP* transmitting opposition to certification of the EIR and CUP for the Poseidon desalination plant proposal.

Communication from David Gordon dated December 14, 2003 titled *Proposed Poseidon Desalination Plant* transmitting opposition to approval of the proposed Poseidon desalination plant.

Communication from Michael Callison dated December 14, 2003 titled *The Proposed Poseidon Plant* transmitting opposition to approval of the proposed Poseidon plant.

Communication from Sandra Fazio, DC, dated December 12, 2003 titled *Poseidon* transmitting opposition to the proposed Poseidon plant.

Communication from Craig Wagner dated December 12, 2003 titled *Poseidon* transmitting opposition to the proposed desalination plant.

Communication from Mary Hill dated December 12, 2003 titled *PLEASE VOTE NO* transmitting opposition to the proposed Poseidon plant.

Communication from Ronald Smith dated December 12, 2003 titled *Water Treatment Plant near AES* transmitting opposition to the proposed water treatment plant near AES.

Communication from Brian Reiss, Esq. dated December 12, 2003 titled *12/15/03 Poseidon meeting* transmitting opposition to the proposed Poseidon plant.

Communication from Donna Dillon dated December 15, 2003 titled *Letter to council re Poseidon* transmitting opposition to the proposed Poseidon desalination plant project.

Communication from Merrilee Madrigal dated December 15, 2003 titled *Agenda Item D-2a, D2-b, Please oppose Poseidon EIR and CUP* transmitting support to deny the proposed Poseidon seawater desalination project.

Communication from Bobbie Miller dated December 12, 2003 titled *SEHB* transmitting opposition to the proposed Poseidon plant.

Communication from Steve Homer dated December 11, 2003 titled *Please VOTE NO on Poseidon* transmitting opposition to a proposed desalination plant at our beach built by Poseidon.

Communication from Lori Costigan dated December 11, 2003 titled *No on Poseidon* transmitting opposition to the proposed Poseidon desalination plant.

Communication from Greg Dillon dated December 15, 2003 titled *Letter to council re Poseidon* transmitting opposition to the Poseidon desalination plant project.

Communication from Patrick Coponiti, Maria Coponiti, and Patricia Coponiti dated December 12, 2003 (untitled) transmitting opposition to the proposed desalination plant in Huntington Beach. The Coponitis also transmitted support for fair treatment of city employees.

Communication from Charles and Maryann Rozzelle dated December 10, 2003 titled *Desalinization Plant – No Need!* transmitting opposition to the establishment of any form of a desalinization plant.

Communication from David Wagester dated December 10, 2003 titled *Proposed Poseidon Desalination Plant* transmitting opposition to approving the proposed Poseidon project.

Communication from Flossie Horgan dated December 15, 2003 (untitled) transmitting support to deny certification of the EIR and CUP for the Poseidon desalination plant proposal.

Communication from Lynda A. Hernandez dated December 15, 2003 titled *Agenda Item D-2a, D2-b, Please Oppose Poseidon EIR and CUP* transmitting opposition to the proposed desalination plant.

Communication from Jeff Stevens dated December 15, 2003 titled *Agenda Item D-2a, D2-b, Please Oppose Poseidon EIR and CUP* transmitting opposition to the certification of the EIR and CUP for the Poseidon desalination plant proposal.

Communication from Bernice S. Malkin dated December 15, 2003 titled *Poseidon Plant* transmitting opposition to the certification of the EIR and CUP for the Poseidon desalination plant proposal.

Communication from Jan D. Vandersloot, MD dated December 14, 2003 titled *Agenda Item D-2a, D2-b, Please Oppose Poseidon EIR and CUP* transmitting opposition to the certification of the EIR and CUP for the proposed Poseidon project.

Communication from Eileen Murphy dated December 15, 2003 titled *Poseidon item on agenda for Dec. 15th* transmitting opposition to the proposed Poseidon desalination project.

Communication from Bill Wetzel dated December 12, 2003 titled *Poseidon* transmitting opposition to the proposed Poseidon desalination project.

Communication from Karl and Heidi Tahti dated December 15, 2003 (untitled) transmitting opposition to the certification of the EIR and CUP for the Poseidon desalination plant proposal.

Communication from Laura Curran dated December 15, 2003 titled *Please Oppose Poseidon EIR and CUP* transmitting opposition to the certification of the EIR and CUP for the Poseidon desalination plant proposal.

Communication from the Department of Public Works dated December 15, 2003 titled *MFD Sewer Connection Charge – Sewer System Connection Charge – Modification to Multi-Family Dwelling Unit Charges for Construction of New Developments* transmitting a minor revision to maintain consistency with Sewer Master Plan (SMP).

Communication from Robert F. Beardsley, Director of Public Works dated December 15, 2003 titled *Council Agenda Item E-17* transmitting the necessity to remove the agenda item relating to Crystal Island from the agenda for further staff analysis, to be resubmitted at a later date.

Communication from Norm Westwell dated December 15, 2003 titled *Late Communication for 12/15/03 CC Meeting* transmitting his support of the agenda item concerning the sale of surplus property at 214 Fifth Street, the proposed Poseidon project and the Mayor's prerogative to open the Council meeting with an invocation; opposition to certification of special assessments for delinquent civil fines; opposition to the agenda item regarding adoption of an ordinance relating to tattooing, body piercing and permanent cosmetics.

The Following Additional Late Communications Were Submitted During the Meeting:

Communication submitted by Dr. Jan Vandersloot (undated) titled *Economics – California beaches, 1998* transmitting a PowerPoint presentation relating to funds generated by beaches. Attached to Dr. Vandersloot's PowerPoint presentation was a copy of a communication from Mike Tope, District Superintendent, State of California Department of Parks and Recreation dated November 17, 2003 titled *Poseidon Desalinization Plant Environmental Impact Report* transmitting concerns regarding the proposed Poseidon plant.

Communication submitted by Billy Owens of Poseidon Resources, dated December 15, 2003 titled *Poseidon Desalination Project at Huntington Beach* transmitting a PowerPoint report which was presented at the December 15, 2003 City Council meeting by Mr. Owens. Connie Brockway, City Clerk, requested a copy of the report for the official record. The report was delivered by Mr. Owens to the Clerk's Office on December 17, 2003.

Communication submitted by Topper and Marinka Horack (undated) titled *Proposed Districts for City Council* transmitting a PowerPoint report which was presented at the December 15, 2003 City Council meeting by the Horacks. Connie Brockway, City Clerk, requested a copy of the report for the official record. The report was delivered from the Horacks by email to the Clerk's Office on December 18, 2003.

Communication submitted by Norm Westwell (undated) titled *Warning Measure E The No-Fair Districting Initiative is Bad for Residents* transmitting a PowerPoint report which was presented at the December 15, 2003 City Council meeting by Mr. Westwell. Connie Brockway, City Clerk, requested a copy of the report for the official record. The report was delivered by Mr. Westwell via email to the Clerk's Office on December 30, 2003.

Communication submitted by Teresa Young titled *Biofilm Problem in Desal Technology* transmitting a PowerPoint report which was presented at the December 15, 2003 City Council meeting by Teresa Young. Connie Brockway, City Clerk, requested a copy of the report for the official record. The report was delivered by mail to the City Clerk's Office subsequent to the December 15, 2003 meeting.

Mayor's Award presented by Mayor Cathy Green and Police Chief Kenneth Small to Sergeant Dave Bunnetta, Huntington Beach Police Department, for his many years of outstanding and dedicated service to the City of Huntington Beach. (160.40)

(City Council) City of Huntington Beach Named One of the 20th Safest Cities in the Nation
(.)

Mayor Green announced that the City has been named one of the 20th safest cities in the nation.

(City Council) Approved Request to Bring Forward Agenda Item Submitted By Councilmember Gil Coerper Regarding City Employee Health Insurance Costs and Approved Request of Approval of Funds to Pay Part of Employees Health Insurance (320.20)

A motion was made by Coerper, second Houchen to bring forward his Council memo concerning city employee health insurance as the first agenda item to be considered at the meeting. (No vote was cast on the motion on the table; however, the motion was amended later in the discussion by the maker and second on the motion - see below.)

A motion was made by Boardman, second Cook to bring forward the agenda item submitted by Councilmember Coerper concerning city employee health insurance costs after first hearing all public comments. (No vote was taken.)

Prior to voting on the motion on the table, discussion was held regarding the order when public comments are to be heard.

