

Minutes
City Council/Redevelopment Agency/Public Financing Authority Meeting
City of Huntington Beach

Tuesday, September 7, 2010
4:00 PM - Room B-8
6:00 PM - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

**An audio recording of the 4:00 PM portion of this meeting
and a video recording of the 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/**

4:00 PM - ROOM B-8

CALL TO ORDER – 4:00 PM

ROLL CALL

Present: Carchio, Coerper, Hardy, Green, Bohr, Dwyer, and Hansen
Absent: None

ANNOUNCEMENT OF LATE COMMUNICATION

Pursuant to the Brown "Open Meetings" Act, City Clerk Joan Flynn announced late communication that was received by her office following distribution of the City Council packet:

Communication received from Bob Wingenroth, Director of Finance, dated September 2, 2010 and entitled *Budget Follow-up Information* that included a PowerPoint presentation.

PUBLIC COMMENTS PERTAINING TO STUDY SESSION / CLOSED SESSION ITEMS (3 Minute Time Limit)

Robert Soule, GIS Analyst in the Fire Department, spoke regarding cutbacks that are causing the elimination of his position.

STUDY SESSION

1. City Administrator and City staff presented organization chart changes proposed by City departments for the Proposed Fiscal Year 2010/2011 Budget

Director of Finance Bob Wingenroth presented information entitled *Budget Follow-Up Information* that included visual slides depicting proposed budget activity by department.

Councilmembers Coerper, Carchio and Dwyer and Police Chief Small discussed options for retaining six helicopter pilots.

Councilmember Hansen and Public Works Director Travis Hopkins discussed potential

contracting of the Pest Control Specialist position and related services.

Mayor Green Council and City Clerk Joan Flynn Green discussed agenda packet pagination, contracting for codification services, a proposed reduction in City Clerk departmental staff, authenticating electronic signatures, and minute preparation.

Councilmember Coerper and Director Hopkins discussed proposed cuts to graffiti and tree maintenance services. Councilmember Dwyer questioned awarding contracts to local contractors, and Director Hopkins discussed posting Request for Proposed (RFP) information online.

Councilmember Hansen discussed contracting for services and spending less to receive the same or higher level of service.

Councilmember Carchio and City Attorney McGrath discussed hiring outside Counsel to handle certain cases due to reduced staffing in the Attorney's Office.

Councilmember Coerper and staff discussed freezing certain positions to allow future recruitment, the PARS program, and infrastructure of the organization. Councilmember Coerper voiced concerns about proposed cuts to GIS positions, and asked if City had consider charging outside entities for internal GIS services.

Mayor Pro Tem Hardy questioned the loss of staff Librarians at the Helen Murphy and Banning branch libraries, suggesting a rotation of sorts for both locations. She also expressed concern about a proposed reduction of story-time hours.

Councilmember Carchio suggested aggressive measures for collecting delinquent library fines. Discussion ensued about upgrading the Library's current notification system.

Mayor Pro Tem Hardy and staff discussed proposed cuts in building inspection and contract inspectors.

Councilmember Dwyer suggested savings associated with moving parking enforcement for street sweeping to the Code Enforcement Division of Planning and Building. He also questioned moving the Marine Safety Division to the Fire Department.

Councilmember Hansen stated his intentions to revisit the recent adoption of emergency response fees for out-of-town visitors who cause traffic accidents. Discussion ensued with Councilmember Bohr calling for caution, and Mayor Pro Tem Hardy and Councilmember Coerper expressing support for retaining the adopted fee.

Councilmember Carchio discussed moving a portion of Transient Occupancy Tax (TOT) into the Public Safety budget.

Mayor Green and Police Chief Small discussed contracting for helicopter services and sharing resources with Newport Beach and Costa Mesa.

RECESS TO CLOSED SESSION

A motion was made by Coerper, second Carchio to recess to Closed Session at 5:23 PM. The motion carried by the following roll call vote:

AYES: Carchio, Hansen, Dwyer, Bohr, Green, Hardy, and Coerper
NOES: None

CLOSED SESSION

2. Pursuant to Government Code Section 54956.8, the City Council recessed to Closed Session to give instructions concerning price and terms of payment to the City's Negotiator, Deputy City Administrator Bob Hall, regarding negotiations with the Huntington Beach City School District for the purchase or exchange of up to 10.12 acres of real property located at 20451 Craimer Lane in Huntington Beach and the purchase, sale or exchange of APN 114-150-94 in the City of Huntington Beach.

6:00 PM - COUNCIL CHAMBERS

RECONVENE CITY COUNCIL/REDEVELOPMENT AGENCY/PUBLIC FINANCE AUTHORITY MEETING - 6:07 PM

CLOSED SESSION REPORT BY CITY ATTORNEY - None.

