

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

Monday, October 19, 2015  
4 00 PM - Council Chambers  
6 00 PM - Council Chambers  
Civic Center, 2000 Main Street  
Huntington Beach, California 92648

**Video recordings of the 4:00 PM and 6:00 PM portion of this meeting  
are on file in the Office of the City Clerk and are archived at  
[www.surfcity-hb.org/government/agendas/](http://www.surfcity-hb.org/government/agendas/)**

**4:00 PM - COUNCIL CHAMBERS**

**CALLED TO ORDER – 4 06 PM**

**ROLL CALL**

Present     Posey, O’Connell, Katapodis (arrived at 4 08 PM), Hardy, Sullivan, Delgleize, and Peterson  
Absent     None

**ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)**

Pursuant to the Brown "Open Meetings" Act, City Clerk Joan Flynn announced a supplemental communication for Study Session Item No 1 that was received following distribution of the City Council agenda packet

PowerPoint presentation submitted by Director of Community Services, Janeen Laudenback, dated October 19, 2015, entitled *Parks and Recreation Master Plan*

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

**STUDY SESSION**

- 1. The firm of RJM Design Group along with staff from the Community Services Department provided an overview of the Final Draft Report of the Parks and Recreation Master Plan.**

RJM Design Group representative Zachary Mueting provided a PowerPoint presentation entitled "Parks and Recreation Master Plan" that included the following titled slides Parks / Facilities / Programs, Outreach Methods, Community Characteristics, Sports Organizations, Community Prioritization, Community Phone Survey, 2015 Facility Demand, Facility Surplus / Deficit (-), Facility Summary, Facility Prioritization, Recommendations and Cost Considerations

In response to an inquiry by Councilmember Delgleize regarding areas where parks were not considered, Consultant Mueting discussed the process to assess spatial relationships Discussion

ensued on the increased interest in Water Polo and La Crosse, and what the space demands are for those particular sports

Councilmember Posey and Director Laudenback discussed short term recommendations related to costs for maintenance, how immediate the needs are, and how funding could be gained

Mayor Hardy asked for an update regarding the LeBard purchase of little league fields Director Laudenback stated that staff from Business Development could provide a memo with that information. Mayor Hardy asked that the memo also recommend use of funds no longer needed for parking lot improvements

Councilmember Posey and Facilities Development and Concessions Manager Dave Dominguez discussed how the acreage inventory of 1,062 acres includes the City beach

### **RECESS TO CLOSED SESSION**

A motion was made by O'Connell, second Katapodis to recess to Closed Session Item Nos 2-4 The motion carried by the following vote

AYES	Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES	None

**Mayor Hardy Announced** Pursuant to Government Code §54956.8, the City Council takes this opportunity to publicly introduce and identify designated property negotiator, City Manager Fred Wilson, who will be participating in today's Closed Session discussions concerning price and terms of payment for the disposition of real property located at 1718 Orange Avenue (APN 023-152-01) in Huntington Beach The negotiating parties are Christopher Homes and the City of Huntington Beach

**Mayor Hardy Announced** Pursuant to Government Code § 54957.6, the City Council takes this opportunity to publicly introduce and identify designated labor negotiator, City Manager Fred Wilson, who will be participating in today's Closed Session discussions regarding labor negotiations with Fire Management Association (FMA), Huntington Beach Firefighters' Association (HBFA), Huntington Beach Municipal Employees' Association (MEA), Management Employees' Organization (MEO), Huntington Beach Police Officers' Association (POA), Police Management Association (PMA), Marine Safety Management Association (MSMA), and/or Surf City Lifeguard Employees' Association (SCLEA) and/or Non Associated (NA)

### **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 lawsuit: The Kennedy Commission, et al. v. City of Huntington Beach, Orange County Superior Court Case No. 30-2015-00801675, which concerns a challenge to the City Council action amending the Beach and Edinger Corridors Specific Plan.**
- 3. Pursuant to Government Code Section 54956.8, the City Council recessed to Closed Session to give instructions to the City's Negotiator, Fred Wilson, City Manager, regarding negotiations with Christopher Homes, concerning price and terms of payment**

for the disposition of real property located at 1718 Orange Avenue (APN 023-152-01) in Huntington Beach, CA.