An amended motion was made on the original motion by Coerper, second Houchen to bring forward the agenda item submitted by Councilmember Coerper concerning city employee health insurance costs, after first hearing only those public speakers wishing to address Council regarding employee health insurance with all other public comments following after Councilmember Coerper's agenda item. The motion carried by the following roll call vote:

AYES: Sullivan, Coerper, Hardy, Green, Boardman, Cook, Houchen

NOES: None

ABSENT: None

Public Comments

Peter Albini addressed Council in opposition to extreme increases to city employees for employees health coverage. Mr. Albini also spoke in favor of invocations at City Council meetings.

(City Council) Approved Funds to Pay Part of Employees Health Insurance Costs (320.20)

The City Council considered a communication from Councilmember Coerper transmitting the following **Statement of Issue**: The City is having large increases in health insurance costs. At this time there is no money in the budget to pay for any of the increased costs for health insurance. The City should pay for part of the increased health insurance costs to help employees have less taken out of their paycheck. I believe that the Tier One budget cuts listed below should be adopted by the City Council and the \$474,208 be used to pay for some of the increased health insurance costs. Councilmember Coerper gave examples of cost increases concerning city employees' health care and stated his hopes that Council would support his request for approval of funds to pay part of employee health insurance costs.

A motion was made by Coerper, second Houchen to:

Move that the City Council reduce the General Fund budget by \$474,208 by eliminating the costs listed below: This money would then be used to pay for part of the health insurance cost increases.

TIER ONE REDUCTIONS			
Department	Amount	Description	Positions Eliminated
City Administrator	\$ 100,000	Management review of the Library Services	None
Non-departmental	83,644	Savings from the Animal Care Services contract	None
Planning	64,992	Code Enforcement Officer	Vacant
Community Services	73,355	Administrative Aide	Vacant
Public Works	55,721	Maintenance Service Worker	Vacant
City Administrator	96,496	Senior Administrative Analyst	Vacant
TOTAL	\$ 474,208		

The motion carried by the following roll call vote:

AYES: Coerper, Hardy, Green, Cook, Houchen

NOES: Sullivan, Boardman

ABSENT: None

Public Comments

Ed Kerins spoke in opposition to Districting Measure E on the March 2, 2004 Special Municipal Election ballot. Mr. Kerins announced ways to reach their organization, the Huntington Beach Concerned Voters Coalition (HBCVC) that is against the Measure E proposing City Council Districts: www.nodistricts.org and at #372, 18685 Main Street, Suite A, Huntington Beach, CA, 92648. Mr. Kerins also addressed the money spent by the committee in favor of the Districting Measure.

Tim Geddes, resident of South East Huntington Beach (SEHB), gave reasons why he is opposed to the Districting Measure E and stated reasons he opposed to the Ballot Arguments filed by the proponents of Measure E.

Mayor Green advised Mr. Ed DeMeulle that if he spoke at this time his comments would not be recorded as part of the public hearing, but it would be recorded under general public comments. Mr. DeMeulle stated that he understood and that he would prefer to speak at this time.

Ed DeMeulle, South East Huntington Beach Neighborhood Association, presented reasons for his opposition to approval of the Poseidon desalination project. Mr. DeMeulle stated his opposition to industrialization in SEHB.

Barbara Boskovich presented reasons in opposition to the Districting Measure E on the ballot for the March 2, 2004 Special Municipal Election concerning City Council Districts. Ms. Boskovich stated her support for the Huntington Beach Concerned Voters Coalition (HBCVC).

Marinka Horack stated her opposition to the Districting Measure E on the March 2, 2004 ballot for the Special Municipal election. Ms. Horack gave a PowerPoint presentation concerning the issues relating to the Districting Measure and demonstrating how many votes would be needed to win in District held elections.

Topper Horack continued the PowerPoint report concerning the Districting Measure E on the ballot for the March 2, 2004 Special Municipal Election showing how he believed Districting could cause loss of control by the citizens. He cited examples of how the vote outcome could affect the proposed bridges leading into the city and gave reasons for his opposition to the Districting Measure E.

The City Clerk requested a copy of the PowerPoint presentation.

Don McGee stated complaints about aspects of State Government and what he believes is the influence of the AES power plant.

Michele Revelle spoke in favor of the proposed Poseidon desalination project due to what she believes is the need for a diverse water portfolio.

Norm Westwell, Libertarian Party, made a PowerPoint presentation opposed to Measure E – Districting and requested that Council assists in educating the voters against the measure.

(City Council) Continued to January 5, 2003 Council Meeting - City Council Liaison Appointments for Citizen Boards, Commissions, Committees, and Task Forces for the Year 2004 (120.20)

A motion was made by Green, second Boardman to:

Continue to the January 5, 2004 City Council meeting approval of the listing of Council Liaison and Committee assignments as designated in the attached list titled *2004 City of Huntington Beach Citizen Boards, Commissions, Committees, and Task Forces (Citizen Members Appointed to Four Year Terms)*.

AYES: Sullivan, Coerper, Hardy, Green, Boardman, Cook

NOES: None

ABSENT: None (Houchen out of room)

(Redevelopment Agency) Authorized As Amended the Proposed Sale of Surplus Property (Parcel at 214 Fifth Street - Ground Floor Retail Space – The Strand Project) (650.70)

The City Council considered a communication from Mayor Cathy Green on behalf of the Economic Development Committee transmitting the following **Statement of Issue**: The Redevelopment Agency owns a parcel of property at 214 Fifth Street. Should the parcel be offered for sale in order to facilitate its development?

Councilmember Houchen presented reasons why she believes the property should go to the highest bidder.

Economic Development Director David Biggs reported at the request of Councilmember Sullivan.

Considerable discussion was held between Council and Economic Development Director David Biggs who clarified the property sales options.

A motion was made by Coerper, second Green to:

Postpone the authorization of the marketing of property at 214 Fifth Street for sale on a limited basis to entities which would be owner/occupants of the ground floor retail space after development of the property. The motion **failed** by the following roll call vote:

AYES: Sullivan, Coerper, Green
NOES: Hardy, Boardman, Cook, Houchen
ABSENT: None

A motion was made by Houchen, second Cook to issue a request for proposals for a real estate broker solicitation and also to negotiate the commission to sell the property at 214 Fifth Street to entities which would be owner/occupants of the ground floor retail space after development of the property as soon as possible. The motion passed by the following roll call vote:

AYES: Sullivan, Coerper, Hardy, Boardman, Cook, Houchen
NOES: Green
ABSENT: None

(City Council) Reviewed and Accepted As Amended Shari Freidenrich, City Treasurer's October 2003 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 October 2003.

City Treasurer Freidenrich gave a PowerPoint presentation titled *October Treasurer's Report Shari L. Freidenrich, CPA, CCMT, CFMA December 15, 2003*, which was included in the agenda packet.

City Treasurer Freidenrich stated there may be some packets that have a typographical error.

A motion was made by Green, second Hardy to review and accept the monthly report as amended to correct a typographical error on the PowerPoint report. Following review of the report, by motion of Council, accept the Monthly Investment Report *Summary of Investment Portfolio, Bond Proceeds, and Deferred Compensation Activity for October 2003*, 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: Sullivan, Coerper, Hardy, Green, Boardman, Cook, Houchen
NOES: None
ABSENT: None

(City Council/Redevelopment Agency) – Adopted Council Resolution No. 2003-91 and Agency Resolution No. 347 – Approved and Adopted the 2003/2004 Investment Policy – City Treasurer (310.20)

The City Council considered a communication from the City Treasurer informing Council/Agency that Agency shall render an Annual Statement of Investment Policy to the legislative body for acceptance. The City Treasurer, with the assistance of the Investment Advisory Board, has prepared an updated investment policy.

City Treasurer Shari Freidenrich delivered a PowerPoint presentation titled *Treasurer's Report – Shari L. Freidenrich, CPA, CCMT Investment Policy 2003/2004 Shari L. Freidenrich, CPA, CCMT December 15, 2003* which was included in the agenda packet.