ROLL CALL

Present: Carchio, Coerper, Hardy, Green, Bohr, Dwyer, and Hansen
Absent: None

PLEDGE OF ALLEGIANCE - Led by Commander Larry Schnitzer, Retired United States Navy representing the Freedom Committee of Orange County

INVOCATION - Given by Reverend Allison English, HB Interfaith Council

ANNOUNCEMENT OF LATE COMMUNICATION

Communication submitted by Travis Hopkins, Director of Public Works and Stanley Smalewitz, Director of Economic Development, dated September 7, 2010, and entitled *Late Communication for Items 4-3, 4-4, 4-5 Regarding Poseidon Agreement Additional Language* (changes to recommended actions).

Communication received from Scott Hess, Director of Planning and Building, dated September 2, 2010, entitled *Poseidon Late Communication*.

Communication received from Scott Hess, Director of Planning and Building, dated September 7, 2010, and entitled *Poseidon Entitlements Update*.

Communication received from Scott Hess, Director of Planning and Building, dated September 7, 2010, and entitled *Poseidon Late Communication – Response to State Lands Commission Staff Letter to City Council Dated September 3, 2010*.

Communication received from Scott Hess, Director of Planning and Building, dated September

7, 2010, and entitled *Poseidon Late Communication* (changes to recommended actions).

Communication received from Ronald A. Van Blarcom, Attorney at Law, dated September 7, 2010, and entitled *Certification of Subsequent Environmental Impact Report (SEIR) No. 10-001 (Seawater Desalination Project at Huntington Beach); Agenda Item 4-1 for the September 7, 2010 Council Meeting.*

Communication received from Scott Maloni, Vice President of Poseidon Resources, dated September 2, 2010 entitled *Huntington Beach Desalination Project – Supporter Cards* included with 4,709 postcards signed by residents of Huntington Beach and Orange County in support of the proposed desalination project.

Communication received with an attached Video Compact Disc (VCD) from Glenn Lukos Associates, dated September 7, 2010, and entitled *Video Compact Disc (VCD) – Jurisdictional Determination for Areas within Containment Berms associated with the Proposed Poseidon Resources Desalination Project in Huntington Beach, California.*

Miscellaneous communications received regarding a proposed Seawater Desalination Project by Poseidon Resources (Surfside) LLC located south of Edison Avenue and east of Newland Street: Mary Jo Baretich (2), Ed Kerins, Joetta Thompson, Sue Berman, Nancy Koch, Harold Tieger, John Binaski, Kimberly Kolpin, Stephanie Tran, Barbara Born, Patricia Kreamer, Aaltje van Krieken, Margaret Carlberg, Jane Lazarz, Julian Vochelli, Katie Chenderlin, S. Levine, Luc Waeyenbergh, Melody Christensen, Harvey Levine, Craig Wagner, Debbra Cooper, Sherri Loveland, Linda Warner, Scott Cooper, Chris Ann Lunghino, Meg Waters, Cathleen Corey, Don MacAllister, Norm Westwell, Lori Costigan, Alexa McMahan, Dan Whitesell, Bill Cuppy, Michael McMahan, Lois Whitley, Carol Evans, Mike Meer, Phillip Wilder, Bob FitzGerald, Pete/Linda Minko, Scott Williams, Jennifer Ford, Joan Mortenson, Brian Zeek, Tim Geddes, Eileen Murphy (2), Carol Zwaans, Joe Geever, Stephanie Pacheco, WMSB@aol.com, Sandra Genis, Rana Sabeh, Patricia Goodman, Susan Schaben, Mary Ann Gordon, John Scott, Diana Gresty, Raymond Sherrard, David Guido, Joan Singleton, Louise Gupta, Scott Smith, Zach Halopoff, Suzie Smith, David Hamilton, Bob Smith, Deb Hoard, Alice Speakman, Dave Hoffman, Penney Stergios, Marinka Horack, Carrie Thomas, Karen Jackle, James Thomas, Myrna Kelsey, and Kris Thomas.

COMMUNICATIONS RECEIVED DURING THE MEETING

Communication received from Diane L. Harkey, Assemblywoman, 73rd District, dated June 22, 2010 regarding the proposed Poseidon Seawater Desalination Project.

Communication received from Shawn DeWane dated December 25, 2009, an Orange County Register Article entitled *Shawn DeWane: Could seawater desalination come to Orange County?*

Communication received from Senator Tom Harman, 35th District, undated regarding the proposed Poseidon Seawater Desalination Project.

Communication received from Kreg Muller, Huntington Beach Police Officers' Association, dated September 7, 2010, entitled *Agenda items 4-1 through 4-5* (proposed Poseidon Seawater Desalination Project).