4. Pursuant to Government Code § 54957.6, the City Council recessed into Closed Session to meet with its designated labor negotiators and Fred Wilson, City Manager regarding the following: Fire Management Association (FMA), Huntington Beach Firefighters' Association (HBFA), Huntington Beach Municipal Employees' Association (MEA), Management Employee's Organization (MEO), Huntington Beach Police Officers' Association (POA), Police Management Association (PMA), Marine Safety Management Association (MSMA), Surf City Lifeguard Employees' Association (SCLEA), and/or Non Associated (NA).

#### **6:00 PM – COUNCIL CHAMBERS**

#### **RECONVENED CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING AND SUCCESSOR AGENCY SPECIAL MEETING – 6 09 PM**

**CLOSED SESSION REPORT BY CITY ATTORNEY - None**

#### **ROLL CALL**

Present Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson  
Absent None

**PLEDGE OF ALLEGIANCE** – Led by Councilmember Posey

**INVOCATION** – Provided by Kelly Frankiewicz of the Surf City Methodist Church and the Greater Huntington Beach 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**

Mayor Hardy announced October as National Disability Employment Awareness Month, and proclaimed October 18 - 24 as Freedom from Workplace Bullying Week.

Mayor Hardy called on Gisela Campagne of Waggin Trails Rescue Foundation, and Gina, representing the Orange County Human Society, to present the Adoptable Pet of the Month, a 3-month old male tuxedo kitten named Clyde.

Mayor Hardy called on Community Services Director Janeen Laudenback to introduce Jeff Snow, Huntington Beach Rotary Club, and fellow Rotarians Scott Smith and Jodie McKay to discuss the upcoming Huntington Haunt Experience, October 28 - 31.

Mayor Hardy called on Police Chief Robert Handy who presented the Mayor's Award to Detention Administrator Dale Miller.

Chief Handy described Mr. Miller's extraordinary commitment and service to both his country and the City of Huntington Beach. Mr. Miller managed the Huntington Beach City Jail for the past 11 years by maintaining the professional operation consistent with a wide variety of laws, rules and regulations governing jail operations in California. Managing staffing of the jail, while ensuring mandated training levels are met each year, is a challenging task which has sometimes required Mr. Miller to also work as a line-level employee. Mr. Miller has also ensured the jail has passed a multitude of inspections by a wide variety of agencies including the Orange County Grand Jury, Orange County Health Authority, Orange County Youth Commission, Huntington Beach Fire Marshall, California Board of Standards for Community Corrections, Cal-OSHA and a local medical advisor, to meet federal, state and county standards.

Upon his retirement as a Colonel in the United States Air Force Reserve last year, Mr. Miller has 30 years of service to the United States Air Force. Colonel Miller was deployed on many occasions. He has also served as liaison for the United States Air Force Academy in a variety of capacities. Chief Handy expressed appreciation and congratulated Mr. Miller for his service to our country and community.

#### **ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)**

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

#### **Consent Calendar**

#5 Communication received from Assistant City Manager, Ken Domer, dated October 15, 2015, correcting the date in the title of Agenda Item 5 from November 23, 2015, to November 22, 2015.

#10 "Agreement for Special Services" with Liebert Cassidy Whitmore submitted by City Attorney, Michael Gates.

#### **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>*

Anthony Nobles, Sunset Beach Community Association, spoke to announce their Third Annual Halloween Event, 6-10 p.m., October 31, at the Sunset Beach Community Center. This is a free event open to all with activities for all ages. (00 23 36)

Steve Rubino spoke in support of Agenda Item No. 17, a community meeting regarding coyote related incidents. He stated that coyotes no longer fear humans, and the City needs to address this very serious issue. (00 26 11)

Joe Gaglione, Ocean View School District Board of Trustees, spoke regarding the perceived health and environmental issues at Rainbow Environmental that impact the nearby Oak View School and which he perceives continue to be ignored by the City Council. (00 30 10)