A motion was made by Boardman, second Coerper to:

Approve and adopt **Resolution No. 2003-91** of the City Council of the City of Huntington Beach, approving the 2003/2004 Investment Policy. – *“A Resolution of the City Council of the City of Huntington Beach Approving the Statement of Investment Policy for 2003/2004.”*

and

Approve and adopt **Resolution No. 347** of the Redevelopment Agency of the City of Huntington Beach, approving the 2003/2004 Investment Policy. – *“A Resolution of the Redevelopment Agency of the City of Huntington Beach Approving the Statement of Investment Policy for 2003/2004.”*

The motion carried by the following roll call vote:

AYES: Sullivan, Coerper, Hardy, Green, Boardman, Cook, Houchen
 NOES: None
 ABSENT: None

Recessed City Council/Redevelopment Agency Regular Meeting

Called Annual Meeting of Huntington Beach Public Financing Authority to Order (125.35)

Roll Call of the Huntington Beach Public Financing Authority Members

Present: Sullivan, Coerper, Hardy, Green, Boardman, Cook, Houchen
 Absent: None

Election of Officers

A motion was made by Boardman, second Coerper to: Elect Cathy Green, Chair of the Huntington Beach Financing Authority; Jill Hardy, Vice-Chair of the Huntington Beach Financing Authority and Connie Brockway, Secretary of the Huntington Beach Financing Authority. The motion carried by the following roll call vote:

AYES: Sullivan, Coerper, Hardy, Green, Boardman, Cook, Houchen
 NOES: None
 ABSENT: None

Public Financing Authority Minutes - Approved

A motion was made by Coerper, second Boardman to approve and adopt minutes of the December 16, 2002 Annual Meeting and February 18, 2003 City Council/Redevelopment Agency/Public Financing Authority Meetings of the Huntington Beach Public Financing Authority as written and on file in the Office of the Secretary. Submitted by the Secretary. The motion carried by the following roll call vote:

AYES: Sullivan, Coerper, Hardy, Green, Boardman, Cook, Houchen
NOES: None
ABSENT: None

Adjournment

Chair Green adjourned the annual meeting of the Huntington Beach Public Financing Authority.

Reconvened City Council/Redevelopment Agency Regular Meetings

Mayor Green reconvened the City Council/Redevelopment Agency Regular Meetings.

(City Council) Public Hearing Held – Approved Zoning Map Amendment No 02-03 Filed by Bonanni Properties and D. S. Products (Located 21341 Lochlea Lane w/s Lochlea Lane at Lomond Drive - Seaside Terrace) – Approved Introduction of Ordinance No. 3626 (.)

The City Council considered a communication from Planning Director Howard Zelefsky.

Mayor Green announced that this was the time scheduled for a public hearing to consider the following:

Applicant: Bonanni Properties and D.S. Products.

Request: (ZMA) Zoning Map Amendment to re-zone a 2.17 acre undeveloped parcel from Residential Agriculture – Flood Plain 2 to Residential Low-Density – Flood Plain 2.

Location: 21341 Lochlea Lane (Westside of Lochlea Lane at Lomond Drive).

Environmental Status: Notice is hereby given that the initial environmental assessment for the above item was processed and completed in accordance with the California Environmental Quality Act. On October 28, 2003, the Planning Commission determined that this item, with mitigation, would not have any significant environmental effects and that a mitigated negative declaration is warranted. The mitigated negative declaration (No. 02-03) is on file at the City of Huntington Beach Planning Department, 2000 Main Street, and is available for public inspection and comment by contacting the Planning Department, or by telephoning (714) 536-5271.

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

Planning Director Howard Zelefsky presented a Powerpoint slide report titled *Zoning Map Amendment: Re-Zone a 2.17 ac. Parcel from RA-FP2 to RL-FP2* which was included in the agenda packet.

Mayor Green declared the public hearing open.

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

A motion was made by Green, second Coerper to:

Approve Zoning Map Amendment No. 02-03 with Findings for Approval (Attachment No. 1) and approve for introduction **Ordinance No. 3626** – “*An Ordinance of the City of Huntington Beach Amending the Huntington Beach Zoning and Subdivision Code by Amending District Map 14 (Sectional District Map 13-6-11) to Rezone the Real Property Generally Located on the West Side of Lochlea Lane, at the Intersection with Lomond Drive from RA-FP2 (Residential; Agriculture-Flood Plain 2) to RL-FP2 (Residential Low-Density-Flood Plain 2) (Zoning Map Amendment No. 02-03).*” (Attachment No. 2) The motion carried by the following roll call vote:

AYES: Sullivan, Coerper, Hardy, Green, Boardman, Cook, Houchen

NOES: None

ABSENT: None

(City Council) Part 1 of 2 Parts of Public Hearing Held - Opened and Continued Open from November 17, 2003: (1.) Approved Appeal Filed by Mayor Connie Boardman and Denied Planning Commission’s Certification of Environmental Impact Report (EIR) No. 00-02 (Poseidon Seawater Desalination Plant Located at 21730 Newland Street, east side, south of Edison Avenue) – Applicant - Poseidon Resources Corporation – Denied Approval of Resolution No. 2003-82 and (2.) For Part 2 - See Minute Item to Follow (.)

The City Council considered a communication from Planning Director Howard Zelefsky.

Mayor Green announced that this was the time scheduled for a public hearing to consider the following:

Applicant: Poseidon Resources Corporation

Appellant: Mayor Connie Boardman

Request: To analyze the potential environmental impacts associated with the implementation of a proposed 50 million gallons per day seawater desalination plant.

Location: 21730 Newland (east side, south of Edison Avenue)

PowerPoint presentation titled *Environmental Impact Report No. 00-02 - Poseidon Seawater Desalination Plant* was included in the agenda packet.

Communication from Patti Sexton dated November 12, 2003 titled *Poseidon Seawater Desalination Project* in support of the project.

Communication from Tom Livengood dated November 19, 2003 titled *What is Normal?* regarding the California Energy Commission November 7, 2003 comment letter.

Communication from Scott Szymborski dated November 12, 2003 titled *Poseidon Seawater Desalination Project* in support of the project.

Communication from California Coastal Commission dated December 8, 2003 titled *Comments on the City of Huntington Beach Environmental Impact Report (EIR) for the Proposed Poseidon Desalination Facility* recommending the City not certify at this time.

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

Planning Director Howard Zelefsky reported on the letters submitted by Dr. Jan Vandersloot and by the California Coastal Commission.

Planning Director Zelefsky reported on various other agencies that will have to approve this project besides the City Council and stated the project approval will be a very long process ahead.

City Planner Ricky Ramos presented a Powerpoint slide report titled *Environmental Impact Report No. 00-02 – Poseidon Seawater Desalination Plant* which was included in the agenda packet.

Mayor Green declared the public hearing open.

Prior to announcing the public speakers City Clerk Brockway restated for the record the following Late Communications which pertain to this public hearing including those listed on the agenda:

Communication from Patti Sexton dated November 12, 2003 titled *Poseidon Seawater Desalination Project* in support of the project.

Communication from Tom Livengood dated November 19, 2003 titled *What is Normal?* regarding the California Energy Commission November 7, 2003 comment letter.

Communication from Scott Szymborski dated November 12, 2003 titled *Poseidon Seawater Desalination Project* in support of the project.

Communication from California Coastal Commission dated December 8, 2003 titled *Comments on the City of Huntington Beach Environmental Impact Report (EIR) for the Proposed Poseidon Desalination Facility* recommending the City not certify at this time.

Communication submitted by Steffen Goltra dated December 12, 2003 titled *Poseidon Desalination Plant* transmitting support of building a desalination plant in Huntington Beach.

Communication submitted by Laura J. Simonek, Manager, Environmental Planning Team, Metropolitan Water District, dated December 12, 2003 titled *Poseidon Seawater Desalination Project* transmitting concerns regarding the proposed project.

Communication submitted by Marty Meisler, Interim Manager, Environmental Planning Team, Metropolitan Water District, dated October 28, 2002 titled *Draft Environmental Impact Report for the Poseidon Seawater Desalination Project* transmitting input to the city's planning process.

Communication submitted by Ricky Ramos, Associate Planner with the City of Huntington Beach, dated September 23, 2003 titled *PC Minutes September 23, 2003* transmitting Planning Commission meeting minutes pertaining to the proposed Poseidon Seawater Desalination Plant project.

Communication submitted by Ronald A. Van Blarcom of Van Blarcom, Leibold, McClendon & Mann, A Professional Corporation, dated December 11, 2003 titled *Appeal of the Planning Commission's Certification of Environmental Impact Report No. 00-02 (Poseidon Seawater Desalination Report)* transmitting support for Council certification of the Poseidon EIR (Environmental Impact Report).

Communication submitted by Susan Jordan, Director, California Coastal Protection Network dated December 12, 2003 titled *Request for Denial of Certification of Huntington-Poseidon Desalination Environmental Document* transmitting support to deny certification of the Poseidon EIR.

Communication from Don Schulz, Executive Committee, Surfrider Foundation, Huntington Beach/Seal Beach Chapter dated December 9, 2003 (untitled) transmitting support to deny the Poseidon Desalination Environmental Impact Report.