Communication received from Merle Mosheri, a written speech dated September 7, 2010 and supporting documentation regarding the proposed Poseidon Seawater Desalination Project.

Communication received from Shawn Nelson, Supervisor, Fourth District, Orange County Board of Supervisors, dated September 7, 2010 regarding the proposed Poseidon Seawater Desalination Project.

Communication received from Deven N. Upadhyay, Manager, Water Resource Management, Metropolitan Water District of Southern California dated September 7, 2010, entitled *Huntington Beach Seawater Desalination Project*.

Communication received from Lacy Kelly, a copy of a letter from Jerry Amante, Orange County League of California Cities to Scott Maloni, Poseidon Recourses dated July 29, 2010, regarding the proposed Poseidon Seawater Desalination Project.

Communication received from Robin Sheffler undated, a copied Thomas Guide map.

Communication received from Scott Maloni, Poseidon Resources, dated September 3, 2010, entitled *Seawater Desalination Project at Huntington Beach - Community Noise Issues*.

Communication received from Kimberly Brandt, AICP/Development Services Director, and Peter Naghavi, Public Services Director, City of Costa Mesa, dated September 7, 2010, entitled *Final Subsequent EIR - Seawater Desalination Project*.

PowerPoint communication submitted by Scott Maloni, Poseidon Resources, dated September 7, 2010, entitled *Seawater Desalination Project at Huntington Beach - Draft Subsequent Environmental Impact Report*.

PowerPoint communication submitted by Gary J. Crisp, GHD, dated September 7, 2010, entitled *Poseidon Seawater Desalination Project in Huntington Beach ... Drought proofing California in a Sustainable Way*.

AWARDS AND PRESENTATIONS

Presentation - Mayor Cathy Green and Councilmember Keith Bohr called on Bob Hurley, Hurley International, and Aaron Pai, Huntington Surf and Sport. Hurley representatives Roger Wyatt and Paul Gomez were also present to be recognized for the successful US Open of Surfing and new lifeguard towers provided to the City by Hurley.

Mayor Green and Councilmember Bohr recognized Brett Simpson, a two-time US Open Champion.

Councilmember Bohr introduced members of the Call family who hosted him when he was a college student during a vacation in Germany.

PUBLIC COMMENTS (3 Minute Time Limit)

(The number following the speakers' comments reflect the approximate point in the archived audio file located at <http://www.surfcity-hb.org/government/agendas>).

Don McAllister spoke regarding "Senior Saturday," an event scheduled for September 11, 2010 at Pier Plaza, and distributed information published by the Huntington Beach Council on Aging. (00:14:47)

Peggy Howell, Gallery HB, invited the Council to celebrate Summer in September at the Hyatt Regency by attending a free concert event on September 25 at 7:00 pm involving Dean Torrence and former members of the Beach Boys. (00:16:55)

Tim Geddes spoke regarding leadership and decisions made on past Poseidon items. (00:18:47)

Norm Westwell requested Council repeal Ordinance 3881, voicing concerns about the City Attorney's opinion on placing political signs in trees.

Councilmember Dwyer and the City Attorney discussed enforcement of the Political Sign Ordinance related to hanging political signs on trees.

Councilmember Coerper and the City Attorney discussed distribution of information regarding appropriate locations for political sign placement.

Councilmember Coerper and Mr. Westwell discussed Mr. Westwell's concerns relating to placement of political signs in trees.

Councilmember Dwyer and City Attorney McGrath discussed enforcement of the City's Municipal Code.

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

1. Approved recommendations by Council liaisons Keith Bohr and Gil Coerper to re-appoint Edwin K. Bush and Anji D. Clemens, Ed.D. to the Personnel Commission, with terms effective July 2, 2010 through June 30, 2014

A motion was made by Bohr, second Coerper to approve the re-appointments of Edwin K. Bush and Anji D. Clemens, Ed.D. to the Personnel Commission with a term effective July 1, 2010 through June 30, 2014 as recommended by the Council Liaisons to the Personnel Commission. The motion carried by the following roll call vote:

AYES: Carchio, Hansen, Dwyer, Bohr, Green, Hardy, and Coerper
NOES: None

Mayor Pro Tem Hardy announced a Patriot Ceremony taking place on Saturday, September 11 at Pier Plaza.

Councilmember Dwyer commended public safety personnel for their rescue attempts to save two drowning victims at the Huntington Beach Pier.

CITY ADMINISTRATOR'S REPORT - None.