Gina Clayton-Tarvin, Ocean View School District Board of Trustees, spoke to provide an update regarding the on-going dispute about Rainbow Disposal between the OVSD and City of Huntington Beach. OVSD maintains that Rainbow Transfer Station and Dump continues to create public and private nuisances, and there must be one hundred percent containment of the Rainbow facility to resolve the nuisance issues. (00 33 23)

Rekha Powar, Ocean View Preschool Teacher, spoke regarding the perceived issues at Rainbow Environmental that impact the nearby Oak View School, and asked for the City Council's active support in advocating for the health and safety of the children. (00 36 41)

Victor Valledares, Oak View Comunidad, spoke to request a full investigation to determine how a driver could be distracted to the point of hitting an Oak View resident pedestrian resulting in brain death. He also spoke regarding the perceived health and environmental issues at Rainbow Environmental that impact the nearby Oak View community and school, and asked for the City Council's active support for one hundred percent containment of the Rainbow facility to resolve the nuisance issues. (00 39 46)

Ronald Siu spoke in opposition to the City's water and sewer service rate adjustments, and voiced his frustration with lack of background details. He also shared that the City of Stanton has forced their transfer station owner to build a bio filter that removes all of the nuisance issues that others have described as a result of Rainbow's operation. (00 43 15)

John Briscoe, Trustee of the Ocean View School District, spoke regarding the perceived health and environmental issues at Rainbow Environmental that impact the nearby Oak View School which continue to be ignored by the City Council. He stated his opinion that the City inspector has never set foot on the site to know whether City codes are being followed or not. He asked City Council to demand complete containment of the Rainbow facility to resolve the nuisance issues. (00 46 54)

Brenda Calvillo spoke in support of Agenda Item No. 17, a community meeting regarding coyote related incidents, and encouraged communication with Project Coyote, an organization that can assist with policies and public education. (00 50 11)

Sarah Pobog spoke regarding her concerns about the Wintersburg property and her unsuccessful efforts to get information about that project. She also confirmed the perceived nuisance issues at Rainbow which affect her family as she lives in the Oak View neighborhood. (00 52 03)

Oscar Rodriguez, Comunidad, spoke regarding the perceived health and environmental issues at Rainbow Environmental, and invited City Councilmembers to the Oak View neighborhood protest to be held October 29th, starting at 5:30 p.m. (00 54 41)

Robert Johnson spoke regarding the City's Affordable Housing program and his opinion that moderate income level families do not need housing assistance. (00 56 39)

Connie Ngo spoke in opposition to Agenda Item No. 14, the City's water and sewer service rate adjustments, stating she already pays sewer fees through her property taxes. (00 59 51)

Debora Martin, Director, Coyotes in Orange County, spoke regarding the issues related to living with coyotes and stated that the problem has escalated this year with many more incidents and sightings. Anyone can visit their web page for further information. (01 03 22)

Robert Bolen spoke regarding Rainbow Disposal and their recycling system which sends three different trucks down the streets each week. Recycling is great, but in his opinion Rainbow should help to pay for street repair since he believes it is their trucks causing major potholes. (01 06 29)

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

Mayor Pro Tem Katapodis reported attending the Orange County Transportation Authority (OCTA) Transit Committee and Administrative meetings, the Orange County Sanitation District (OCSD) Administrative meeting, and a groundbreaking for the Golden West and Center OCTA expanded parking lot, which is a great place for commuters to park, take an early morning transit ride to downtown Los Angeles and ride end-of-day buses for the return trip.

Councilmember Posey reported attending the Fourth of July Board meeting which is looking for 2016 theme ideas.

Councilmember Peterson reported attending the first meeting for Orange County Council of Governments (OCCOG) and Southern California Association of Government (SCAG).

Councilmember O'Connell announced his appointment of Omar Ziaolhagh to the Citizen Participation Advisory Board (CPAB).

Councilmember Delgleize announced her appointment of Pete Andres to the CPAB Board.

**CITY MANAGER'S REPORT**  
City Manager Fred Wilson provided an update on the Safe Routes to School program with Ocean View School District. He stated that meetings were held with the Superintendent and Assistant Superintendent in September and early October and that possible approaches have been reviewed for all 12 schools in the District. He also indicated that a three-phase plan is being developed which will be coordinated by the District, and that the City will cover the costs for Phase 1 of the program.