Communication from Craig Shuman, D. Env., Staff Scientist, Heal the Bay, dated December 12, 2003 titled *Huntington-Poseidon Desalination EIR* transmitting support to deny the Poseidon Desalination Environmental Impact Report.

Communication from Tom Luster, California Coastal Commission, dated December 8, 2003 titled *Comments on the City of Huntington Beach Environmental Impact Report (EIR) for the Proposed Poseidon Desalination Facility* transmitting opposition to certification of the Poseidon EIR.

Communication from Joe Geever, Surfrider Foundation, Southern California Regional Manager, dated December 11, 2003 titled *Huntington-Poseidon Desalination EIR: Surfrider Foundation Comments* transmitting support to deny certification of the Poseidon EIR.

Communication from Gregory Helms, Manager, Santa Barbara Field Office, The Ocean Conservancy, dated December 11, 2003 titled *Certification of Environmental Document, Huntington-Poseidon Desalination* transmitting support to deny certification of the Poseidon EIR.

Communication from Dr. Scott Jenkins, Senior Engineer, dated December 5, 2003 titled *Wind data for the Poseidon Desalination Project at Huntington Beach* transmitting clarifying information concerning wind data for the proposed Poseidon desalination project in response to questions raised.

Communication from Tom Luster, California Coastal Commission, dated December 9, 2003 titled *Additional comments on Huntington Beach desalination EIR* transmitting additional comments from Coastal Commission staff regarding the City of Huntington Beach environmental review for the proposed Poseidon desalination facility.

Communication from Annie Jelnick dated December 12, 2003 titled *Poseidon Development* submitting support to deny the Poseidon EIR at this time to allow additional deliberation of the proposed project.

Communication from Jan D. Vandersloot, M.D. dated December 12, 2003 titled *Poseidon versus HB Staff Reports dated November 17 re: Nov 7 CEC Letter* transmitting concern regarding content duplication on correspondence.

Communication from Robert Thomas dated December 11, 2003 titled *Proposed Poseidon Desalination Plant* transmitting support to deny the request for proposed construction by Poseidon.

Communication from Neil D. Tsutsui, Ph.D., Department of Ecology and Evolutionary Biology, University of California, Irvine, dated December 15, 2003 titled *Poseidon EIR and CUP* transmitting opposition to certification of the EIR and CUP (Conditional Use Permit) for the Poseidon desalination plant proposal.

Communication from Debbie and Steve Clark dated December 8, 2003 titled *no on the desalination plant* transmitting opposition to the construction of the proposed Poseidon plant.

Communication from Jill Tyler dated December 9, 2003 titled *Poseidon vote Dec. 15th* transmitting opposition to the proposal by Poseidon.

Communication from Nicola Peill dated December 10, 2003 titled *Late Communication Re: Desalination Plant* transmitting opposition to the approval of the proposed desalination plant installation at the Huntington Beach power plant.

Communication from Jeff Stevens dated December 15, 2003 titled *Agenda Item D-2a, D2-b, Please Oppose Poseidon EIR and CUP* transmitting opposition to certification of the EIR and CUP for the Poseidon desalination plant proposal.

Communication from David Gordon dated December 14, 2003 titled *Proposed Poseidon Desalination Plant* transmitting opposition to approval of the proposed Poseidon desalination plant.

Communication from Michael Callison dated December 14, 2003 titled *The Proposed Poseidon Plant* transmitting opposition to approval of the proposed Poseidon plant.

Communication from Sandra Fazio, DC, dated December 12, 2003 titled *Poseidon* transmitting opposition to the proposed Poseidon plant.

Communication from Craig Wagner dated December 12, 2003 titled *Poseidon* transmitting opposition to the proposed desalination plant.

Communication from Mary Hill dated December 12, 2003 titled *PLEASE VOTE NO* transmitting opposition to the proposed Poseidon plant.

Communication from Ronald Smith dated December 12, 2003 titled *Water Treatment Plant near AES* transmitting opposition to the proposed water treatment plant near AES.

Communication from Brian Reiss, Esq. dated December 12, 2003 titled *12/15/03 Poseidon meeting* transmitting opposition to the proposed Poseidon plant.

Communication from Donna Dillon dated December 15, 2003 titled *Letter to council re Poseidon* transmitting opposition to the proposed Poseidon desalination plant project.

Communication from Merrilee Madrigal dated December 15, 2003 titled *Agenda Item D-2a, D2-b, Please oppose Poseidon EIR and CUP* transmitting support to deny the proposed Poseidon seawater desalination project.

Communication from Bobbie Miller dated December 12, 2003 titled *SEHB* transmitting opposition to the proposed Poseidon plant.

Communication from Steve Homer dated December 11, 2003 titled *Please VOTE NO on Poseidon* transmitting opposition to a proposed desalination plant at our beach built by Poseidon.

Communication from Lori Costigan dated December 11, 2003 titled *No on Poseidon* transmitting opposition to the proposed Poseidon desalination plant.

Communication from Greg Dillon dated December 15, 2003 titled *Letter to council re Poseidon* transmitting opposition to the Poseidon desalination plant project.

Communication from Patrick Coponiti, Maria Coponiti, and Patricia Coponiti dated December 12, 2003 (untitled) transmitting opposition to the proposed desalination plant in Huntington Beach. The Coponitis also transmitted support for fair treatment of city employees.

Communication from Charles and Maryann Rozzelle dated December 10, 2003 titled *Desalinization Plant – No Need!* transmitting opposition to the establishment of any form of a desalinization plant.

Communication from David Wagester dated December 10, 2003 titled *Proposed Poseidon Desalination Plant* transmitting opposition to approving the proposed Poseidon project.

Communication from Flossie Horgan dated December 15, 2003 (untitled) transmitting support to deny certification of the EIR and CUP for the Poseidon desalination plant proposal.

Communication from Lynda A. Hernandez dated December 15, 2003 titled *Agenda Item D-2a, D2-b, Please Oppose Poseidon EIR and CUP* transmitting opposition to the proposed desalination plant.

Communication from Jeff Stevens dated December 15, 2003 titled *Agenda Item D-2a, D2-b, Please Oppose Poseidon EIR and CUP* transmitting opposition to the certification of the EIR and CUP for the Poseidon desalination plant proposal.

Communication from Bernice S. Malkin dated December 15, 2003 titled *Poseidon Plant* transmitting opposition to the certification of the EIR and CUP for the Poseidon desalination plant proposal.

Communication from Jan D. Vandersloot, MD dated December 14, 2003 titled *Agenda Item D-2a, D2-b, Please Oppose Poseidon EIR and CUP* transmitting opposition to the certification of the EIR and CUP for the proposed Poseidon project.

Communication from Eileen Murphy dated December 15, 2003 titled *Poseidon item on agenda for Dec. 15th* transmitting opposition to the proposed Poseidon desalination project.

Communication from Bill Wetzel dated December 12, 2003 titled *Poseidon* transmitting opposition to the proposed Poseidon desalination project.

Communication from Karl and Heidi Tahti dated December 15, 2003 (untitled) transmitting opposition to the certification of the EIR and CUP for the Poseidon desalination plant proposal.

Communication from Laura Curran dated December 15, 2003 titled *Please Oppose Poseidon EIR and CUP* transmitting opposition to the certification of the EIR and CUP for the Poseidon desalination plant proposal.

Communication from Norm Westwell dated December 15, 2003 titled *Late Communication for 12/15/03 CC Meeting* transmitting his support of the agenda item concerning the sale of surplus property at 214 Fifth Street, the proposed Poseidon project and the Mayor's prerogative to open the Council meeting with an invocation. In addition Mr. Westwell transmitted his opposition to certification of special assessments for delinquent civil fines and opposition to the agenda item regarding adoption of an ordinance relating to tattooing, body piercing and permanent cosmetics.

The Following Additional Late Communications Were Submitted During the Meeting:

Communication submitted by Dr. Jan Vandersloot (undated) titled *Economics – California beaches, 1998* transmitting a PowerPoint presentation relating to funds generated by beaches. Attached to Dr. Vandersloot's PowerPoint presentation was a copy of a communication from Mike Tope, District Superintendent, State of California Department of Parks and Recreation dated November 17, 2003 titled *Poseidon Desalinization Plant Environmental Impact Report* transmitting concerns regarding the proposed Poseidon plant.

Communication submitted by Billy Owens of Poseidon Resources, dated December 15, 2003 titled *Poseidon Desalination Project at Huntington Beach* transmitting a PowerPoint report which was presented at the December 15, 2003 City Council meeting by Mr. Owens. Connie Brockway, City Clerk, requested a copy of the report for the official record. The report was delivered by Mr. Owens to the Clerk's Office on December 17, 2003.

