

**Minutes
City Council/Public Financing Authority and
Special Meeting of the Successor Agency
City of Huntington Beach**

**Monday, May 6, 2013
6:00 PM – Regular Meeting
Council Chambers Civic Center,
2000 Main Street
Huntington Beach, California 92648**

**A video recording of the 6:00 PM portion of this meeting and an
audio recording of the 4:30 PM portion of this meeting is on file
in the Office of the City Clerk and is archived at
www.surfcity-hb.org/government/agendas/**

4:30 PM - ROOM B-8

CALL TO ORDER – 4:32 PM

ROLL CALL

Present: Sullivan, Hardy, Harper, Boardman, Carchio (arrived at 4:56 PM), Shaw (arrived at 4:49 PM), and Katapodis

Absent: None

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, City Clerk Joan Flynn announced supplemental communications received by her office following distribution of the Council agenda packet:

Study Session Item No. 1

A PowerPoint presentation submitted by Director of Finance, Lori Ann Farrell, dated May 6, 2013 entitled *Surf City USA FY 2012/13 Mid-Year Update*.

Chief Assistant City Attorney Mike Vigliotta announced the need of an addition of a Closed Session item which has time constraints and was unknown to the City prior to the publication of the agenda posting:

Closed Session (to be included as Item No. 7):

Pursuant to Government Code § 54956.9(d)(2), the City Council shall recess into Closed Session to confer with the City Attorney regarding anticipated litigation. Number of potential cases: 1. Pursuant to Government Code §54956.9(e)(3) and 54957.5, a written communication from attorneys for Poseidon Resources, a potential plaintiff threatening litigation, is available for public inspection.

Attorney Vigliotta advised adding the new Closed Session item to the agenda would require a two-thirds vote of Councilmembers present. Mayor Boardman recognized that Councilmembers

Carchio and Shaw were scheduled to arrive within the hour, and expressed support for waiting to vote until the Council body was complete.

PUBLIC COMMENTS PERTAINING TO STUDY SESSION / CLOSED SESSION ITEMS (3 Minute Time Limit) - None.

STUDY SESSION

1. Presentation/discussion held on mid-year financial results for FY 2012/13, proposed Table of Organization modifications and the results of the Marine Safety Study.

Finance Director Lori Ann Farrell introduced Katherine Lai of Macias Gini & O'Connell LLP to participate in a PowerPoint presentation entitled "Surf City USA FY 2011/12 Year-End and FY 2012/13 Mid-Year Report," that included the following titled slides: Summary, FY 2011/12 Audit and Year-End Results, FY 2011/12 Audit Results, FY 2011/12 Performance (Audited), General Fund Balance FY 2011/12 Audited (In Thousands), FY 2012/13 Mid-Year Update, FY 2012/13 General Fund Projection (As of March 31, 2013), Potential Budget Pitfalls, Projected CalPERS Cost Increase, 7-Year CalPERS Employer Contribution Increases, Recommendations by Bartel Associates, and Preliminary Recommendations.

John Goss with Ralph Anderson Associates provided a PowerPoint presentation entitled, "Organizational Options - City of Huntington Beach Community Services Department, Marine Safety Division," that included the following titled slides: Purpose, Organizational Options, Methodology, Practices of Other California Beach Cities, Table III-A Survey of 22 California Beach Jurisdictions Organizational Alignment, Among 22 California Beach Cities; Table III-B California Jurisdictions Providing Marine Safety Services to Over 1,000,000 Visitors Per Year, Among 14 Most Active Southern California Beach Cities; 10-Year Staffing Analysis, Options Pros and Cons, Marine Safety Department (Advantages, Disadvantages), Beach Services Department (Advantages, Disadvantages), Merge Marine Safety with Police (Advantages, Disadvantages), Merge with Fire (Advantages, Disadvantages), Status Quo (Advantages, Disadvantages), and Conclusions.

Human Resources Director Michele Warren continued with PowerPoint slides entitled: Marine Safety Operations, Study Results, Table of Organization (Proposed Changes, Overview), Historical Staffing Changes, Community Services & Economic Development, Police & Public Works, No Structural Department Changes, Status Quo Departments, and Questions?

Councilmember Sullivan and Director Farrell discussed *Retiree Medical Unfunded Liability - Reserves*, and how additional funds (\$1.3M/year) are appropriated separately in the annual Budget.

Mayor Boardman and Director Farrell discussed news related to redevelopment and reimbursement of \$1.4M from the Department of Finance.

Mayor Boardman and City Manager Fred Wilson discussed stand alone costs to create separate departments.

Councilmember Katapodis and Consultant Goss discussed costs associated with merging Marine Safety with the Fire Department.

Councilmember Carchio and Consultant Goss discussed Marine Safety morale.

Councilmember Carchio and Consultant Goss discussed opinions on whether or not Library and Recreation Departments blend well.

Councilmember Shaw and Consultant Goss discussed commonality in functions (Status Quo and Fire options).

A motion was made by Boardman, second Carchio to approve adding the following Closed Session item to the May 6, 2013 agenda:

Pursuant to Government Code § 54956.9(d)(2), the City Council shall recess into closed session to confer with the City Attorney regarding anticipated litigation. Number of potential cases: 1. Pursuant to Government Code § 54956.9(e)(3) and 54957.5, a written communication from attorneys for Poseidon Resources, a potential plaintiff threatening litigation, is available for public inspection. The motion carried by the following vote:

AYES: Sullivan, Hardy, Harper, Boardman, Carchio, Shaw and Katapodis
NOES: None

Mayor Boardman read the following statement:

Pursuant to Government Code Section 54957.6.a, the Council takes this opportunity to publicly introduce and identify designated labor negotiators Fred Wilson, City Manager; Bob Hall, Assistant City Manager; Michele Warren, Director of Human Resources; and Lori Ann Farrell, Director of Finance, who will be participating today in Closed Session discussions regarding labor negotiations with MEO and MEA.

A motion by acclamation was made and approved to recess into Closed Session.

RECESS TO CLOSED SESSION – 5:28 PM

CLOSED SESSION

2. Pursuant to Government Code § 54956.9(d)(1), the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuits [and potential lawsuits]: Anita J. Newman v. City of Huntington Beach, Orange County Superior Court Case No. 30-2010-00405526. In this case, a bicyclist claims she was hit by a parking control gate near the Huntington Beach Lifeguard Headquarters.

3. Pursuant to Government Code § 54956.9(d)(1), the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuits [and potential lawsuits]: Rosendo v. City of Huntington Beach, Orange County Superior Court Case No. 30-2012-00545903. In this case, Plaintiffs were involved in an automobile accident with a City vehicle at the intersection of Gothard and Garfield.

4. Pursuant to Government Code § 54956.9(d)(1), the City Council recessed into Closed

Session to confer with the City Attorney regarding the following lawsuits [and potential lawsuits]: Marcia Moses v. Trevor Jackson, City of Huntington Beach, et al., Orange County Superior Court Case No. 30-2012-00540509. In this case, Defendant's police officers, including Jackson, were attempting to break up a fight in the Downtown Main Street area. Plaintiff interfered and was arrested for interfering (Penal Code Section 148(a)(1)).