#### **CONSENT CALENDAR**

Councilmember Peterson pulled Agenda Item No. 11.

##### **1. Approved and adopted minutes**

A motion was made by Sullivan, second Katapodis to review and approve the City Council/Public Financing Authority regular meeting and Successor Agency special meeting minutes dated October 5, 2015, as written and on file in the office of the City Clerk.

The motion carried by the following vote:

AYES	Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES	None

**2. Received and filed City of Huntington Beach Strategic Plan Update**

A motion was made by Sullivan, second Katapodis to receive and file the Six-Month Strategic Objectives

The motion carried by the following vote

AYES                                      Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson  
NOES                                        None

**3. Authorized the City Manager to accept Grant funds in the amount of \$284,200 from the Department of Housing and Community Development for Bartlett Park, and appropriated funds**

A motion was made by Sullivan, second Katapodis to authorize the City Manager or his designee to accept grant funds from the Department of Housing and Community Development, and, appropriate \$284,200 for Bartlett Park improvements

The motion carried by the following vote

AYES                                        Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson  
NOES                                        None

**4. Adopted Resolution No. 2015-60 amending the City's Classification Plan by amending the title of Property Officer to Property and Evidence Officer and adding the classifications of Property and Evidence Supervisor and Associate Civil Engineer**

A motion was made by Sullivan, second Katapodis to adopt Resolution No 2015-60, "A Resolution of the City Council of the City of Huntington Beach Amending the City's Classification Plan by Amending the Title of Property Officer to Property and Evidence Officer and Adding New Job Classifications of Property and Evidence Supervisor and Associate Civil Engineer "

The motion carried by the following vote

AYES                                        Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson  
NOES                                        None

**5. Adopted Resolution No. 2015-59 approving a Promotional Program providing two hours free parking at The Strand and Main Promenade Parking Garages from November 22, 2015, to December 31, 2015**

A motion was made by Sullivan, second Katapodis to adopt Resolution No 2015-59, "A Resolution of the City Council of the City of Huntington Beach Authorizing a Promotional Program of Two-Hours Free Parking in The Strand and the Main Promenade Parking Garages Valid November 22, 2015, to December 31, 2015 "

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson  
NOES None

**6. Adopted Resolution No. 2015-61 restating and amending Resolution 2005-32 regarding authorizing the City Attorney to file Legal Actions**

A motion was made by Sullivan, second Katapodis to adopt Resolution No 2015-61, "A Resolution of the City Council of the City of Huntington Beach Restating and Amending Resolution No 2005-32 Regarding Authorizing the City Attorney to File Legal Actions "

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson  
NOES None

**7. Adopted Resolution No. 2015-62 Authorizing the City to Apply for Financing to Fund the Streetlight Acquisition and Retrofit Project from the California Infrastructure and Economic Development Bank (IBank)**

A motion was made by Sullivan, second Katapodis to adopt Resolution No 2015-62, "A Resolution of the City Council of the City of Huntington Beach to Apply for Financing to Fund the Streetlight Acquisition and Retrofit Project from the California Infrastructure and Economic Development Bank "

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson  
NOES None

**8. Approved and authorized execution of three (3) separate Mills Act Agreements between the City of Huntington Beach and Joseph Santiago, Mark and Maria Williams, and Erich Reisen for the purpose of providing property tax relief for owners of qualified properties who wish to use the savings to preserve/restore their historic property**

A motion was made by Sullivan, second Katapodis to approve and authorize the Mayor and City Clerk to execute the "Historic Preservation Agreement Containing Covenants, Conditions and Restrictions Affecting Real Property By and Between the City of Huntington Beach and Joseph Santiago for the Real Property Located at 403 10th Street Within the City of Huntington Beach ("Mills Act Contract")," and, approve and authorize the Mayor and City Clerk to execute the "Historic Preservation Agreement Containing Covenants, Conditions and Restrictions Affecting Real Property By and Between the City of Huntington Beach and Mark and Maria Williams for the Real Property Located at 501 10th Street Within the City of Huntington Beach ("Mills Act Contract")," and, approve and authorize the Mayor and City to execute the "Historic Preservation Agreement Containing Covenants, Conditions and Restrictions Affecting Real Property By and Between the City of Huntington Beach and Erich Reisen for the Real Property Located at 421 8th Street Within the City of Huntington Beach ("Mills Act Contract") "