Communication submitted by Teresa Young titled *Biofilm Problem in Desal Technology* transmitting a PowerPoint report which was presented at the December 15, 2003 City Council meeting by Teresa Young. City Clerk Connie Brockway requested a copy of the report for the official record. The report was delivered by mail to the City Clerk's Office subsequent to the December 15, 2003 meeting.

End of Late Communications

Billy Owens, representing Poseidon Resources, made a PowerPoint presentation in favor of approval of a desalination plant in the City of Huntington Beach.

City Clerk Connie Brockway requested a copy of the Poseidon Resources PowerPoint presentation for public review to be delivered by the following day to the City Clerk's Office.

Ron Van Blarcom, Co-counsel representing Poseidon Resources, spoke in favor of the proposed Poseidon desalination project, referencing his letter. He also commented on the letter from the California Coastal Commission.

John Erskine, Co-counsel representing Poseidon Resources, spoke in favor of the proposed desalination project. He answered questions from Council relative to utility tax. Mr. Erskine then addressed Council, commenting on communications from the California Energy Commission and stating that an earlier communication was not from the commission, that the California Energy Commission was in favor of desalination plants. He commented on the Orange County Coastkeeper's communication.

Councilmember Cook initiated discussion among Council and Mr. Erskine.

Jeffrey Graham, Scripps Institute of Oceanography, spoke regarding biological effects of the proposed desalination project. Mr. Graham answered questions from Council relative to entrainment and impingement studies that were done concerning the Poseidon project.

Scott Jenkins, Scientist, Scripps Institute of Oceanography, spoke in favor of the proposed Poseidon project and answered questions on the desalination system regarding winds, waves and currents.

Elaine Archibald, representing Poseidon Resources, referred to Appendix E of the EIR, and spoke in favor of the proposed desalination project. Ms. Archibald answered questions from Council about water quality and indicator bacteria.

Nikolay Voutchkov, representing Poseidon Resources, reported on aspects of the desalination operation. Mr. Voutchkov compared the proposed plant in Huntington Beach with eighteen plants in Spain.

Roger Faubel, of Waterson Faubel, a public relations firm representing Poseidon Resources, spoke regarding a survey they conducted of 500 residents of the City of Huntington Beach on the proposed desalination plant. He stated his belief that the public preferred having a desalination plant.

Councilmember Cook inquired regarding the survey results relating to citizens who favor desalination and stated her belief that the survey was too general.

Councilmember Boardman stated the survey results relating to the proposed desalination plant in the City of Huntington Beach did not concur with emails she has received from citizens.

Tim Geddes spoke in opposition to the proposed Poseidon desalination plant and requested that Council look beyond the facts, figures and arguments and spoke regarding public trust.

Connor Everts, representing the Southern California Watershed Alliance, spoke in opposition to certification of EIR for the proposed Poseidon desalination plant and stated his concerns. He suggested an alternative idea of implementing water conservation plans.

Joe Geever, representing the Southern California Division of Surfrider Foundation, spoke in favor of desalination in general but stated his concerns about the EIR and encouraged Council denial of the EIR for the proposed Poseidon desalination plant.

Eileen Murphy stated reasons why she supports denial of the Poseidon EIR certification and stated her opposition to the proposed Poseidon desalination plant.

Larry Porter, representing Ocean Outfall Group, urged Council to deny certification of the EIR for the proposed Poseidon desalination plant. Mr. Porter stated his concerns regarding the project and its long-term affect on the City of Huntington Beach.

Peter Albini spoke in favor of the proposed Poseidon desalination plant, stating reasons why he believes the plant would improve the economics of the City of Huntington Beach.

Charlie Duncan, representing the Chamber of Commerce, spoke in favor of the proposed Poseidon desalination plant stating reasons he believes increased revenues for the City of Huntington Beach can be anticipated from the project.

John Scott stated when he was in Spain forty years ago the water was very clean but when he returned a few years ago the water and beaches were dirty. He spoke concerning beach closures in Huntington Beach and emphasized the percentage of time our beaches have been closed in the past four years. Mr. Scott spoke in opposition to the proposed Poseidon desalination plant and asked Council not to approve the project.

Kevin O'Brien, Lehman Brothers investment firm, informed Council regarding financial issues and stated that he is in favor of the proposed Poseidon desalination project.

Mike Madigan listed his credentials concerning water studies and stated his belief that future desalination along the coast is inevitable. Mr. Madigan stated reasons he believes that imported water will become unreliable. He spoke in favor of the proposed Poseidon desalination plant.

Christine Carr stated her belief that more research is needed concerning the EIR for the proposed Poseidon desalination plant. She spoke in opposition to the proposed Poseidon project.

Eben Sprague spoke regarding the change in the ocean water over the years that he has observed while snorkeling. He stated his opposition to the proposed Poseidon desalination plant.

Nancy Donaven spoke concerning water quality problems and questioned what benefits the City of Huntington Beach would receive as a result of the proposed Poseidon desalination plant. She stated her opposition to the proposed project.

Dave Mayer, President of Tenari Environmental retained by Poseidon Resources, answered questions from Council concerning desalination impingement and mortality percentages. He described seawater intake and stated desalination water is regulated. Mr. Mayer stated his support for the proposed Poseidon plant.

Councilmember Sullivan inquired about the plant in Morro Bay. Mr. Mayer informed Council the Morro Bay plant is a power plant not a desalination plant.

Councilmember Coerper received from Mr. Mayer a definition of impingement and the impact of impingements.

Councilmember Cook responded to Mr. Mayer's statement that the Poseidon Resources EIR is legally adequate by stating that impingement cannot be ignored and nothing needs to be studied further because marine life is being destroyed.

Mr. Billy Owens of Poseidon Resources responded to Councilmember Hardy's inquiry concerning the length of time the power plant operates its pumps. He stated if AES closed Poseidon would change permits.

Mr. John Erskine assisted in answering Council's questions relative to the desalination plant.

Mr. Owens responded to Councilmember Sullivan relative to the permitted flow of AES and the pumping capabilities so organisms don't collect and clog.

Mr. Owens clarified the water agreement with Rancho Santa Margarita for Councilmember Boardman.

Monica Hamilton, representing the Huntington Beach Tomorrow Board of Directors, stated her opposition to the proposed desalination plant and urged Council to deny the EIR for the Poseidon plant.

Joey Racano, representing Ocean Outfall Group, stated his belief that desalination harms the environment. Mr. Racano urged Council to deny the EIR for the proposed Poseidon desalination plant.

Norm Westwell stated his belief that California is having a water crisis and urged Council to support the EIR certification and the approval of the proposed Poseidon desalination plant.

William Yarchin spoke in support of desalination. Mr. Yarchin informed Council he believes there are problems at the Poseidon plant in Tampa Bay and urged Council to find another contractor for a desalination plant.

John McGregor spoke in opposition to the proposed Poseidon plant. He stated his belief that there are too many negatives concerning a desalination plant in the City of Huntington Beach, including the pollution of ocean water.

Don May, representing California Earth Corps, spoke regarding upcoming regulations concerning the Environmental Protection Agency (EPA). Mr. May spoke in opposition to the proposed Poseidon desalination plant.

John Earl spoke in opposition to certification of the EIR for the proposed Poseidon desalination plant. Mr. Earl read a portion of a letter relating to international trade agreements and spoke regarding limiting government's ability in matters.

Teresa Young delivered a PowerPoint presentation titled *Biofouling* in opposition to a desalination plant in the City of Huntington Beach. Ms. Young explained Biofouling.

City Clerk Connie Brockway requested a copy of the *Biofowling* PowerPoint presentation for public review to be delivered by the following day to the City Clerk's Office.

Gary Gorman, representing the Huntington Beach Wetlands Conservancy, recommended Council accept the Conditions of Approval (CUP) for the proposed Poseidon desalination plant project.

Louis Berlin, representing A.S.M.E., spoke in support of the proposed Poseidon desalination plant. Mr. Berlin spoke regarding reverse osmosis.

Kerry Knapp spoke in favor of the proposed Poseidon desalination project. Mr. Knapp stated his belief that today's technology regarding reverse osmosis is foolproof.

Flossie Horgan stated her belief that outside agencies will not take care of our city so it is Council's responsibility. Ms. Horgan urged Council to deny certification of the EIR for the proposed Poseidon desalination plant at this time with possible reconsideration after cleanup of our ocean.