5. Pursuant to Government Code § 54956.9(d)(1), the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuits [and potential lawsuits]: Lydia Boynton, et al. v. City of Huntington Beach, Orange County Superior Court Case No. 30-2012-00570739. In this case, Plaintiff claims she tripped and fell in the City's Banning Branch Library parking lot on Banning Avenue.

6. Pursuant to Government Code § 54957.6, the City Council recessed into Closed Session to meet with its designated labor negotiators: Fred Wilson, City Manager; Bob Hall, Assistant City Manager; Michele Warren, Director of Human Resources; and Lori Ann Farrell, Director of Finance, regarding labor negotiations with MEA.

7. Pursuant to Government Code § 54956.9(d)(2), the City Council recessed into Closed Session to confer with the City Attorney regarding anticipated litigation. Number of potential cases: 1. Pursuant to Government Code § 54956.9(e)(3) and 54957.5, a written communication from attorneys for Poseidon Resources, a potential plaintiff threatening litigation, is available for public inspection.

6:00 PM – COUNCIL CHAMBERS

RECONVENE CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING

CALL TO ORDER THE REGULAR MEETING OF THE CITY COUNCIL/PUBLIC FINANCING AUTHORITY AND THE SPECIAL MEETING OF THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH

CLOSED SESSION REPORT BY CITY ATTORNEY

Chief Assistant City Attorney Mike Vigliotta reported that with respect to Closed Session Item No. 3, Council voted unanimously to authorize the Settlement Agreement of \$295,000 for dismissal of the plaintiff's lawsuit in the case of Rosendo vs. the City of Huntington Beach.

ROLL CALL

Present: Sullivan, Hardy, Harper, Boardman, Carchio, Shaw, Katapodis
Absent: None

PLEDGE OF ALLEGIANCE - Mayor Boardman

INVOCATION – Led by Father Christian Mondor of the Interfaith Council

In permitting a nonsectarian invocation, the City does not intend to proselytize or advance any faith or belief. Neither the City nor the City Council endorses any particular religious belief or form of invocation.

AWARDS AND PRESENTATIONS

Announcement - As part of the City's Human Relations Task Force recognition of federal diversity months, the Mayor announced that May is both Asian Pacific American Heritage Month and Older Americans Month. She addressed the themes of this year for both events and relative to the latter, invited the public to a "Step Out for Active Aging" walk sponsored by the Senior Services Division, on May 15, 2013 from 9:00 A.M. to 11:00 A.M. She reported that there is a historic Japanese collection of buildings in the City. She added that the Red Table Restaurant will donate 10% of their proceeds for the month of June toward the preservation efforts of those buildings. She stated that the Huntington Harbor Mall will match contributions from the Red Table Restaurant.

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

City Clerk Joan Flynn announced supplemental communications received after distribution of the Agenda as follows.

Consent Calendar

- #4. Communications received from Brian M. Star, Senior Vice President of Orange County Business Council dated April 26, 2013, entitled, "SB658, Opposed" as well as from Lucy Dunn, President of Orange County Business Council dated May 3, 2013, entitled, "Orange County Water District, SB658, Opposed".

Ordinance for Introduction

- #16 Communication received from City Clerk Joan Flynn requesting an amendment to the ordinance to reflect that two copies of the campaign documents be submitted to the City Clerk's office.

Councilmember Items

- #17 Communications received regarding Mayor Boardman's request to send a letter to the California Coastal Commission requesting the CDP for the Poseidon Seawater Desalination Project be denied, consisting of a revised letter from Mayor Boardman, a letter from Scott Maloni, Vice President of Development for Poseidon and a letter from their attorney, Christopher W. Garrett of Latham and Watkins as well as twelve individual letters and a report of 455 emails sent to Council; 355 of which supported the denial of CDP and 100 of which opposed the denial of CDP.

Mayor Boardman announced a brief presentation from representatives of the Huntington Beach Playhouse, noting that their new play is, "A Funny Thing Happened on the Way to the Forum".

Jolyn Turner, President of the Huntington Beach Playhouse introduced herself and announced the dates and times of the production.

Gregory Cohen, Director, introduced Actors Chris Cortez and Taylor McGee for a brief presentation.

In response to an inquiry by Councilmember Carchio, Ms. Turner provided information on how to obtain tickets for the production.

Councilmember Katapodis commented positively on Director Greg Cohen's work.

PUBLIC COMMENTS (3 Minute Time Limit)

(The number (hh:mm:ss) following the speakers' comments indicates their approximate starting time in the archived video located at <http://www.surfcity-hb.org/government/agendas/>).

Dr. Fadi Essmaeel, Representing Congressman Dana Rohrabacher, noted the Congressman's opposition to Council's intent to lobby the California Coastal Commission to deny the permit to the desalination project in Huntington Beach. He read a statement from the Congressman stating his support of the desalination project and noted that Council has previously approved the matter, twice. He urged Council not to send a letter to the California Coastal Commission opposing the project. (00:16:21)

Pete Truxan, President of Surf City Food and Beverage Marketing Association, announced the First Annual Restaurant Week scheduled for September 27, 2013 through October 6, 2013. He addressed the goal of the Association and distributed aprons to Members of Council. He expressed appreciation to Councilmember Carchio for his help in getting the group started. (00:18:56)

Bonnie Copeland spoke in support of Agenda Item 17 and felt that the desalination project is the wrong thing for the community. She stated that the project will be harmful to marine life, is one of the most costly and energy-intensive way to produce water and is a step in privatizing water supply to uncaring corporate interests. She urged Council to do the right thing and tell the Coastal Commission that residents do not want this plant at this time in the City. (00:20:54)

Matthew "Clint" Orr commented on the need for increased downtown amenities for the arts. He suggested placing a theater, the Golden Bear, a surf museum and other amenities at various parcels in the City. Regarding the Goodell property, he felt that it should given back to Native Tribes. (00:23:55)

Emanuel Patrascu, District Director for Assemblyman Travis Allen, noted the Assemblyman's opposition to Council's intent to lobby the California Coastal Commission to deny permit to the desalination project in Huntington Beach. He addressed the importance of having a reliable water delivery system, water supply challenges being faced by the State and benefits of the desalination project including creation of jobs and a much-needed boost to the local economy. (00:27:09)

Christopher Garrett, Attorney for Poseidon, referenced a letter sent to Council and addressed

proceedings against the Huntington Beach project, rejection of claims of environmental harm and legal issues related to the project. He referenced a recent article in which the concerns of the City Attorney were stated and hoped that Council would allow his client and all interested parties the opportunity to provide comment on the matter and that Council actions will not delay or hinder his client's pending appeal before the Coastal Commission. (00:29:45)

Following the audience's spontaneous response, Mayor Boardman indicated that everyone who wants to speak will be given an opportunity to do so and encouraged the assembly to follow decorum.

Councilmember Hardy reiterated the need to follow decorum.

Mayor Pro Tem Harper agreed that interruptions can be distracting and encouraged the public to be respectful.

Councilmember Sullivan commented on Council taking collective action on the matter and wondered whether individual Members of Council writing letters to the Coastal Commission opposing the project would create a legal issue.

Mr. Garrett stated that each Member is within his/her right to send letters to the California Coastal Commission, individually.