CIVIC IMPROVEMENT CORPORATION MEETING - The Mayor recessed the City

Council/Redevelopment Agency/Public Financing Authority Regular Meeting and convened the Huntington Beach Civic Improvement Corporation meeting

CALL TO ORDER

Roll Call: Carchio, Coerper, Hardy, Green, Bohr, Dwyer, Hansen

Present: Carchio, Coerper, Hardy, Green, Bohr, Dwyer, and Hansen
Absent: None

Approved Civic Improvement Corporation Minutes

A motion was made by Coerper, second Carchio to approve and adopt the minutes of the July 6, 2010 Regular Meeting of the Civic Improvement Corporation as written and on file in the Office of the Secretary. The motion carried by the following roll call vote:

AYES: Carchio, Coerper, Hardy, Green, Bohr, Dwyer, and Hansen
NOES: None

Approved and authorized execution of a Quitclaim Deed from the City of Huntington Beach Civic Improvement Corporation to the City of Huntington Beach for the purpose of passing title of the Civic Center property back to the City of Huntington Beach. Submitted by the Director of Economic Development

A motion was made by Coerper, second Carchio to authorize the President and Secretary of the City of Huntington Beach Civic Improvement Corporation to approve and execute the Quitclaim Deed to the City of Huntington Beach; and, B) authorize the City Administrator to approve all related documents. The motion carried by the following roll call vote:

AYES: Carchio, Coerper, Hardy, Green, Bohr, Dwyer, and Hansen
NOES: None

ADJOURNED CIVIC IMPROVEMENT CORPORATION MEETING AND RECONVENED CITY COUNCIL/REDEVELOPMENT AGENCY/PUBLIC FINANCING AUTHORITY MEETING - 6:43 PM

CONSENT CALENDAR

2. Approved and adopted minutes

A motion was made by Coerper, second Carchio to approve and adopt the minutes of the City Council/Redevelopment Agency/Public Financing Authority regular meeting of August 2, 2010 as written and on file in the Office of the City Clerk. The motion carried by the following roll call vote:

AYES: Carchio, Coerper, Hardy, Green, Bohr, Dwyer, and Hansen
NOES: None

3. Approved Memorandum of Understanding (MOU) between the City of Huntington Beach and the Huntington Beach Union High School District (HBUHSD) regarding use of School District and City Facilities

A motion was made by Coerper, second Carchio to approve and authorize the Mayor and City Clerk to execute the *Memorandum of Understanding Between the City of Huntington Beach and the Huntington Beach Union High School District* regarding the use of School District and City Facilities. The motion carried by the following roll call vote:

AYES: Carchio, Coerper, Hardy, Green, Bohr, Dwyer, and Hansen
NOES: None

PUBLIC HEARING/ADMINISTRATIVE ITEMS - 4-1 through 4-5 were heard concurrently, and actions may have been taken out of their original agenda order.

4-1. Adopted Resolution No. 2010-63 Certifying the final Subsequent Environmental Impact Report (SEIR) No. 10-001 (Poseidon Seawater Desalination Project)

4-2. Approved Entitlement Plan Amendment (EPA) No. 10-001 and **CONTINUED TO SEPTEMBER 20, 2010** Tentative Parcel Map (TPM) No. 10-130 to amend Conditional Use Permit (CUP) No. 02-04 and Coastal Development Permit (CDP) No. 02-05 by revising the approved location, site layout, floor plans, and building elevations for the Poseidon Seawater Desalination Project

4-3. **CONTINUED TO SEPTEMBER 20, 2010** the Amended and Restated Owner Participation Agreement by and between the Redevelopment Agency of the City of Huntington Beach and Poseidon Resources (Surfside) LLC

4-4. Approved an Exchange Agreement and Escrow Instructions between the City of Huntington Beach and Poseidon Resources (Surfside) LLC for properties located south of Edison Avenue and east of Newland Street

4-5. Approved a Pipeline Franchise Agreement with Poseidon Resources (Surfside) LLC to construct, own, and operate a new water pipeline in the public right-of-way

Senior Planner Ricky Ramos made a PowerPoint presentation entitled *Subsequent Environmental Impact Report (SEIR) No. 10-001*, with titled slides: Background, Analysis, and Recommendation.

Planner Ramos acknowledged receipt of communication from the California Coastal Commission that requires Poseidon Resources to apply for a new conditional use permit. He explained staff's recommendation to continued Tentative Parcel Map No. 10-130 to September 20, 2010.

Planner Ramos presented a PowerPoint entitled *Entitlement Plan Amendment (EPA) No. 10-001* with titled slides: Project Location, Description, Analysis, Project Renderings, and Recommendations.

Scott Hess, Director of Planning and Building, discussed the revised recommended actions identified in late communication for SEIR No. 10-001 (Agenda Item No. 4-1), and EPA

No. 10-001 (Agenda Item No. 4-2).

Travis Hopkins, Director of Public Works, discussed inclusion of additional language for Agenda Item Nos. 4-3, 4-4 and 4-5 as identified in late communication. He also presented a PowerPoint entitled *Owner Participation Agreement* with titled slides: OPA Changes from 2006, OPA Obligations, Land Exchange Agreement, Previously Approved Project, and Proposed Exchange.