Stephanie Barger, representing Earth Resource, spoke in opposition to certification of the EIR for the proposed Poseidon desalination plant. She stated her belief the issue of impingement needs further study. Ms. Barger also suggested adoption of a water conservation program would be a better solution to water shortage than desalination.

Dr. Jan Vandersloot, representing Ocean Outfall Group, gave a PowerPoint presentation titled *Economics – California beaches, 1998* relating to funds generated by beaches. Dr. Vandersloot spoke concerning beach water quality and stated his belief that the proposed Poseidon project may increase beach pollution. Dr. Vandersloot urged Council to deny certification of the Poseidon plant EIR and CUP.

Victor Leipzig, representing Poseidon Resources, listed his credentials as an environmentalist and former City Councilmember. He stated his belief that the proposed desalination plant will not contaminate the environment. Mr. Leipzig urged Council to certify the EIR for the proposed Poseidon plant as he believes it will be a benefit to the City of Huntington Beach.

Dr. Amer El-Ahraf stated his credentials as an environmental health scientist. He spoke of his concerns regarding the proposed desalination project including water quality studies relative to water discharge. Dr. El-Ahraf stated his belief that Council needs more information and urged Council to deny the EIR certification for the proposed Poseidon project.

Gary Brown, representing the Orange County Coastkeeper, spoke in favor of desalination however, he stated his belief there are unanswered questions concerning the proposed Poseidon project and urged Council to delay a decision on a desalination plant.

Steve Ray, Planning Commissioner, gave reasons why he believes the proposed Poseidon desalination project EIR is not adequate to be certified. He stated his opposition to approval of the proposed plant. Mr. Ray described the Planning Commission's deliberations concerning the proposed Poseidon project at the request of Councilmember Sullivan.

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

Recess of City Council Meeting

The Mayor recessed the meeting at 11:35 p.m.

Reconvene of City Council Meeting

The Mayor reconvened the meeting at 11:45 p.m.

Councilmember Boardman commented on various aspects of her concerns regarding inadequacies of the Environmental Impact Report (EIR).

Councilmember Cook spoke regarding why she believed the desalination project EIR approval should be denied. She spoke regarding financial and California Environmental Quality Act (CEQA) issues.

A motion was made by Cook, second Boardman to:

Deny EIR No. 00-02 as adequate and complete in accordance with CEQA (the California Environmental Quality Act) requirements by approving **Resolution No. 2003-82 - "A Resolution of the City Council of the City of Huntington Beach Certifying the Final Environmental Impact Report No. 00-02 (SCH#2001051092) for the Poseidon Seawater Desalination Project."**

Councilmember Sullivan asked Dave Mayer, a desalination consultant, for an explanation on intake pipes.

Mr. Mayer, President of Tenari Environmental, responded to questions regarding marine life mortality rate.

Mayor Green described her understanding the EIR process and stated her belief that the effects have been mitigated except for air quality during construction.

Mayor Pro Tem Hardy stated concerns regarding the project and that all issues had not be addressed adequately.

Planning Director Howard Zelefsky clarified the procedures and options concerning the EIR in response to Councilmember Sullivan's questions.

Principal Planner Mary Beth Broeren reported on the time it would take to circulate another environmental study on the proposed Poseidon project.

Councilmember Houchen stated her concerns regarding the proposed desalination project.

Councilmember Coerper reported on his visit to Tampa Bay. He stated his concerns about the proposed project.

Mr. Billy Owens clarified issues concerning pipe pressure at the request of Mayor Cathy Green. He also spoke regarding the California Coastal Commission letter.

Water Production Supervisor Howard Johnson clarified an issue concerning hydraulics at the request of Councilmember Cook.

Considerable discussion was held between Council and staff concerning the proposed desalination project.

The motion passed by the following roll call vote:

AYES: Hardy, Boardman, Cook, Houchen
NOES: Sullivan, Coerper, Green
ABSENT: None

(City Council) Part 2 of 2 Parts of Public Hearing Opened and Continued Open from November 17, 2003: (1.) For Part 1 – See Preceding Minute Item and (2.) No Action Taken on Conditional Use Permit (CUP) No. 02-04 and Coastal Development Permit (CDP) No. 02-05 (Poseidon Seawater Desalination Plant Located at 21730 Newland (e/s, s/o Edison Avenue) – CEQA (California Environmental Quality Act) Statement of Findings and Fact with a Statement of Overriding Considerations – Mitigation Monitoring and Reporting Program (.)

There was no action taken on a communication from the Planning Director.

Applicant: Poseidon Resources Corporation

Request: To construct a 50 million gallons per day seawater desalination plant including a 10,120 sq. ft. administration building, a 38,090 sq. ft. reverse osmosis building, a 36,305 sq. ft. product water storage tank, and miscellaneous accessory structures on an 11 acre lease area. The proposed improvements include up to four miles of water transmission lines in Huntington Beach, one mile of which will be within the Coastal Zone, to connect to an existing regional transmission system in Costa Mesa. The project also includes perimeter landscaping and fencing along Newland Street and Edison Avenue.

Location: 21730 Newland (east side, south of Edison Avenue)

Notice is hereby given that this Agenda item is located in the appealable jurisdiction of the Coastal Zone and includes Coastal Development Permit No. 02-05 filed on January 22, 2002, in conjunction with the above request.

Environmental Status: Notice is hereby given that the Coastal Development Permit hearing consists of a staff report, public hearing, City Council discussion and action. The City Council's action on this item may be appealed to the Coastal Commission within ten (10) working days from the date of receipt of the notice of final City action by the Coastal Commission pursuant to Section 245.32 of the Huntington Beach Zoning and Subdivision Ordinance and Section 13110 of the California Code of Regulations, or unless Title 14, Section 13573 of the California Administrative Code is applicable. The Coastal Commission address is South Coast Area Office, 200 Oceangate, 10th Floor, Long Beach, CA 90802-4302, phone number: (310) 570-5071.

PowerPoint presentation titled *CUP No. 02-04/CDP No. 02-05 Poseidon Seawater Desalination Plant* was included in the agenda packet.

Due to **denial** of Part 1 of 2 Parts of Public Hearing Held (Denied Planning Commission's Certification of Environmental Impact Report (EIR) No. 00-02 (Poseidon Seawater Desalination Plant Located at 21730 Newland Street) there was **no action taken** on this item to:

1. Approve Conditional Use Permit (CUP) No. 02-04 and Coastal Development Permit (CDP) No. 02-05 to permit Poseidon Seawater Desalination Plant with staff recommended findings and conditions of approval (Attachment No. 1);

and

2. Approve CEQA Statement of Findings and Fact with a Statement of Overriding Considerations (Attachment No. 7);

and

3. Approve the Mitigation Monitoring and Reporting Program (Attachment No. 8).

There was no action required on the above item as the Environmental Impact Report (EIR) certification was denied.

(City Council) Public Hearing Held - Considered Proposed Revision Amending Huntington Beach Municipal Code Chapter 14.36 Relating to Multiple-Family Dwellings - Adopted Resolution No. 2003-88 Modifying the Sewer System Charge (Resolution No. 2003-52 Established the Fee Schedule) (1020.40)

The City Council considered a communication from the Public Works Director transmitting the following **Statement of Issue**: The Sewer System Connection Charge that was adopted July 7, 2003, incorrectly listed the charge for multiple-family dwellings. The attached resolution contains the correction as presented in the adopted Sewer System Master Plan.

Public hearing for the purpose of adopting a resolution modifying the sewer system charge for a multiple family dwelling unit. The proposed resolution is pursuant to Chapter 14.36 of the Huntington Beach Municipal Code that authorizes the City Council to collect fees and charges as a condition precedent to granting an application for sewer connection or an increase in water meter size. The fees and charges authorized by Chapter 14.36 may not exceed the estimated reasonable cost of providing facilities for the City's sewer system that will benefit the person being charged. The proposed charges are in accordance with the recommendations in the adopted Sewer Master Plan.

The complete report of the Sewer Master Plan is available for review by the public in the Public Works Department, first floor, or the City Clerk's Office, second floor, of City Hall, 2000 Main Street, Huntington Beach between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday. Interested persons may also contact Linda Daily or Todd Broussard of the Public Works Department at 714-536-5431 to receive additional information.

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

Public Works Director Robert F. Beardsley clarified for Council the charge incorrectly listed in the Sewer System Connection Charge.

Mayor Cathy Green declared the public hearing open.