Scott Maloni, Vice President, Poseidon Resources, urged Council to consider prior permitting actions and acknowledge potential consequences should the City choose to send a letter to the Coastal Commission in opposition of the project. He listed contractual obligations and entitlements issued as well as benefits to the City. He noted that this is a private investment and addressed creation of jobs and economic benefits and stressed that the project can be built and operated in a responsible manner. Mr. Maloni added that they would welcome Council Members to send letters to the California Coastal Commission individually, but would oppose collective action by Council. (00:35:54)

Justin Wallin, Probolski Research, provided a brief presentation regarding his organization noting that it specializes in obtaining public opinion associated with government agencies. He addressed the company's expertise and presented the results of polls of City residents regarding the Poseidon project. Specifically, he noted that approximately 65% support the project and that job creation resonates well with residents and addressed issues of priority to residents. (00:39:20)

Conner Everts, Southern California Watershed Alliance, urged Council to pass the letter as written today and addressed other things that can be done for drought proofing. He commented on Poseidon's previous desalination project in Florida and noted that it will never meet capacity and will sit idle while it's being paid for. (00:41:40)

Debbie Cook commented on Poseidon as well as Probolski and urged Council to send its message to the Coastal Commission opposing the project. She reported that Poseidon's list of potential partners has decreased and listed cities and municipalities that have rejected support of the project. Ms. Cook addressed recent presentations of two superior alternatives to the Poseidon project. She stated that the danger is the chilling effect high water rates will have on the economy. (00:43:39)

Raymond Hiemstra, Associated Director of Orange County Coast Keeper, spoke in support of Council's decision to send a letter to the Coastal Commission asking them to deny a Coastal Development Permit for Poseidon Resources. He addressed impacts of the project to water quality, marine life and tourism. (00:46:14)

Eileen Murphy, represented by Flossie Horgan, expressed concerns regarding the Poseidon project. She stated that water is a necessity of life and should not be owned by a private company; Poseidon has never successfully produced a daily volume of water and daily output of salty brine will negatively impact the coastal ecosystem. She urged Council to send a letter to the Coastal Commission stating that the City does not support the proposed massive desalination project in Huntington Beach. Ms. Murphy added that if Poseidon accepts each Member writing an individual letter to the Coastal Commission, the most important thing for Council to do is to pass the motion since it would have a very important impact. (00:49:49)

Jonathan Volzke, Poseidon Resources, reported that Poseidon has presented the project thoroughly during the last several years and presented over 5,000 cards signed by residents of the City in support of the project. (00:51:18)

Juana Mueller thanked Council for reconsidering this issue and spoke in support of Council sending a letter of opposition to the California Coastal Commission. She addressed existing successful water treatment facilities, availability of water and efforts by citizens to lower water use. (00:52:06)

Martin Paine, District Director for California State Senator Mimi Walters, noted that one of the Senator's top priorities is job creation and stated that the Poseidon project will create jobs in the area and once completed, will provide a new water supply for Orange County. He noted that the City approved permits for the project, twice in the past and that now, it is reversing its position. He hoped that Council will not discourage economic growth. He stated the need for a new water supply in Orange County and felt that it is time to move forward on the project. (00:54:15)

Dave Stephanides, Orange County Association of Realtors, voiced support for the Poseidon project and urged Council not to go back on its previous decision. (00:57:11)

Brett Barbre, Municipal Water District of Orange County and Board Member of the Metropolitan Water District, felt that Poseidon is part of a critical resource for Southern California and noted that the organization is reliable as long as local water sources continue to be developed, such as Poseidon, Dana Point and Carlsbad. He urged opposition to Item 17. (00:58:25)

Brian Lochrie, Communications Consultant with Poseidon Resources, asked that Council consider the support that Poseidon has from the Huntington Beach community as well as from the Orange County community at large. He noted support for the project by other cities, municipalities and agencies and that Poseidon has been active in the community. (00:59:45)

Councilmember Hardy questioned the list of supporters and requested a recent and complete copy of the list.

Mayor Boardman noted that Mr. Lochrie claimed that water was provided to many non-profits

and wondered if that was desalinated water. Mr. Lochrie responded that it was bottled water, since their desalination plant is not operational. Mayor Boardman noted that none of the plants are operational.

Karl Seckel, Interim General Manager of the Metropolitan Water District of Orange County, stated opposition to Item 17 and reported working with many agencies in their consideration of the Poseidon project. He stated that his Board and many of the agencies have not made a final decision on the project but indicated that ocean desalination represents a valuable water resource for the County. He addressed the Urban Water Management Plan and noted that part of the plan includes development of local water resources, including desalination, water recycling and water-use efficiency. He urged opposition to the proposed action. (01:04:35)

Bryan Starr, Orange County Business Council, urged Council to reject Item 17 noting that the City previously approved the matter on two different occasions. He addressed economic benefits to the City as a result of the project, job creation and cost savings. Additionally, he stated opposition to Item 4, listed reasons why the organization is opposed to SB 658 and urged Council not to support the bill. (01:07:06)

In response to Councilmember Shaw's inquiry, Mr. Starr reported that the Orange County Business Council represents businesses in general and that their position is that polluters must clean up. He added that the bill is not about remediation of pollution but rather bringing investigatory costs back to the district that have zero oversight from Federal or State standards.

Jan Newcomb commented on Item 6, regarding the Lambert Park Slope Repair Project noting that she has spoken with several members of the community and thanked Council for considering the project to reinforce the slope. She expressed concerns regarding the types of trees to be replanted and the type of hydro-seeding that will be accomplished. She addressed the multiple owners of the slope and stated that they would like for the slope to have a consistent look. Ms. Newcomb reported sending requests to all appropriate parties to work together towards that goal. (01:10:50)

David Lowe commented on Item 17 and addressed problems with the existing water infrastructure. He indicated support for the Poseidon project in providing residents with another source of water to lessen reliance on imported water. He asked that Council consider revising the proposed letter to the California Coastal Commission from a request for denial to a request for approval. (01:14:05)

Dr. William Lochrie addressed the importance of high-leverage jobs in the City as well as generation of supporting jobs. He spoke in opposition to Item 17 and felt that opposition to the Poseidon project will be perceived as anti-business and serve to prevent businesses from coming into the City. He asked that Council not take an anti-business attitude by submitting the proposed letter opposing the subject project. (01:15:51)

Donna Varner, Orange County Regional Chamber Board Member, spoke in support of regional efforts to ensure continuing water supplies. She reported on current water shortages and indicated the need to seek new sources of water. She reported that the West Basin Metropolitan Water District has a demonstration desalination project in Redondo Beach. Ms. Varner felt that to attempt to stop a project after previous Councils have approved it, could have a chilling effect on future economic investment and growth in the City. (01:18:49)

Don McAlister urged Council not to send the letter to the Coastal Commission and addressed water shortages in the State. Mr. McAlister reported on the need for other water sources in the future and urged Council to plan for the future. (01:20:46)

Barbara Thomas, Management Consultant for the South Orange County Regional Chamber of Commerce, asked Council to oppose Item 17 and addressed the importance of water resources for the region and the County. She noted previous approvals of the matter by Council and felt that the project will provide the County with much-needed water supplies. Ms. Thomas commented on job creation as a result of the project as well as the economic benefits for the City and residents and urged Council to allow the permitting process to continue to move forward. (01:22:43)