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson  
NOES None

**9. Approved and authorized execution of an Agreement to Transfer Funds for 2015 Edward Byrne Memorial Justice Assistance Grant (JAG) Program and approved appropriation and expenditure of funds**

A motion was made by Sullivan, second Katapodis to approve and accept the "Agreement to Transfer Funds for 2015 Edward Byrne Memorial Justice Assistance Grant (JAG) Program" between the County of Orange and the City of Huntington Beach, and, authorize the Mayor and City Clerk to execute, on the City's behalf, the agreement to transfer funds for 2015 Edward Byrne Memorial (JAG) program between the County of Orange and the City of Huntington Beach, and, approve the appropriation and expenditure of up to \$25,359 to be fully reimbursed by the grant from the Department of Justice via the County of Orange

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson  
NOES None

**10. Approved and authorized execution of a nine-month Agreement for Special Services related to Labor Negotiations, in an amount not to exceed \$200,000, with Liebert Cassidy Whitmore (LCW); and, authorized a six month extension**

A motion was made by Sullivan, second Katapodis to approve an agreement with Liebert Cassidy Whitmore for consulting, representational, and legal services pertaining to employment relations matters, including representation in labor negotiations and in administrative and court proceedings for a term of nine (9) months not to exceed \$200,000, and, authorize the City Attorney to extend the contract for a time period not exceeding six (6) months

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson  
NOES None

**11. Adopted Ordinance No. 4071 amending Chapter 10 of the Huntington Beach Municipal Code (HBMC) relating to Meter Zones Approved for introduction 10/5/2015 - Vote: 5-2 (Posey, Peterson - No)**

Councilmember Peterson pulled this item to announce he voted "no" when the Ordinance was introduced, and will vote "no" again

A motion was made by Hardy, second Katapodis to adopt Ordinance No 4071, "An Ordinance of the City of Huntington Beach Amending Sections 10 60 010, 10 60 020 and 10 60 030 of the Huntington Beach Municipal Code Relating to Meter Zones "

The motion carried by the following vote

AYES O'Connell, Katapodis, Hardy, Sullivan, and Delgleize  
NOES Posey and Peterson

**12. CONTINUED FROM THE 10/5/15 MEETING - Exclusive Negotiation Agreement (ENA) for redevelopment of the Michael E. Rodgers Seniors' Center Site**

A motion was made by Sullivan, second Katapodis to remove item from consideration

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson  
NOES None

**13. CONTINUED FROM THE 10/5/15 MEETING - Purchase and Sale Agreement for the Waterfront Hilton/Parcel C and Hyatt Properties**

A motion was made by Sullivan, second Katapodis to return for consideration in 30 days

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson  
NOES None

**PUBLIC HEARING**

**14. Adopted Water and Sewer Service Rate Adjustments - Resolution No. 2015-63, Ordinance No. 4073 and Ordinance No. 4074**

Chris Davis, Senior Administrative Analyst in Public Works, presented a PowerPoint presentation dated October 19, 2015, entitled *Water and Sewer Rate Adjustment*, that included the following titled slides Background, Water and Sewer Service Rate Adjustment Past Practices, Water Supply, Water Commodity Rate Formula, Water Meter Rate, Water Meter Changes, Proposed Water Rates, Impacts of Proposed Adjustment on a Single Family Residence at 12 Billing Units Per Month, Comparison of Water Rate to Other Agencies, Sewer Service Charges, Comparison of Current Sewer Rates to Other Agencies, Proposition 218 Procedures, Recommended Actions and Questions

Councilmember O'Connell asked what the current water reserve balance is, and staff responded approximately \$23M