Mayor Pro Tem Hardy and Director Hopkins discussed a land swap and Poseidon's allowed use of the land through a lease agreement.

Director Hopkins continued with the PowerPoint, with titled slides: Land Lease Agreement Major Deal Points.

Mayor Pro Tem Hardy and Director Hopkins discussed freezing the value of the land for seven years.

Director Hopkins presented a PowerPoint entitled *Pipeline Franchise Agreement* with titled slides: Purpose of Agreement/Primary Route and Franchise Agreement Major Deal Points.

Director Hopkins presented a PowerPoint entitled *Financial Benefits to the City* that depicted a financial matrix.

Mayor Green opened the public hearing.

City Clerk Joan Flynn read into the record the titles of late communications for agenda items 4.1 through 4.5.

Scott Maloni, Applicant, Poseidon Resources, provided a PowerPoint presentation that outlined the applicant's request to construct a seawater desalination plant. (00:59:32)

Councilmember Dwyer addressed noise attenuation, and Mayor Pro Tem Hardy questioned flow design. Mr. Maloni described how the existing system will operate, and discussion ensued regarding intake and output from the same pipe.

Jim Adams, Los Angeles/Orange County Building and Construction Trade Council, discussed how Poseidon's late decision to incorporate a Tetra Tech Agreement into the project now changes the BIA's council's decision to support, rather than oppose the applicant's request. Mr. Adams requested that the BIA's council's communication opposing the project be stricken from the record. (01:13:09)

Mayor Pro Tem Hardy and the applicant discussed water rates and whether or not Poseidon will seek subsidies.

Councilmember Coerper and the applicant discussed bankruptcy associated with Poseidon's Carlsbad project.

John Rhow, Barclay's Bank, spoke regarding Poseidon's due diligence in relation to the Carlsbad project, discussed Poseidon's management team and spoke in support of Poseidon

and their ability to secure long-term financing. He also discussed bond financing and financial viability. (01:21:54)

Ron Van Blarcom, Attorney for Poseidon, spoke regarding the environmental issues at hand, expressing confidence that the EIR and subsequent EIR is substantial and adequate. (01:28:35)

Norm Westwell, Trustee for the Ocean View School District and candidate for City Council, spoke in support of the Poseidon Seawater Desalination Project. (01:30:53)

Perry Cain, President and CEO for the Huntington Beach Chamber of Commerce, spoke in support of the Poseidon Seawater Desalination Project. (01:34:31)

Martin Payne, District Director for California State Senator Mimi Walters Office, spoke in support of the Poseidon Seawater Desalination Project. (01:36:19)

Rick Kolander spoke in support of the Poseidon Seawater Desalination Project. (01:38:10)

Jim Silva, State Assemblymember, spoke in support of the Poseidon Seawater Desalination Project. (01:39:40)

Shawn DeWane, Mesa Consolidated Water District (MCWD), spoke in support of the Poseidon Seawater Desalination Project. (01:41:44)

Dr. Gary Crisp, GHD, builders of seawater desalination facilities, presented a PowerPoint on the Perth and Gold Coast Seawater Desalination Plants and discussed intake and discharge systems and how they affect marine life. (01:44:18)

Mayor Pro Tem Hardy and Dr. Crisp discussed intake and discharge technology used for the proposed facility in Huntington Beach.

Mayor Pro Tem Hardy and Scott Maloni discussed the number of gallons of water permitted to use per day, the existing velocity cap, and the type of technology used to avoid fish impingement.

State Senator Lou Correa spoke in support of the Poseidon Seawater Desalination Project. (01:52:20)

John Nam representing Assemblymember Jose Solorio, spoke in support of the Poseidon Seawater Desalination Project. (01:53:55)

Mayor Pro Tem Hardy and Mr. Nam discussed a change in recycling of water at the proposed site.

Wade Peng for Senator Tom Harman's Office, spoke in support of the Poseidon Seawater Desalination Project. (01:55:01)

Tony Capitelli, representing Dana Rohrabacher's Office, spoke in support of the Poseidon Seawater Desalination Project (01:56:07)

Cynthia Conners, member of the Laguna Woods City Council, spoke in support of the Poseidon Seawater Desalination Project. (01:56:40)

Denis Bilodean, Orange County Water District (OCWD), spoke in support of the Poseidon Seawater Desalination Project. (01:57:49)

Mayor Pro Tem Hardy, Mr. Bilodean and Howard Johnson, Utilities Manager, discussed negotiated water rates. Discussion ensued on costs per acre foot for water.