Norma Vandermolen asked that Council support Item 17 and noted that Council has the right to change its mind. She commented on existing plants in the City and felt that the City has too many already and that jobs come and go. She felt that the project is not good for the City in the long run and urged Council to approve the proposed letter. (01:24:47)

Gary Crisp, GHD Consultants, commented on other desalination plants in Australia and the world. He noted that the technology used in Australia is the same technology proposed by Poseidon and that Council can be assured that it is state-of-the-art. (01:26:48)

Jerry Wheeler, CEO of the Huntington Beach Chamber of Commerce, asked that Council oppose Item 17 adding that it would have a detrimental effect on future business efforts in the City. He expressed concerns that by acting to reverse Council's previous decisions to approve the matter will prevent future business investments in the City. He addressed the benefits of the project including creation of jobs and economic benefits. Mr. Wheeler claimed that there is no new evidence to justify the reversal of the decisions of two previous Councils and stated that economic development is what is needed to solve the City's fiscal issues. (01:28:33)

Diane Thompson, Board Chair of the Huntington Beach Chamber of Commerce, commented on environmental impacts of the Poseidon project noting that they would be minimal. She addressed the economic benefits of the project and urged Council not to act without knowing all of the facts. (01:31:37)

Mayor Boardman commented on her response to the Coastal Commission's staff analysis of the appeal regarding this matter and indicated that her letter was drafted based on the information contained in Coastal Commission staff's analysis. She indicated that Council will not have the opportunity to analyze the final staff report and that the material that was provided to date was used, instead.

Jim Adams, representing the Los Angeles/Orange Counties Building and Construction Trades Council, presented information to the Council and commented on its previous support of the Poseidon project. He stated that the project is still important for the men and women that the Council represents. He addressed the number of jobs to be created by the project and asked that Council oppose the proposed letter to the California Coastal Commission. He stated that the Council prides itself in promoting projects that are environmentally sound, has done its research and concurs that the project can be built without significant environmental impacts. (01:35:46)

Phil Salerno commented on the need for reliable local water supplies and spoke in opposition to Item 17. He urged Council to be progressive and oppose sending a letter requesting that the project be denied. (01:38:23)

Doug Clark, representative for the International Union of Operating Engineers, addressed the need for job creation and urged Council to stand by the original decision and oppose Item 17. (01:41:30)

Doug Mangione, representing the International Brotherhood of Electrical Workers in Orange County, spoke in opposition to Item 17 noting the high levels of unemployment in the County and the need for jobs. He reported that Members are ready to go to work on this project and urged Council to help them move forward and not send the proposed letter. (01:42:09)

Rodney Larson, representing Plumbers and Steamfitters Local 582 in Santa Ana, urged Council not to send the proposed letter opposing the Poseidon project noting the need for jobs now. (01:43:20)

Carl Ritola, with Plumbers and Steamfitters Local 582 spoke on behalf of Business Manager and Financial Secretary Glen Nolte opposing Item 17. He noted that many organizations have been devastated by the lack of jobs and the importance of the Poseidon project in creating jobs and benefitting the local economy. He urged Council to not send the letter and not to ignore the need for alternative local water sources. (01:43:50)

Diana Peña spoke on behalf of Diana Crouch, addressed the need to reduce reliance on imported water but indicated existing water sources that are far less energy impactful than the proposed Poseidon project. She encouraged that Council look into the matter and felt that there are many different ways to conserve water noting that desalination should be the last resource for Huntington Beach. She urged Council to send the proposed letter. (01:45:39)

Keith Harkey, representing Ironworkers Local 433, addressed the short supply of good, clean water and urged Council to look into the future, beyond the needs of today. He stated that the Poseidon project should be considered as part of the solution to a reliable, local source of water. He noted the need for jobs in the community, addressed the unemployment rate and asked that Council oppose Item 17. (01:48:12)

Joe Geever, Water Programs Manager at Surfrider Foundation, thanked Council for taking the step to support the denial of a Coastal Development Permit for the Poseidon project. He noted that the Coastal Commission has adopted findings of substantial issues in the appeals of Council's previous decisions and felt that it is entirely appropriate for Council to send the proposed letter noting that circumstances and facts can change. He stated that there are numerous, unresolved problems with the proposal and highlighted some of them. (01:49:22)

Garry Brown, Founding Director of Orange County Coast Keeper, hoped that Council would approve sending a letter recommending denial of the Poseidon project. He stated that desalination is a "tool in the toolbox" but asked that Council acknowledge and understand that it comes at a very high price, with great environmental impacts and great energy consumption. Mr. Brown stated opposition to the project noting that in the short-term, it is not necessary and that in the long-term, it will be prematurely obsolete. He addressed direct potable reuse and

urged Council to make the smart decisions. (01:53:42)

Jack Skinner, M.D., expressed concerns with the Poseidon project noting the high consumption of energy in the desalination process. He worried that the Poseidon project could end up being a white elephant that would not address water shortage issues. (01:56:52)

Tim Geddes spoke in support of sending the proposed letter to the California Coastal Commission and addressed the negative impacts of the project. He urged Council to send the letter in opposition of the Poseidon project. (01:59:02)

Adrian Esparza, Business Manager of Labor Local 652, indicated that they care about environmental impacts to the community and voiced the support of the Poseidon project. He addressed unemployment levels and the need for jobs. He stated the benefits of the Poseidon project and opposition to Item 17. (02:01:35)

Jerry Berger expressed his support of Council sending a letter to the California Coastal Commission opposing the Poseidon project and concerns that the proposed facility will be placed on top of unstable ground. He urged Council to think about potential seismic activity that would be tragic to the entire area. He urged Council not to make a decision based solely on jobs but to consider public safety as well. (02:02:59)

Mary Jo Baretich, representing the Cabrillo Wetlands Conservancy, expressed her support of Council sending a letter to the California Coastal Commission recommending denial of the Coastal Development Permit for the Poseidon project. She reported that as an engineer and environmentalist, she has been studying the project for the past ten years and stated that the project is energy intensive, thereby creating a high cost for water, located on an active earthquake fault and that the nearby waste dump will create a potential contamination of water. Ms. Baretich addressed negative impacts to the environment by an antiquated inflow system and noted that the outflow will create a dead zone for marine life. In addition, she addressed noise impacts and felt that expansion of the ground water replenishment system is serving residents quite well. (02:04:26)

Mike Van Voorhis, President of the Sunset Beach Community Association, invited the public to their 46th Annual Art Festival from 9:00 A.M to 6:00 P.M. on May 11 and 12, 2013 as well as the art gallery. He addressed changes that have taken place since the annexation of Sunset Beach and noted that their Coastal Land-Use Plan needs to be approved by the Coastal Commission. He reported that there is an illegal marijuana dispensary in Sunset Beach and is close to a playground and stated that residents would like for it to be closed. (02:07:08)

Mike Marcus, General Manager of the Orange County Water District, commented on Item 4 and addressed the subject of the legislation. He addressed current cases and stated that it is believed that the legislation will clarify the act and allow the District to move forward. Mr. Marcus noting that they are going after the polluter aggressively and that the legislation will allow them to be successful. (02:10:52)

Jim Leach, representing the South Orange County Regional Economic Coalition, addressed the organization's mission and urged Council not to ask the Coastal Commission to deny the Coastal Development Permit related to the Poseidon project. He stated that investment craves certainty and reliability and expressed concerns with the City being able to attract future

businesses. He stated that the water supply is at risk and felt that consideration must be given to having a reliable supply of water for the long term. He hoped that Council will continue its leadership and decide not to undermine the subject project. (02:14:51)