Mayor Hardy asked if the charge can be more than the costs associated with the service Staff responded no Costs include CPI, fixed costs, and reserves (which can be used for capital costs such as emergencies or to rehab wells)

Mayor Hardy opened the Public Hearing

City Clerk Joan Flynn announced supplemental communications received by her office following distribution of the Council agenda packet

PowerPoint presentation submitted by Travis Hopkins, Director of Public Works, entitled *Water and Sewer Rate Adjustment*

Twenty-three protest letters were received after the agenda was released regarding the Water and Sewer Service Rate Adjustments in addition to the 236 included in the agenda packet, for a total of 262 including two letters received this evening and the one Public Hearing speaker

Leslie Hodowanec spoke in opposition to Agenda Item 14, Water and Sewer Service Rate Adjustments (01 21 56)

With no one else present to speak, Mayor Hardy closed the Public Hearing

A motion was made by O'Connell, second Peterson to waive fee increases this year Discussion ensued

Councilmember Posey and Public Works Director Hopkins discussed cost increases anticipated for what the City pays to the Orange County Water District (OCWD) and Municipal Water District of Orange County (MWDOC) for residential water use

Councilmember Peterson stated that he is supporting Councilmember O'Connell's motion because as a member of the Sanitation District he is aware that there is an expected decrease in sewage fees in the next year, and a change from 65% to 75% of the water will be coming from the groundwater basin

Mayor Pro Tem Katapodis and Director Hopkins discussed how denying the increase would impact the City Director Hopkins explained that the current cost is just under \$1M and the City would have to use reserves As for the sewer fees, the line item on residents' property taxes goes to the Orange County Sanitation District and not for City sewers City Council already voted to not increase sewer fees this year The action item this evening is to approve the method to allow the City Council to determine water and sewer fees

Councilmember Delgleize asked Director Hopkins about use of reserves in the past Director Hopkins responded that the City Council set policy for water fund reserves which requires that reserves maintain a \$26M balance This is based on making sure there is at least 1/3 of operating costs, plus the cost to replace one of the water wells, and a portion of each year's CPI cost Current projections are that the reserves will be about \$5M below the required balance by the end of the year If this year's increase is not approved, it will mean depleting reserves another \$1M

Councilmember O'Connell asked staff what interest rate reserves are getting, and the response was that City funds are currently getting approximately less than 1%, and anticipated interest income is factored into the budget each year More specific details would have to come from the City Treasurer Dipping into reserves at nearly \$1M each year for operating expenses will quickly deplete funds that are to be used for emergency or unanticipated costs and will eventually limit the City's ability to make infrastructure repairs

Mayor Hardy stated that parts of the City are over 100 years old, other parts are 50-60 years old, and even the "newer" sections of the City are 20 years old Los Angeles has had major water line breaks recently This possibility is a reality that must be funded through reserves Rates have not been increased for four years The proposed rate increase covers the cost increase in the past year, and

she cannot support the current motion

Councilmember Delgleize added that if an increase is not approved this year, then in another year or two the increase will be much higher to catch up, and therefore she will not support the current motion

Mayor Pro Tem Katapodis stated his understanding for the residents who do not want to see rates increase, but in looking at the situations that the City of Los Angeles has recently experienced, he believes our water infrastructure is very important and a catastrophe could quickly spend down \$23M. It is important to remember that the City is not making money through water rates, but is charging actual costs.

Councilmember Posey asked staff if reduced reserve levels impact the City's credit rating and ability to borrow and the interest rate charged. Director Farrell stated that there is a direct correlation as lenders determine financial sustainability by looking at fiscal discipline. She indicated that lenders always ask about the reserve base versus operating budget, and the condition of assets. If lenders see operating costs to the tune of nearly \$1M coming out of reserves each year, it is a significant red flag.