Steve LaMotte, representing Assemblywoman Diane Harkey, spoke in support of the Poseidon Seawater Desalination Project. (02:08:10)

Dale Dunn, 44-year Huntington Beach resident, spoke in support of the Poseidon Seawater Desalination Project. (02:08:54)

Brett Babre, Metropolitan Water District of Orange County (MWDOC), spoke in support of the Poseidon Seawater Desalination Project. (02:10:47)

Andy Sienkiewich, MWDOC, spoke in support of the Poseidon Seawater Desalination Project. (02:11:57)

Reed L. Royalty, President of OC Tax, spoke in support of the Poseidon Seawater Desalination Project. (02:13:40)

Kyndell Paine, Office of County Supervisor John Moorlach, 2nd District, spoke in support of the Poseidon Seawater Desalination Project. (02:15:23)

Paul Schoenberger, Mesa Consolidated Water District, spoke in support of the Poseidon Seawater Desalination Project. (02:16:13)

Kevin Hunt, MWDOC, spoke in support of the Poseidon Seawater Desalination Project. (02:17:22)

Dave Stefanidies, OC Association of Realtors, spoke in support of the Poseidon Seawater Desalination Project. (02:20:41)

Noble Waite, OCWD, spoke in support of the Poseidon Seawater Desalination Project. (02:22:57)

Manny Padilla, OC Hispanic Chamber of Commerce, spoke in support of Poseidon Seawater Desalination Project. (02:26:00)

Alicia Berhow, Orange County Business Council, spoke in support of the Poseidon Seawater Desalination Project. (02:27:30)

Eileen Murphy, Residents for Responsible Desalination, spoke in opposition to the Poseidon Seawater Desalination Project. (02:29:30)

Pat Davis spoke in support of the Poseidon Seawater Desalination Project. (02:30:43)

Terry Schmitzer spoke in support of the Poseidon Seawater Desalination Project. (02:31:20)

Suzanne Buekema spoke in support of the Poseidon Seawater Desalination Project. (02:32:40)

Lacy Kelly, OC League of California Cities, spoke in support of the Poseidon Seawater Desalination Project. (02:34:00)

George Cross spoke in support of the Poseidon Seawater Desalination Project. (02:36:05)

Jim Katapodis, candidate for City Council, spoke in support of the Poseidon Seawater Desalination Project. (02:36:45)

Leonard Gleason, immediate past President, Huntington Beach Lions Club, spoke in support of the Poseidon Seawater Desalination Project. (02:38:50)

Ralph Bauer, 46-year resident of Huntington Beach, spoke in support of the Poseidon Seawater Desalination Project. (02:39:23)

Michele Blair spoke in support of the Poseidon Seawater Desalination Project. (02:40:18)

Jim Juhan, Greening Committee in Laguna Woods, spoke in support of the Poseidon Seawater Desalination Project. (02:40:49)

Marion Butterfield spoke in support of the Poseidon Seawater Desalination Project. (02:43:50)

Bob Fitzgerald spoke in support of the Poseidon Seawater Desalination Project. (02:44:50)

Colin Kelly, Orange County Coastkeeper, spoke in support of responsible seawater desalination, and in opposition to the Poseidon Seawater Desalination Project. (02:45:35)

Sherri Butterfield, former Mayor of Mission Viejo, spoke in support of the Poseidon Seawater Desalination Project. (02:49:35)

William Lochrie spoke in support of the Poseidon Seawater Desalination Project. (02:51:23)

Josh Byerrum, CEO, Cal Desal, spoke in support of the Poseidon Seawater Desalination Project. (02:54:02)

Larry Schnitzer, Freedom Committee of OC, spoke in support of the Poseidon Seawater Desalination Project. (02:55:25)

Robert Harrison, 40-year resident of Southeast Huntington Beach, spoke in support of the Poseidon Seawater Desalination Project. (02:57:25)

Scott Smith showed a PowerPoint about the Newport-Inglewood earthquake fault, and spoke in opposition to the Poseidon Seawater Desalination Project. (03:01:10)

Dr. Bob Smith, Residents for Responsible Desalination, spoke in opposition to the Poseidon Seawater Desalination Project. (03:04:18)

Kay Kearney, representing the South Orange County Regional Chambers of Commerce, spoke in support of the Poseidon Seawater Desalination Project. (03:06:34)

Martin McIntosh spoke in support of the Poseidon Seawater Desalination Project. (03:07:29)

Cynthia Corbett spoke in support of the Poseidon Seawater Desalination Project. (03:08:27)

Dennis Gallagher, Huntington Beach Chamber of Commerce, spoke in support of the Poseidon Seawater Desalination Project. (03:09:43)

Carrie Arneith Miller, California Women's Leadership Association (CWLA), spoke in support of the Poseidon Seawater Desalination Project. (03:11:44)