Patricia Goodman thanked Mayor Boardman for her foresight and letter to the Coastal Commission to deny the Coastal Development Permit for the Poseidon desalination project. She asked that Council approve Item 17 and listed alternative efforts that will go a long way to provide jobs and more sustainable measures for water supply. (02:16:44)

Debbie Koken, Member of the Banning Ranch Conservancy, commended Mayor Boardman for withdrawing the support for the Poseidon project. She noted that desalination is the most expensive source of water and expressed concerns with future high costs of water as well as the outdated technology proposed by Poseidon. She noted that the same people built a desalination plant in San Diego that went bankrupt and has yet to produce any water. She expressed concerns with negative impacts to marine life and urged Council to send the letter and withdraw its support for the project. (02:17:41)

Peter Kaltreider expressed support of Council sending a letter withdrawing its support of the Poseidon project. He reported reviewing the EIR and commented on the energy intensive process and felt that the Poseidon plan would be a step backwards. He noted that residents are already using less water and that the solution is to continue good management of existing water supplies. Mr. Kaltreider stated that one does not build unneeded things for the sake of jobs. (02:19:04)

Greg Ridge referenced an article relative to the desalination/energy dilemma and addressed an existing desalination plant in San Diego. He expressed concerns with resulting high prices of water and felt that there are other alternatives to desalination. (02:21:11)

Darrel Ferguson spoke in support of Item 17 and addressed water conservancy efforts. He opposed the Poseidon project and urged Council to recommend denial of the project. (02:24:00)

John Scott commented on the Metropolitan Water District's ability to provide water without the need for a desalination plant. He felt that Poseidon representatives are here because they want to sell water and that residents are here because they love the City and don't want water rates to skyrocket. Mr. Scott addressed increases in local energy consumption and greenhouse gases and spoke in opposition to the project. He expressed concerns with negative impacts to the environment and urged Council to look after the will of the people. (02:25:16)

John Briscoe, Huntington Beach School District Board of Trustee Member, felt that it is incumbent on the City to provide safe school route maps for residents and urged that the City invest the time to provide safe school route maps. Additionally, he addressed an existing curriculum on world religions and announced the need for an English translation of the Koran, Book of Mormon and any other books of faith. (02:28:30)

Milt Dardis spoke in support of Mayor Boardman's letter to the California Coastal Commission. He expressed concerns that the plant will be built over an earthquake fault zone and noted that the plant failed in Tampa Bay. Mr. Dardis wondered regarding the claim of providing tax revenues for the City, noting that they have no buyers for the water and commented on the

claim of job creation noting that employment will be in stages. He urged Council to support Mayor Boardman's request and send a letter recommending denial of the Coastal Development Permit for the Poseidon project. (02:32:14)

Guy Adams commented on the claims by Poseidon and addressed the high costs of desalinated water. He felt that there have been misrepresentations by Poseidon and urged Council to move forward with sending a letter recommending denial of the Coastal Development Permit for the Poseidon project. (02:35:10)

There being no others wishing to address Council, Mayor Boardman closed the Public Comments portion of the meeting.

City Clerk Flynn noted a correction to the April 1, 2013 minutes are recommended that Council adopt them as amended.

COUNCIL COMMITTEE - APPOINTMENTS - LIAISON REPORTS AND ALL AB 1234 DISCLOSURE REPORTING

Mayor Pro Tem Harper reported attending the SCAG Conference and reported speaking with Members of the AQMD Board of Directors in favor of bonfire rings and they were positive in their remarks. Additionally, he addressed an upcoming Mayors' meeting regarding the bonfire rings and asked for support of maintaining the rings in other cities.

Councilmember Carchio reported attending the League of Cities Legislative Action Days as well as a recent rally in support of the fire rings in front of the AES plant. He reported attending the SCAG Regional Conference and the 37th Annual Peace Officer's Memorial in Sacramento. In addition, Councilmember Carchio reported that he will be testifying tomorrow, in Sacramento, for the Huntington Beach Police Department and the City of Huntington Beach on the increase of illicit massage parlors in the City.

Councilmember Sullivan reported attending a recent Executive Committee as well as other meetings related to City business. He reported representing the City in Camp Pendleton and noted receipt of a framed picture.

Councilmember Hardy reported attending the Orange County Water Board meeting.

Councilmember Shaw reported attending the League of California Cities Legislative Action Days and meeting with legislators to discuss the topic of fire rings.

Councilmember Katapodis noted attending the League of California Cities Legislative Action Days and noted support by legislators on the issue of fire rings. Additionally, he reported attending the Council of Aging Seniors Volunteer Appreciation Luncheon, commented positively on the event and thanked the volunteers.

Mayor Boardman reported that she is the Council liaison to the Preserve Wintersburg Task Force and reported on a recent tour of the property and provided an update including upcoming consideration by Council. She noted that the Task Force is working on raising funds to help with the preservation of the buildings and announced a fundraiser event on May 13, 2013 at the Red Table Restaurant adding that the Huntington Harbor Mall will be matching their donation.

CITY MANAGER'S REPORT - None

CITY TREASURER'S REPORT

1. Received and Filed the City Treasurer's March 2013 Quarterly Investment Summary Report

Recommended Action:

Section 17.0 of the Investment Policy of the City of Huntington Beach.

City Treasurer Alisa Cutchen presented the City Treasurer's report for the period ending March 31, 2013, addressing the investment portfolio market value and book value, investment types by percentages, portfolio performance, and California State Code most commonly used allowable investments. She addressed current investment rates and offered to respond to questions.

A motion was made by Councilmember Hardy, second by Councilmember Carchio to receive and file the City Treasurer's March 2013 Quarterly Investment Summary Report pursuant to Section 17.0 of the Investment Policy of the City of Huntington Beach.

The motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Harper, Boardman, Carchio, Shaw, Katapodis

NOES: None

A motion was made by Councilmember Hardy, second by Councilmember Shaw to bring forward Item 17 at this juncture.

The motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Boardman, Carchio, Shaw

NOES: Harper, Katapodis

COUNCILMEMBER ITEMS

17. Submitted by Mayor Boardman - Authorized the Mayor to send a letter to the California Coastal Commission requesting the Coastal Development Permit (CDP) for the Poseidon Seawater Desalination Project be denied

Mayor Boardman addressed previous approvals of the matter by Council and submission of an amended draft letter under supplemental communications. She reported that since Council membership has changed, she wanted the current Council to express its opinion regarding the Poseidon desalination project. She noted that in no way does the recommended action undo any approval the City has granted but rather simply expresses the opinion of the current Council. She noted that her objections are not about desalination in general, but rather about the specific project. Mayor Boardman noted a previous comment by Mr. Maloni that the time allotted for public comment was truncated and allowed him an opportunity to make additional comments.

Scott Maloni, Vice President, Poseidon Resources, indicated that the comment was made by Mr. Garrett and deferred to him for additional comments.

Christopher Garrett, Attorney for Poseidon, reported that they would expect the time to put together a presentation highlighting the various environmental issues with experts having an opportunity to present. He reported that since the matter is not a public hearing, those experts are not available at this time.