Councilmember Posey also asked that with most residents cutting back water usage, can they expect to see reduced water bills including this cost increase. Director Hopkins stated that if a user has cut their use by 20%, yes, even with this rate increase it could result in a lower water bill. As shown in the earlier presentation, our commodity rate is going to \$1.83 for Huntington Beach, compared to \$2.94 for Fountain Valley, or \$2.83 for Garden Grove and \$3.40 for Mesa Water District. Historically the City of Huntington Beach has been very careful to keep rates at cost. The City of Huntington Beach receives no property tax funds for water or sewer costs. Councilmember Posey added that the City Council does need to be fiscally responsible, and in his opinion it is not fiscally responsible to risk possibly having to borrow money by not increasing rates and properly funding for actual costs.

Councilmember O'Connell stated that if not increasing rates this year would put the City's credit rating at risk, he would withdraw his motion. Director Farrell responded that pulling nearly \$1M out of reserves for operating expenses is very risky, and she would have a very hard time making a compelling case as to how that would show fiscal responsibility. To help clarify the picture, Director Farrell added that this enterprise has significant assets, i.e., Land - \$4M, Buildings and Improvements - \$52M, Machinery and Equipment - \$9M, Infrastructure - almost \$90M, Construction in Progress - \$6M.

After hearing these numbers and seeing the bigger picture, Councilmember Peterson withdrew his second, and Councilmember O'Connell withdrew his motion.

A motion was made by Katapodis, second Posey to adopt Resolution 2015-63, "A Resolution of the City Council of the City of Huntington Beach Adjusting Water Rates and Commodity Rate Pursuant to Section 14.12.040 of the Huntington Beach Municipal Code," and, after the City Clerk reads by title, approve for introduction Ordinance No. 4073, "An Ordinance of the City of Huntington Beach Amending Chapter 14.12 of the Huntington Beach Municipal Code Relating to Water Fees, Rates and Deposits," and, after the City Clerk reads by title, approve for introduction Ordinance No. 4074, "An Ordinance of the City of Huntington Beach Re-adopting and Amending Chapter 14.55 of the Huntington Beach Municipal Code Relating to Rates, Charges, and Annual CPI-U Adjustment and Billing Methodology for the Sewer Service Charge."

The motion carried by the following vote:

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson  
NOES None

Mayor Pro Tem Katapodis explained he needed to catch a flight so he could accept his MS in Organizational Leadership the next day. There being no objections, permission was granted for Mayor Pro Tem Katapodis to be absent for the remainder of the meeting and he left at 7:55 PM.

**15. Approved Negative Declaration No. 14-005 and Adopted Resolution No. 2015-64 approving General Plan Amendment No. 08-009 (Historic and Cultural Resources Element Update) – Continued from the April 6, 2015, City Council Meeting**

Senior Planner Ricky Ramos introduced Andrea Galvin, Consultant for this project, and provided a PowerPoint presentation dated October 19, 2015, entitled *Negative Declaration No. 14-005 General Plan Amendment No. 08-009 (Historic and Cultural Resources Element Update)* that included the following titled slides: Request, Background, Analysis, Voluntary Historic Properties Inventory (To Date), and Recommendation.

Councilmember Peterson and Senior Planner Ramos discussed how owners can opt in and out of the program at any time.

Councilmember Posey and Senior Planner Ramos discussed the Mills Act and the fact that participation in one program does not affect participation in the other.

Councilmember Delgleize asked if the Mills Act provisions stay with the property if it is sold before the 10-year commitment is up. Senior Planner Ramos responded that the Mills Act provisions stay with the property, not the property owner.

Mayor Hardy opened the Public Hearing.

Bob Bolen spoke in support of Agenda Item No. 15 and thanked Council and staff for making this a voluntary program. (01:54:47)

With no one else present to speak, Mayor Hardy closed the Public Hearing.

A motion was made by Delgleize, second Posey to approve Negative Declaration No. 14-005 with findings, and, approve General Plan Amendment No. 08-009 by adopting City Council Resolution No. 2015-64, "A Resolution of the City Council of the City of Huntington Beach Approving General Plan Amendment No. 08-009 (Historic and Cultural Resource Element Update)."