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

A motion was made by Boardman, second Coerper to:

Adopt **Resolution No. 2003-88** – “*A Resolution of the City Council of the City of Huntington Beach Modifying the Sewer System Charge for a Multiple Family Dwelling Unit.*” The motion carried by the following roll call vote:

AYES: Coerper, Hardy, Green, Boardman, Cook, Houchen

NOES: Sullivan

ABSENT: None

(City Council) Administrative Public Hearing Held – Adopted Resolution No. 2003-89 Approving Certification of Special Assessments for Delinquent Civil Fines for Municipal Code Violations (570.60)

Mayor Cathy Green announced that this was the time noticed for an administrative public hearing as required by the California Government Code Section 38377.5 for the purpose of certifying special assessments against properties where public nuisances have occurred.

The City Council considered a communication from the City Treasurer and the City Attorney.

Request for Council certification of recording Notices of Special Assessments against private property for the value of unpaid civil fines, plus interest and penalties, pursuant to Ordinance No. 3397 adopted by City Council on June 15, 1998.

This administrative hearing is required by Huntington Beach Municipal Code Section 1.18. Only property owners are entitled to speak at this administrative hearing. All other interested parties may speak during the regular *Public Comments* section of the agenda at the beginning of the meeting. Written communications to the City Council may also be mailed to the City Clerk.

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

Mayor Cathy Green declared the administrative public hearing open.

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.

Councilmember Houchen stated she would abstain from voting due to a conflict of interest.

A motion was made by Boardman, second Cook to adopt **Resolution No. 2003-89** entitled “*A Resolution of the City Council of the City of Huntington Beach Certifying Special Assessments for Collecting Delinquent Civil Fines for Municipal Code Violations.*” The motion carried by the following roll call vote:

AYES: Sullivan, Coerper, Hardy, Green, Boardman, Cook

NOES: None

ABSENT: None

ABSTAIN: Houchen

Consent Calendar – Item Removed

(City Council) Release of Securities for Tract No. 14321 Located 800' n/w of Intersection of 17th Street and Adams Avenue - Public Improvements (Developer, Crystal Island, LLC.)

City Engineer David Webb requested that this agenda item be removed from the agenda for further staff analysis.

Consent Calendar – Items Removed for Separate Discussion

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

(City Council) Consolidation of Self Insurance Workers' Compensation and Self Insurance Medical Funds into the General Fund for Budgeting and Financial Reporting Purposes for Fiscal Year September 30, 2003 and Beyond

(City Council) Reimbursement - Planning Agreement between the City and Poseidon Resources Corporation for Planning Services to Complete Environmental Documentation for the Poseidon Desalination Plant

Consent Calendar – Items Approved

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

AYES: Sullivan, Coerper, Hardy, Green, Boardman, Cook, Houchen
NOES: None
ABSENT: None

(City Council) Approved the Maddy Local Appointive List Showing Vacancies Which Will Occur on City Boards and Commissions in the Year 2004 (110.50) - Approved the Maddy Local Appointive List showing vacancies, which will occur on city boards and commissions in the year 2004 and directed the City Clerk to post the list at the official posting locations (Huntington Central Library, Civic Center, Main Street Library). Copies of the Maddy Act will also be posted at all branch Libraries. Submitted by the City Clerk. Funding Source: Not applicable

(City Council) Adopted Resolution No. 2003-92 Establishing Settlement Authority for Potential and Pending Litigation by the Risk Manager and the City Attorney and Deleting the Settlement Committee (Claims Review Committee) (180.10) – Adopted **Resolution No. 2003-92** - *“A Resolution of the City Council of the City of Huntington Beach Establishing Settlement Authority of the Risk Manager and City Attorney, and Deleting the Settlement Committee.”* Submitted by the City Attorney and the Administrative Services Director. Funding Source: Not Applicable. (All claims exceeding \$50,000 will continue to be referred to the full City Council.)

(City Council) Adopted Resolution No. 2003-93 Extending Resolution No. 2001- 93 through Calendar Year 2004 and Authorizing Military Leave Compensation and Benefits for City Employees Called to Active Duty with the Armed Forces (700.50) – Adopted Resolution No. 2003-93 – “A Resolution of the City Council of the City of Huntington Beach Extending Resolution No. 2001-93 through Calendar Year 2004, and Providing for Additional Temporary Partially Paid Military Leave of Absence and Continuation of Benefits for City Employees Called to Active Duty with the Armed Forces.” Submitted by the City Administrator. Funding Source: Pay and benefits are in the existing budget.

(City Council) Approved the Appointment of Cameron Abrams and the Reappointments of Alan Chancellor – Charles Goldenberg – Ken Inouye and Karen Jackle to the Human Relations Task Force for Terms to Expire December 31, 2007 (110.20) – 1. Approved the reappointments of **Alan Chancellor, Charles Goldenberg, Ken Inouye, and Karen Jackle** and **2.** Approved the appointment of **Cameron Abrams** for terms to expire December 31, 2007. Submitted by the Community Services Director and as recommended by Council Liaisons Mayor Cathy Green and Councilmember Gil Coerper. Funding Source: Not applicable.

(City Council) Approved the Amendment to the Joint Agreement between the City and the County of Orange for Implementation and Operation of the 800 MHz Countywide Coordinated Communications (Radio) System – Authorized Expenditure of Funds (600.40) 1. Approved the terms of the *Amendment to Joint Agreement for the Implementation of the Orange County 800 Megahertz Countywide Coordinated Communications System Dated January 30, 1996*; and **2.** Approved System backbone expenditure of \$212,373.00 budgeted in Account Number 10042155.67740. Submitted by the Information Services Director. Funding Source: \$212,373.00 - General Fund Account.

(Redevelopment Agency) Received and Filed “Exhibit A” to Fourth Implementation Agreement with CIM/Huntington LLC - Blocks (104/105 – The Strand) Disposition & Development Agreement – (DDA) (600.30) – Received and filed “Exhibit A” – Assignment of Architectural Agreements and Plans and Specifications to the Fourth Implementation Agreement with CIM/Huntington LLC. Submitted by the Deputy Executive Director. Funding Source: Not Applicable.

(City Council) Approved Eight Community Development Block Grant (CDBG) Enhancement Areas: (1) Bolsa-Chica Heil; (2) Goldenwest; (3) Washington; (4) Oak View; (5) Newland; (6) Garfield; (7) Yorktown; and (8) Adams – U.S. Department of Housing & Urban Development (640.10) – Approved eight Community Development Block Grant (CDBG) Enhancement Areas within the City of Huntington Beach. Submitted by the Economic Development Director. Funding Source: Not applicable.

(City Council) Adopted Resolution No. 2003-94 Designating Authority to the City Administrator, Assistant City Administrator and the Economic Development Director as the Authorized Officials to Execute Administrative Documents for the Community Development Block Grant (CDBG) and HOME Investment Partnership Programs (630.50) Adopted Resolution No. 2003-94 – “A Resolution of the City Council of the City of Huntington Beach Designating the City Administrator, the Assistant City Administrator and the Director of Economic Development as Authorized Officials to Sign Documents Related to the Administration of the City’s Community Development Block Grant and Home Investment Partnership Programs.” Submitted by the Economic Development Director. Funding Source: Not Applicable.

(City Council) Approved Professional Services Contract between the City and Engineering Resources of Southern California, Inc. for Plan Checking and Development Processing Staff for the Public Works Department (600.10) – Approved the *Professional Services Contract between the City of Huntington Beach and Engineering Resources of Southern California, Inc. for Plan Check and Development Processing Services* and authorized the Mayor and City Clerk to execute same. Submitted by the Public Works Director. Funding Source: \$200,000 – Fiscal Year 2003/04 - General Fund, Professional Services Account. Fee-based revenues supported entirely by developer payments.

(City Council) Approved Additional Funds for Speer and Liberty Streets Rehabilitation Project; CC-1142 - Change Orders (600.50) – Authorized an additional \$40,000.00 to cover the additional change orders for Speer and Liberty Streets Rehabilitation Project; CC-1142. Submitted by the Public Works Director. Funding Source: \$40,000 – Measure M, Minor Street Improvements Account.

(City Council) Accepted Bid and Award Construction Contract to SRD Engineering, Inc. for the Ellis Avenue Drainage and Street Improvement Project; CC-1220 (600.60) – **1.** Accepted the lowest, responsive and responsible bid submitted by SRD Engineering, Inc., in the amount of \$74,333.00 for the Ellis Avenue Drainage and Street Improvement Project; CC-1220; and **2.** Authorized the Mayor and City Clerk to execute a construction contract in substantially the same form as the attached sample contract. Submitted by the Public Works Director. Funding Source: Sufficient Measure M fund, Minor Street Improvements Account. Engineer's estimate - \$75,000.00.