Mayor Boardman affirmed that the Huntington Beach Council approved the project twice before and noted that the proposed letter does nothing to change that approval. She noted the availability of water in the service area through 2035 and reported that if Poseidon agrees to pay the City's utility tax, millions of dollars will be generated for the City but pointed out that Poseidon believes they are exempt from paying the utility tax while the City Attorney indicates that they are not. She indicated that if they are threatening to sue the City over the proposed letter, they will probably sue over having to pay 5% of utility tax. Additionally, Mayor Boardman addressed costs involved in implementing and maintaining the pipeline and felt that they were not included in projections of tax revenue to the City. She affirmed that jobs will be created during construction, but that they will also be created during expansion of ground water replenishment efforts and noted that the City will probably have to raise water rates if it becomes responsible for a pipeline and increased prices on imported water.

Mayor Boardman commented on the possibility of not needing the water and noted that the City would have to take the water regardless of the level of need. She indicated that she has simplified the proposed letter and read it into the record.

A motion was made by Mayor Boardman, second by Councilmember Hardy to authorize the Mayor to sign and send a letter to the California Coastal Commission requesting that the Coastal Development Permit (CDP) for the Poseidon Seawater Desalination Project be denied.

Councilmember Carchio wondered if staff can confirm that there would be a guarantee from Poseidon that the City could purchase the water at less than the imported price.

Staff reported that currently the City has an agreement to purchase 5 CFS of the water at 5% under imported costs.

Councilmember Carchio inquired regarding the pipeline fee.

Staff reported that the franchise fee would go into the General Fund and that Council approves that budget.

Councilmember Carchio asked staff to provide additional details regarding upfront and construction fees.

Staff confirmed that certain fees would go into the General Fund and noted the potential for rent of a tank site that would go into the General Fund as well as the Pipeline Franchise Fee and the Utility User Tax. Staff addressed other fees to be used at the City's discretion as well as right-of-way improvements.

Chief Assistant City Attorney Mike Vigliotta noted that this item is not a public hearing and

cautioned Council against extensive discussion on this matter.

In response to an inquiry from Councilmember Carchio, Chief Assistant City Attorney Mike Vigliotta confirmed receiving a letter from Poseidon attorneys expressing their opposition to moving forward with sending a letter to the Coastal Commission. He addressed sending the current letter and noted that there is still the possibility that a due process claim could be filed against the City and that Council has no jurisdiction to change previous approvals of the CDP.

Councilmember Carchio felt that by taking this action, businesses will no longer trust the City.

Mayor Pro Tem Harper addressed the issue of energy in relation to water and noted that water is a regional resource.

Chief Assistant City Attorney Mike Vigliotta advised Council to avoid discussion relative to the specifics of the project.

Mayor Pro Tem Harper commented on demand reduction, the issue of the project being private, ability to compete for water sales, the ground water replenishment system and bringing new water into the system. He addressed seismic issues and noted that a cataclysmic event would relate to the San Andreas fault. Mayor Pro Tem Harper felt that Huntington Beach is ideal for a project like this because of its proximity to the beach. He addressed regional issues and felt that Council can express their positions, individually and opposed a collective action and encouraged Council Members to express their individual opinions.

Councilmember Hardy noted that desalination can be performed inland, addressed the possibility of a lawsuit and encouraged Council Members to each send an individual letter to the Coastal Commission regarding this issue hoping that a majority is opposed to the project. She stated that she had a lot of problems with the EIR relative to the AES plant, noted that science arguments have been compelling on both sides but that once she caught the Poseidon scientists lying regarding the data, she decided to take the environmental side. She addressed the high costs of desalinated water compared to other options, increased growth, prediction of water needs, and decreased water use because of conservation efforts. Councilmember Hardy wondered how Poseidon will get other cities to pay for the water if it is more expensive and felt that their claim that it will not be paid by ratepayers is deceptive. She indicated her support of Mayor Boardman's letter and noted that if the item is not approved by Council, she will send an individual letter to the Coastal Commission asking them to deny the CDP.

Councilmember Shaw stated that increasing water rates is not business friendly and listed reasons why he will personally be writing a letter to the Coastal Commission. He commented on problems with the desalination project in Australia noting that rates increased substantially. He indicated that Orange County ratepayers will pay for Poseidon's water whether it is needed or not and that it is way more expensive than the region's first two sources of water. He added that conservation is increasing and that water usage is declining and stressed that if Poseidon is built, water rates will increase. He indicated that he will support the Mayor's motion and that if it fails, he will be writing an individual letter to the Coastal Commission opposing the issuance of a CDP.

Councilmember Katapodis wondered regarding the potential for litigation if Council sends a letter, collectively.

A substitute motion was made by Councilmember Katapodis, second by Mayor Pro Tem Harper to send individual letters to the California Coastal Commission expressing individual opinions regarding Coastal Development Permit (CDP) No. 10-014 for the Poseidon Seawater Desalination Project versus the originally recommended collective body letter representing the City.

Councilmember Sullivan indicated opposition to the Poseidon project with concerns that they have never done a full-scale project and felt that this is a big risk that the City is taking. He indicated that he will be writing an individual letter opposing approval of the CDP to the Coastal Commission and thereby, not put the City in jeopardy of litigation.

Mayor Pro Tem Harper commented on previous water education efforts and the Governor's proposal of two massive pipelines for water delivery in the future. He indicated that he will support desalination in the City.

Councilmember Carchio felt that this project will provide the City with new tax revenue, create new jobs and provide a reliable water source. He felt that approving the letter sends a terrible message to the business community.

Mr. Garrett stated that Poseidon has not threatened the City with a lawsuit but simply urged Council to listen to the City Attorney's legal advice.

Chief Assistant City Attorney Mike Vigliotta reported receiving a letter from Poseidon's attorney threatening litigation.

Mr. Garrett apologized for the tone of the letter adding that his intent was for the City to obtain legal advice during Closed Session.

Mayor Boardman read Mr. Garrett's letter noting the intent of Poseidon to proceed with legal action if Council decides to take collective action.

Discussion followed regarding the benefit of sending a letter from the collective group rather than individual letters and the right of each Council Member to send individual letters.

The substitute motion carried with the following roll call vote:

AYES: Sullivan, Harper, Carchio, Katapodis
NOES: Hardy, Boardman, Shaw

CONSENT CALENDAR

Mayor Pro Tem Harper requested pulling Item No. 4 for separate discussion and consideration.

Councilmember Hardy requested pulling Item No. 6 for separate discussion and consideration.

Mayor Boardman announced Item No. 14 will be continued to a date uncertain.

Mayor Boardman noted that she will recuse herself from Item No. 6 as she owns property within

the development.

2. Approved and adopted minutes

A motion was made by Councilmember Sullivan, second by Councilmember Hardy to approve and adopt the minutes of the City Council/Public Financing Authority Regular Meeting of March 18, 2013 as written and on file in the office of the City Clerk, approve and adopt the minutes of the City Council/Public Financing Authority Regular Meeting of April 1, 2013, **as amended**; and, approve and adopt the minutes of the City Council/Public Financing Authority Regular Meeting of April 15, 2013, as written and on file in the office of the City Clerk and approve and adopt the minutes of the Special Meeting of the Successor Agency Meeting of April 1, 2013, as amended and on file in the office of the City Clerk.

The motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Harper, Boardman, Carchio, Shaw, Katapodis
NOES: None

3. Approved appointment to the Historic Resources Board (HRB)

A motion was made by Councilmember Sullivan, second by Councilmember Hardy to approve the appointment of Roz Essner to a first term on the Historic Resources Board expiring June 30, 2015.

The motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Harper, Boardman, Carchio, Shaw, Katapodis
NOES: None

4. Approved City Position on Certain Legislation – ratified the submittal of Mayor Boardman’s letter of support for SB 658 amending Section 8 of the Orange County Water District Act

The aforementioned item was pulled by Mayor Pro Tem Harper for separate discussion and consideration. He motioned to continue the item to the next Council meeting; otherwise, he indicated that he will be voting, "no" on the matter. There being no second to his suggested motion, a subsequent motion was made by Councilmember Hardy, second by Councilmember Shaw to ratify the submittal of the Mayor's letter of Support for SB 658 (Correa) amending Section 8 of the Orange County Water District Act.

The substitute motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Boardman, Carchio, Shaw, Katapodis
NOES: Harper

5. Approved an Estoppel Certificate for the Huntington Beach Lofts project and authorized the City Manager to execute said Certificate

A motion was made by Councilmember Sullivan, second by Councilmember Hardy to approve

the Estoppel Certificate for the Huntington Beach Lofts project and authorize the City Manager to execute said Certificate.

The motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Harper, Boardman, Carchio, Shaw, Katapodis
NOES: None

6. Awarded and authorized execution of a construction contract in the amount of \$238,975 with Excavating Engineers, Inc., for the Lambert Park Slope Repair Project, CC-1337; and, authorized up to twenty percent (20%) in construction change orders

The aforementioned item was pulled by Councilmember Hardy for separate discussion and consideration.

Mayor Boardman recused herself from hearing the aforementioned item because she owns property within 500 feet of the project and departed the Chambers.

Councilmember Hardy reported on a recent meeting of the Beautification, Landscape and Tree Committee and stated that there has been significant damage to the slope and without repair, there could be extensive damage in the future. She stated there is a lot of vegetation that will need to be removed in order to make the repairs, including seventeen trees. Councilmember Hardy reported that seven of the trees can be replanted on the slope and that the other ten trees will be planted nearby, if possible and if not, they will be replaced two-for-one elsewhere in the City.

A motion was made by Councilmember Hardy, second by Councilmember Katapodis to accept the lowest responsive and responsible bid submitted by Excavating Engineers, Inc., in the amount of \$238,975.00; authorize the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney; and, authorize the Director of Public Works to approve up to twenty percent (20%) in construction change orders.

The motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Harper, Carchio, Shaw, Katapodis
NOES: None
RECUSED: Boardman

Mayor Boardman returned to the Chambers and took her place on the dais.

7. Appropriated funds, awarded and authorized execution of a Contract in the amount of \$2,949,026 to All American Asphalt Co. for the Garfield Ave. (Magnolia St. to Bushard St.) and Goldenwest St. (PCH to Yorktown Ave.) Rehabilitation Project, CC-1433

A motion was made by Councilmember Sullivan, second by Councilmember Hardy to appropriate \$600,000 from the undesignated Measure M Fund (213) balance to Arterial Rehabilitation Construction-Garfield Ave. and Goldenwest St. Rehabilitation Project Account No.

21390020.82100; accept the lowest responsive and responsible bid submitted by All American Asphalt Co. in the amount of \$2,949,026.00; and, authorize the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney.

The motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Harper, Boardman, Carchio, Shaw, Katapodis
NOES: None

8. Approved and authorized execution of Amendment No. 1 to the Agreement between the City and CSG Consultants, Inc. for Plan Review Services

A motion was made by Councilmember Sullivan, second by Councilmember Hardy to approve and authorize the Mayor and City Clerk to execute "Amendment No. 1 to Agreement Between the City of Huntington Beach and CSG Consultants, Inc. for Plan Review Services."

The motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Harper, Boardman, Carchio, Shaw, Katapodis
NOES: None

9. Approved and authorized execution of the First Amendment to the Agreement to Jointly Deliver the 2010-2012 Orange County Energy Leader Partnership Program with Southern California Edison and Southern California Gas

A motion was made by Councilmember Sullivan, second by Councilmember Hardy to approve and authorize Mayor and City Manager to execute the "First Amendment" to the Agreement to Jointly Deliver the 2010-2012 Orange County Energy Leader Partnership Program with Southern California Edison Company; approve and authorize Mayor and City Manager to execute the "First Amendment" to the Agreement to Jointly Deliver the 2010-2012 Orange County Cities Energy Efficiency Partnership Program with Southern California Gas Company and other adjacent Orange County cities; and, authorize City Manager to execute any subsequent documents approved as to form by the City Attorney necessary to advance, manage or complete Energy Leader Partnership activities.

The motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Harper, Boardman, Carchio, Shaw, Katapodis
NOES: None

10. Approved and authorized execution of a Special Utility Easement and Maintenance Agreement for dedication of Water Easements and Maintenance of Water Facilities at 7562 Center Avenue (Bella Terra Costco)

A motion was made by Councilmember Sullivan, second by Councilmember Hardy to approve and authorize the Mayor to execute the "Special Utility Easement and Maintenance Agreement" public water facilities located at 7562 Center Avenue (Bella Terra Costco).

The motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Harper, Boardman, Carchio, Shaw, Katapodis
NOES: None

11. Approved and authorized execution of an Amendment to the Special Utility Easement and Maintenance Agreement for dedication of Water Easements and maintenance of public water facilities located at 7777 Edinger Avenue (Bella Terra Shopping Center)

A motion was made by Councilmember Sullivan, second by Councilmember Hardy to approve and authorize the Mayor to execute the "Amendment to Special Utility Easement and Maintenance Agreement" for public water facilities located at 7777 Edinger Avenue (Bella Terra Shopping Center).

The motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Harper, Boardman, Carchio, Shaw, Katapodis
NOES: None

12. Approved and authorized execution of Amendment No. 1 to Memorandum of Understanding with the Orange County Transportation Authority (OCTA) for the Magnolia Street Multi-Jurisdictional Traffic Signal Synchronization Project

A motion was made by Councilmember Sullivan, second by Councilmember Hardy to approve and authorize the Mayor and City Clerk to execute "Amendment No. 1 to Memorandum of Understanding C-1-2648 By and Between Orange County Transportation Authority and the Cities of Anaheim, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Stanton, Westminster and the County of Orange and the State of California Department of Transportation for the Magnolia Corridor Traffic Signal Synchronization Project."

The motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Harper, Boardman, Carchio, Shaw, Katapodis
NOES: None

13. Approved and authorized execution of a Professional Services Contract with California Property Specialists, Inc. for Appraisal, Acquisition, and Relocation Implementation Services for the Atlanta Avenue Widening Project

A motion was made by Councilmember Sullivan, second by Councilmember Hardy to approve and authorize the Mayor and City Clerk to execute the "Professional Services Contract Between the City of Huntington Beach and California Property Specialists, Inc. for Appraisal, Acquisition, and Relocation Implementation Services for the Atlanta Avenue Widening Project" in the amount of One Hundred Eleven Thousand, Nine Hundred Twenty Five Dollars (\$111,925.00).

The motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Harper, Boardman, Carchio, Shaw, Katapodis
NOES: None

14. CONTINUED TO A DATE UNCERTAIN Resolution No. 2013-15 amending the City Classification Plan and the Memorandum of Understanding between the City and the Municipal Employees' Association (MEA) by adopting a Side Letter of Agreement establishing the new classification of Community Services Officer

There was no action taken on the aforementioned item as it was continued to a date uncertain.

ADMINISTRATIVE PUBLIC HEARING

15. Conducted Public Hearing for Annual Weed Abatement Program

City Manager Wilson presented the item for consideration.

Mayor Boardman commented on weed abatement efforts and wondered why staff waits later in the season to cut down mustard plants in Central Park.

Staff reported that abatement will take place May 13, 2013 and that a nesting study will be completed prior to doing the work. Staff will look into performing abatement earlier in the season on City-owned property.

Mayor Boardman opened the public hearing. Interested parties were invited to address Council on this matter. There was no one present to speak, and therefore Mayor Boardman closed the public hearing.

A motion was made by Councilmember Katapodis, second by Councilmember Sullivan to authorize the Superintendent of Streets (Director of Public Works) to proceed with the abatement of said nuisance.

The motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Harper, Boardman, Carchio, Shaw, Katapodis
NOES: None

ORDINANCES FOR INTRODUCTION

16. Approved for introduction Ordinance No. 3978 amending the Huntington Beach Municipal Code (HBMC) by adding Chapter 2.06 relating to Campaign Documents

Chief Assistant City Attorney Mike Vigliotta addressed the proposed amendments and noted an additional amendment presented via supplemental communication.

A motion was made by Councilmember Hardy, second by Councilmember Sullivan to after the City Clerk reads by title approve for introduction Ordinance No. 3978, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 2.06 Relating to Campaign Documents" **as amended** by supplemental communication.

Mayor Pro Tem Harper requested clarification regarding advocacy for a candidate by a local newspaper and Chief Assistant City Attorney Mike Vigliotta noted that the ordinance defines

distribution as mailing through U.S. Postal Service or personal distribution of a campaign document. He added that if a newspaper is delivered through the U.S. Postal Service, it would be subject to the ordinance.

In response to Mayor Pro Tem Harper's inquiry, Chief Assistant City Attorney Mike Vigliotta reported that the ordinance is not identical to the previous ordinance and that there were a number of changes made to the original ordinance.

Mayor Pro Tem Harper felt that the ordinance would not pass if it went to the courts and felt that the ordinance opens the possibility of litigation. He indicated that he will not support the motion.

Mayor Pro Tem Harper felt that the ordinance may encourage the distribution of negative information and turn the City into an instrument of a political campaign.

Councilmember Hardy stated the reasons for her support of the ordinance as a source of education.

Mayor Pro Tem Harper commented on press coverage of the issue.

The motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Boardman, Shaw
NOES: Harper, Carchio, Katapodis

COUNCILMEMBER ITEMS

- 17. Submitted by Mayor Boardman - Authorized the Mayor to send a letter to the California Coastal Commission requesting the Coastal Development Permit (CDP) for the Poseidon Seawater Desalination Project be denied**

This item was heard earlier on the agenda by a majority of Council action.

- 18. Submitted by Mayor Pro Tem Harper and Councilmember Hardy – Repealed Huntington Beach Municipal Code (HBMC) Chapter 9.60 regarding hypnotism**

Mayor Pro Tem Harper felt there is no reason for the aforementioned to be on the books.

A motion was made by Mayor Pro Tem Harper, second by Councilmember Hardy to ask the City Council to repeal Chapter 9.60, Section 9.060.030 - Hypnotism - Practice Prohibited - of the Huntington Beach Municipal Code by directing the City Attorney to return with the appropriate ordinance to affect the repeal.

The motion carried with the following roll call vote:

AYES: Sullivan, Hardy, Harper, Boardman, Carchio, Shaw, Katapodis
NOES: None

COUNCILMEMBER COMMENTS (Not Agendized)

Councilmember Hardy thanked Councilmember Katapodis and Councilmember Carchio for attending Youth in Government Day and complemented staff member Chris Cole. She reported attending a panel on the new Social Hosting Ordinance and thanked Police Officers and City Attorney Jennifer McGrath for attending. She reported attending the League of Conservation Voters Awards Dinner and congratulated Mayor Boardman on the award received.

Mayor Pro Tem Harper reported attending the ground-breaking for the Orange County Crime Victims Memorial and acknowledged the efforts of Supervisor Tom Spitzer. Additionally, he attended the kick off for the OCTA Bike Festival and acknowledged the success of the Taste of Huntington Beach. He acknowledged the second anniversary of the Huntington Beach Farmers' Market at Peter's Landing.

Councilmember Carchio reported attending Youth in Government Day and commended Councilmember Hardy on the event. Additionally, he reported attending the Library Volunteer Appreciation event and commented positively on the effort of City volunteers. He reported attending the opening of Bruxies Restaurant, the Huntington Beach Council on Aging Volunteer Appreciation event and the 5th Annual Battle Shark Challenge and commented positively on the event. He addressed the "Be a Buddy, Not a Bully Campaign" and commented positively on the event. He reported attending the Westminster Mayors' Prayer Breakfast.

Councilmember Shaw reported attending the Department of Toxic Substances Public meeting, the Mormon Helping Hands Community Service Day, the Annual Spring Festival at Shipley Nature Center as well as the Taste of Huntington Beach.

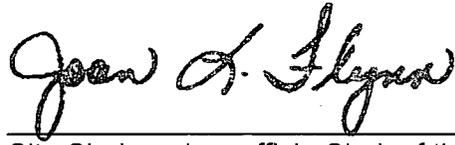
Councilmember Katapodis commented positively on Bruxies Restaurant and encouraged the public to attend. Additionally, he reported attending the Mormon Helping Hands Community Service Day, the Orange County Conservation League and reminded residents of Peace Officer's Memorial Week.

Mayor Boardman reported attending the Senior Services Council on Aging Volunteer Appreciation Luncheon and commented positively on the event. Additionally, she attended the Donate Life Walk event at Cal State Fullerton as well as the Shipley Nature Center Annual Spring Festival and the OCTA Bike Festival. She attended the Taste of Huntington Beach and the recent bonfire rally. She announced an upcoming event on May 17, 2013 at 5:00 P.M. in the Council Chambers where residents will have an opportunity to express their opinions about fire rings.

ADJOURNMENT OF THE REGULAR MEETING OF THE CITY COUNCIL/PUBLIC FINANCING AUTHORITY AND THE SPECIAL MEETING OF THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH

There being no other business to come before Council, the Public Financing Authority and the Successor Agency to the Former Redevelopment Agency of the City of Huntington Beach, Mayor Boardman adjourned the meeting at 10:29 PM.

The next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority is Monday, May 20, 2013, at 4:30 PM in Room B-8, Civic Center, 2000 Main Street, Huntington Beach, California.



City Clerk and ex-officio Clerk of the City
Council/Successor Agency of the City of
Huntington Beach, Secretary of the
Huntington Beach Public Finance Authority
of the City of Huntington Beach, California

ATTEST:



City Clerk-Clerk-Secretary



Mayor-Chair