The motion carried by the following vote:

AYES Posey, O'Connell, Hardy, Sullivan, Delgleize, and Peterson  
NOES None  
ABSENT Katapodis

**ORDINANCES FOR INTRODUCTION**

**16. Approved for introduction Ordinance No. 4072 amending Section 1.18.140 of the Huntington Beach Municipal Code (HBMC) relating to the Right to Judicial Review**

City Attorney Michael Gates stated that this is an item to clean up the Municipal Code. Currently Municipal Code Section 1 18 140 requires all requests to appeal administrative hearing decisions be made by applying for judicial review at the West Justice Center of the Orange County Superior Court, however, the West Justice Center no longer provides judicial review for these types of matters. Judicial Review of administrative hearing decisions was reassigned to the Orange County Superior Court in Santa Ana. This amendment to the Huntington Beach Municipal Code is necessary to correctly inform the public of their appeal rights and the new court assignment.

A motion was made by O'Connell, second Sullivan to, after the City Clerk reads by title, approve for introduction Ordinance No. 4072, "An Ordinance of the City of Huntington Beach Amending Section 1 18 140 of the Huntington Beach Municipal Code Relating to the Right to Judicial Review."

The motion carried by the following vote:

AYES	Posey, O'Connell, Hardy, Sullivan, and Peterson
NOES	None
OUT OF ROOM	Delgleize
ABSENT	Katapodis

**COUNCILMEMBER ITEMS**

**17. Submitted by Councilmember O'Connell - Community Meeting Regarding Coyote Related Incidents**

Councilmember O'Connell stated that with the increasing number of City incidents related to coyotes, this is an issue that needs attention for solutions.

Mayor Hardy stated that with the increased incidents, it is probably time to again address the issue and re-educate the public. Police Chief Hardy provided meeting dates that Fish and Game representatives could be available to meet on this issue.

Councilmember Delgleize voiced support for a community meeting where residents can hear first-hand from the experts, and stressed that in her opinion if there are actions the Council can take, they should be addressed as quickly as possible without unnecessary delays.

A motion was made by O'Connell, second Sullivan to direct the City Manager to convene a community meeting with experts to weigh all options available to control the coyote population in Huntington Beach. The meeting should include an overview of the problem, public comment, and expert opinions on available options. The meeting will serve for information gathering only, no policy decisions would be made at the meeting.

The motion carried by the following vote:

AYES	Posey, O'Connell, Hardy, Sullivan, Delgleize, and Peterson
NOES	None

ABSENT                      Katapodis

**COUNCILMEMBER COMMENTS** (Not Agendized)

Councilmember Peterson reported attending the 40 Year Celebration of the Friends of the Library where they presented over \$225,000 they have raised for the library this year

Councilmember Posey reported attending, along with 600 others, the Boys and Girls Clubs of Huntington Valley's 37th Annual Benefit Dinner and Auction where they raised approximately \$400,000, and the Chamber of Commerce AM Connect meeting where Chief Handy was the speaker

Councilmember O'Connell reported attending the Boys and Girls Clubs of Huntington Valley event, a local non-profit event presented by Off the Streets, an organization that takes homeless off the street and places in permanent housing, and the Chamber breakfast event where Chief Handy was the speaker

Councilmember Delgleize reported attending the Off the Streets' event, and applauded the local teams that are making progress in the homeless arena

Councilmember Sullivan reported attending the monthly meeting of the Orange County Senior Citizens' Advisory Committee

Mayor Hardy reported participating in "Coffee with the Mayor" at the Coffee Tale in Old World Village, attending the Huntington Beach Fire Department Open House at Fire Station 1 - Gothard, the National Dessert Day celebration at City Hall, the Boys and Girls Clubs of Huntington Valley 37th Annual Benefit Dinner and Auction, and she congratulated Mayor Pro Tem Katapodis for completing the requirements for his MS in Organizational Leadership

ADJOURNMENT – At 8 18 PM to the next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority on Monday, November 2, 2015, at 4 PM in the Civic Center Council Chambers, 2000 Main Street, Huntington Beach, California

  
\_\_\_\_\_  
City Clerk and ex-officio Clerk of the City Council and Secretary of the Public Financing Authority of the City of Huntington Beach, Successor Agency Clerk of the City of Huntington Beach, California

**ATTEST:**

  
City Clerk-Clerk-Secretary

  
Mayor-Councilman