(City Council) Accepted Bid and Awarded Contract to Inspection Engineering Construction, Inc. for Traffic Signal Modifications at Brookhurst Street and Garfield Avenue; CC-1205 (600.60) **1.** Accepted the lowest, responsive and responsible bid submitted by Inspection Engineering Construction, Inc., in the amount of \$32,875.00 for traffic signal modifications at Brookhurst Street and Garfield Avenue; CC-1205; and **2.** Authorized the Mayor and City Clerk to execute a construction contract in substantially the same form as the attached sample contract. Submitted by the Public Works Director. Funding Source: \$65,000 – Measure M Traffic Signals. Project is fully funded by Orange County Transportation (OCTA) Growth Management Area 6 (GMA 6) program. Engineer's estimate - \$65,000.00.

(City Council) Adopted Annual Disadvantaged Business Enterprises (DBE) Goal of 6% for All Local Agency Projects Receiving Federal Funds through the California Department of Transportation (Caltrans) - Fiscal Year 2003/2004 (340.70) – Adopted the Annual Disadvantaged Business Enterprises (DBE) goal of 6%. Submitted by the Public Works Director. Funding Source: Not applicable.

(City Council) Adopted Resolution No. 2003-95 Approving Street Name Change from Veladare Circle to Estate Circle, Tract 14321, Grid 431 (800.70) – Adopted **Resolution No. 2003-95** – “A Resolution of the City Council of the City of Huntington Beach Providing for the Change of the Street Name of Veladare Circle to Estate Circle.” Submitted by the Fire Chief. Funding Source: The residents on Veladare Circle have submitted the required non-refundable fee of \$250 for processing the street name change. If approved, a \$70 fee would also be required for each street name sign to be changed.

(City Council) Approved Amendment No.1 to Extend the Contract Time on the Professional Services Agreement between the City and Camp, Dresser & McKee, Inc. (CDM) for CC-1168, the Citywide Urban Runoff Management Plan (Includes Drainage and Water Quality Element) (600.10) Approved and authorized the Mayor and City Clerk to execute *Amendment No. 1 to Agreement between the City of Huntington Beach and Camp Dresser & McKee, Inc. for Preparation of the City Wide Water Quality Management Plan (CC-1168)*. Submitted by the Public Works Director. Funding Source: \$660,820 budgeted from \$4 million dollar Water Quality Proposition 13 Grant Fund, Water Quality Master Plan Account.

(City Council) Approved Consolidation of Self Insurance Workers' Compensation and Self Insurance Medical Funds into the General Fund for Budgeting and Financial Reporting Purposes for Fiscal Year September 30, 2003 and Beyond (180.10)

Councilmember Houchen requested that this agenda item be removed from the Consent Calendar to discuss self insurance.

Finance Director Dan Villella responded to Councilmember Houchen's questions.

City Administrator Ray Silver reported.

A motion was made by Boardman, second Hardy to:

Approve the consolidation of the Self Insurance Workers' Compensation and Self Insurance Medical funds for budgeting and financial reporting proposes into the General Fund for the fiscal year ending September 30, 2003 and beyond.

The motion carried by the following roll call vote:

AYES: Sullivan, Coerper, Hardy, Green, Boardman, Cook, Houchen
NOES: None
ABSENT: None

(City Council) Approved Reimbursement - Planning Agreement between the City and Poseidon Resources Corporation for Planning Services to Complete Environmental Documentation for the Poseidon Desalination Plant (600.10)

Councilmember Coerper requested that this agenda item be removed from the Consent Calendar to receive clarification concerning reimbursement for planning services to Poseidon Resources.

Planning Director Howard Zelefsky responded to Councilmember Coerper's concerns.

A motion was made by Cook, second Sullivan to:

Approve and authorize the Mayor and City Clerk to execute the *Reimbursement – Planning Agreement between the City of Huntington Beach and Poseidon Resources Corporation for Costs Incurred for Preparation of Environmental Documentation for Poseidon Desalination Project.*

The motion carried by the following roll call vote:

AYES: Sullivan, Coerper, Hardy, Green, Boardman, Cook, Houchen
NOES: None
ABSENT: None

(City Council) Removed From Agenda By Staff - Release of Securities for Tract No. 14321 Located 800' n/w of Intersection of 17th Street and Adams Avenue - Public Improvements (Developer, Crystal Island, LLC.) (.)

City Engineer David Webb requested this item be removed from the agenda for further staff analysis.

Communication submitted by the Director of Public Works dated December 15, 2003 titled *Council Agenda Item E-17* requesting to remove the item was previously announced by the City Clerk as a Late Communication.

(City Council) Adopted Ordinance No. 3625 Amending the Huntington Beach Municipal Code by Repealing Chapter 8.70 and Adding Chapter 8.72 Relating to Tattooing, Body Piercing and Permanent Cosmetics (640.90)

After City Clerk Brockway read by title, a motion was made by Boardman, second Cook to adopt **Ordinance No. 3625** – “An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Repealing Chapter 8.70 and Replacing it with Chapter 8.72 Relating to Tattooing, Body Piercing and Permanent Cosmetics. The motion carried by the following roll call vote:

AYES: Sullivan, Coerper, Hardy, Green, Boardman, Cook, Houchen
NOES: None
ABSENT: None

(City Council) Approved for Introduction Ordinance No. 3628 Deleting Chapter 3.04 of the Huntington Beach Municipal Code Relating to Fund Regulations (.)

After City Clerk Brockway read by title, a motion was made by Boardman, second Cook to approve for introduction **Ordinance No. 3628** - “*An Ordinance of the City of Huntington Beach Deleting Chapter 3.04 of the Huntington Beach Municipal Code Relating to Fund Regulations.*” The motion carried by the following roll call vote:

AYES: Sullivan, Coerper, Hardy, Green, Boardman, Cook, Houchen
NOES: None
ABSENT: None

(City Council) Approved for Introduction Ordinance No. 3629 Amending Chapter 12.04 of the Huntington Beach Municipal Code Defining the Datum Plane (.)

After City Clerk Brockway read by title, a motion was made by Boardman, second Sullivan to approve for introduction **Ordinance No. 3629** - "*An Ordinance of the City of Huntington Beach Amending Chapter 12.04 of the Huntington Beach Municipal Code Defining the Datum Plane.*" The motion carried by the following roll call vote:

AYES: Sullivan, Coerper, Hardy, Green, Boardman, Cook, Houchen
 NOES: None
 ABSENT: None

(City Council) Approved for Introduction Ordinance No. 3630 Amending Chapter 1.18 of the Huntington Beach Municipal Code Relating to Administrative Citations (.)

After City Clerk Brockway read by title, a motion was made by Boardman, second Coerper to approve for introduction **Ordinance No. 3630** - "*An Ordinance of the City of Huntington Beach Amending Chapter 1.18 of the Huntington Beach Municipal Code Relating to Administrative Citations.*" The motion carried by the following roll call vote:

AYES: Sullivan, Coerper, Hardy, Green, Boardman, Cook, Houchen
 NOES: None
 ABSENT: None

(City Council) Approved Procedure For Invocations on the City Council Agendas (.)

The City Council considered a communication from Mayor Cathy Green transmitting the following **Statement of Issue**: Whether the Mayor or City Council should determine if the City Council meetings should open with an Invocation. Attachment: Memorandum dated July 29, 2003 from Dina Nam, law student, to John Eastman, Professor of Law, Chapman University titled *City Council Invocations*.

Discussion was held among Council concerning invocations at City Council meetings.

A motion was made by Green, second Sullivan to approve that the Mayor has the prerogative to determine whether the meeting will open with an invocation. The motion carried by the following roll call vote:

AYES: Sullivan, Coerper, Hardy, Green, Houchen
 NOES: Boardman, Cook
 ABSENT: None

(City Council) Announcement Made Regarding The Ice Rink (.)

Mayor Pro Tem Hardy stated she went to The Ice Rink in Huntington Beach and had fun. She announced ice rink information is available on their website at www.meetmeattheicerink.com.

(City Council) Appreciation Extended to Kettler School Students Re: Senior Santa Program
(.)

Councilmember Boardman thanked the fifth graders at Kettler School who participated in the Senior Santa Program and donated wonderful things to Seniors who she stated may not receive any other gifts.

Adjournment – City Council/Redevelopment Agency

Mayor Green adjourned the regular meetings of the City Council/Redevelopment Agency of the City of Huntington Beach to Monday, January 5, 2004, at 5:00 p.m., in Room B-8 Civic Center, 2000 Main Street Huntington Beach, California.

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:

City Clerk-Clerk

Mayor-Chairman