Kate Keena, representing Peter Vastone, CEO of Mission Hospital, spoke in support of the Poseidon Seawater Desalination Project. (03:12:48)

Bill Craycraft spoke in support of the Poseidon Seawater Desalination Project. (03:13:40)

Mary Jo Baretich spoke in opposition to the Poseidon Seawater Desalination Project. (03:15:43)

Larry Porter, Residents for Responsible Desalination, spoke in support of responsible desalination, and in opposition to the Poseidon Seawater Desalination Project. (03:18:56)

Joe Geever, Surfrider Foundation, spoke in opposition to the Poseidon Seawater Desalination Project. (03:22:48)

Debbie Cook spoke regarding the high amount of energy necessary to produce desalinated water, and associated greenhouse gas emissions. (03:25:57)

Mayor Pro Tem Hardy and Ms. Cook discussed energy costs and the importance of groundwater replenishment systems.

Katy Ageson spoke in support of the Poseidon Seawater Desalination Project. (03:32:20)

Mayor Pro Tem Hardy and Ms. Ageson discussed job opportunities for the project.

Merle Moshiri spoke in opposition to the Poseidon Seawater Desalination Project, specifically voicing concerns about the Owner Participation Agreement and asking that it be withdrawn. (03:33:50)

Dr. Dallas Weaver spoke in support of the Poseidon Seawater Desalination Project. (03:37:20)

Joe Shaw spoke in opposition to the Poseidon Seawater Desalination Project. (03:40:41)

Jason Pyle voiced concerns about noise caused by the Poseidon Seawater Desalination Project, and submitted a request for ambient noise study to ensure there is no evening noise. (03:42:15)

Connie Boardman spoke in opposition to the Poseidon Desalination Project. (03:46:13)

Renee Maas, Food and Water Watch OC, spoke in opposition to the Poseidon Seawater Desalination Project. (03:49:02)

Conner Everts spoke in opposition to the Poseidon Seawater Desalination Project. (03:51:38)

Patricia M. Goodman spoke in opposition to the Poseidon Seawater Desalination Project. (03:55:19)

Blair Farley spoke in opposition to the Poseidon Seawater Desalination Project. (03:58:29)

John Scott spoke in opposition to the Poseidon Seawater Desalination Project. (04:00:10)

Robin Leffler, Mesa Verde Community Inc., spoke in opposition to the Poseidon Seawater Desalination Project. (04:03:19)

Monica Hamilton, Huntington Beach Tomorrow, spoke in opposition to the Poseidon Seawater Desalination Project. (04:06:23)

Sandra Genis spoke in opposition to the Poseidon Seawater Desalination Project. (04:09:40)

Matthew Harper spoke in support of the Poseidon Seawater Desalination Project. (04:12:17)

With no one else present to speak on the item, Mayor Green closed the public hearing.

Questions/comments centered on:

- SEIR circulation
- Fish kills
- Use of outdated technology
- Noise mitigation
- Shareholders in the project
- Junk bonds/investment grade rating
- Subsidies (will project stand on its own in Huntington Beach?)

Mayor Pro Tem Hardy expressed reasons why she opposes the project. Councilmembers Bohr and Carchio expressed reasons why they support the project.

Councilmember Hansen and staff discussed why it is necessary to continue the request for a Tentative Parcel Map, and also bring forth a new coastal development permit application.

Councilmember Hansen and staff discussed continuing the Owner Participation Agreement.

Councilmember Dwyer and Scott Maloni discussed green house gas emissions, energy use, and being carbon neutral. Councilmember Dwyer expressed reasons why he supports the project.

Councilmember Coerper and Scott Maloni discussed Costa Mesa residents' concerns related to traffic and noise, and Huntington Beach's ability to purchase water at a discounted rate.

Councilmember Coerper expressed reasons why he supports the project.

Mayor Pro Tem Hardy and Debbie Cook discussed energy use and groundwater replenishment, and Ms. Cook shared that the City of Yorba Linda Council voted in favor of opposing the project at a Council meeting currently in session.

A motion was made by Coerper, second Dwyer to adopt Resolution No. 2010-63, *A Resolution of the City Council of the City of Huntington Beach Certifying the Final Subsequent Environmental Impact Report No. 10-001 (SCH#2001051092) for the Poseidon Seawater Desalination Project* as adequate and complete in accordance with CEQA requirements, **amended by late communication to include three errata pages added to Final SEIR No. 10-001** The motion carried by the following roll call vote:

AYES: Carchio, Coerper, Green, Bohr, Dwyer, and Hansen
NOES: Hardy

A motion was made by Coerper, second Dwyer to approve Entitlement Plan Amendment No. 10-001 to permit the Seawater Desalination Project with staff recommended findings and conditions of approval, **as amended to include condition 4d. related to noise attenuation;** and, approve CEQA Statement of Findings and Facts with a Statement of Overriding Considerations; and, **continue Tentative Parcel Map No. 10-130 to the September 20, 2010 meeting.** The motion carried by the following roll call vote:

AYES: Carchio, Coerper, Green, Bohr, Dwyer, and Hansen
NOES: Hardy

A motion was made by Coerper, second Dwyer to **continue Agenda Item No. 4.3 to September 20, 2010** - Amended and Restated Owner Participation Agreement by and between the Redevelopment Agency of the City of Huntington Beach and Poseidon Resources (Surfside) LLC. The motion carried by the following roll call vote:

AYES: Carchio, Coerper, Green, Bohr, Dwyer, and Hansen
NOES: Hardy

A motion was made by Coerper, second Dwyer to approve an Exchange Agreement/Lease Agreement and Escrow Instructions between the City of Huntington Beach and Poseidon Resources (Surfside) LLC for properties located south of Edison Avenue and east of Newland Street; and, authorize the Mayor and City Clerk to sign all related documents, **amended by late communication to include language: The City Council finds that the Final SEIR serves as adequate and appropriate environmental documentation for approval of the Exchange Agreement/Escrow Instructions, including the Lease Agreement. The City Council finds that the unavoidable significant adverse effects of the Project as identified in Section 5.0 of the Statement of Facts of Findings (growth inducement outside of Orange County and short-term construction related impacts in regards to air quality) have been lessened in their severity by the application of standard conditions, the inclusion of Project design features and the imposition of the mitigation measures. The City Council finds that the remaining unavoidable significant impacts are clearly outweighed by the economic, social, and other benefits of the Project, as set forth in the "Statement of Overriding Considerations" included as Section 7.0 of the Statement of Facts and Findings. The**

City Council adopts the recitation of overriding considerations which justify approval of the Project notwithstanding certain unavoidable significant environmental effects which cannot feasibly be substantially mitigated as set forth in the Statement of Overriding Considerations. The motion carried by the following roll call vote:

AYES: Carchio, Coerper, Green, Bohr, Dwyer, and Hansen
NOES: Hardy

A motion was made by Coerper, second Dwyer to approve A Non-Exclusive Pipeline Franchise Agreement Between the City of Huntington Beach and Poseidon Resources (Surfside) LLC for Transmitting Water In, Under, Along and Across Streets in the City of Huntington Beach; and authorize the Director of Public Works, or designee, to adjust the franchise fee in linear proportion to the change in pipeline diameter if the final pipeline diameter varies from the original 54-inch diameter mentioned in the agreement, **as amended by late communication that includes the following suggested language: The City Council finds that the Final SEIR serves as adequate and appropriate environmental documentation for approval of the Pipeline Franchise Agreement. The City Council finds that the unavoidable significant adverse effects of the Project as identified in Section 5.0 of the Statement of Facts of Findings (growth inducement outside of Orange County and short-tem construction related impacts in regards to air quality) have been lessened in their severity by the application of standard conditions, the inclusion of Project design features and the imposition of the mitigation measures. The City Council finds that the remaining unavoidable significant impacts are clearly outweighed by the economic, social, and other benefits of the Project, as set forth in the "Statement of Overriding Considerations" included as Section 7.0 of the Statement of Facts of Findings. The City Council adopts the recitation of overriding considerations which justify approval of the Project notwithstanding certain unavoidable significant environmental effects which cannot feasibly be substantially mitigated as set forth in the Statement of Overriding Considerations.** The motion carried by the following roll call vote:

AYES: Carchio, Coerper, Green, Bohr, Dwyer, and Hansen
NOES: Hardy

ORDINANCES FOR INTRODUCTION

5. Accepted the Sewer Service Charge Performance Audit and Approved for Introduction Ordinance No. 3890 reflecting a 1.8% Consumer Price Index for Urban Consumers (CPIU) increase to the Sewer Service User Charge effective October 2010

A motion was made by Coerper, second Hardy to accept the Sewer Service Charge Performance Audit as presented; and, after the City Clerk reads by title, approve for introduction Ordinance No. 3890, *An Ordinance of the City of Huntington Beach Amending Chapter 14.55 of the Huntington Beach Municipal Code Relating to the Sewer Service Rates Methodology.*

(Five affirmative votes are required to adopt this ordinance per Health and Safety Code Section 5471.) The motion carried by the following roll call vote:

AYES: Carchio, Hansen, Dwyer, Bohr, Green, Hardy, and Coerper
NOES: None

COUNCILMEMBER COMMENTS (Not Agendized)

Comments were provided by Councilmembers Coerper, Green, Carchio and Hardy.

ADJOURNMENT - at 11:10 PM to the next regularly scheduled meeting of Monday, September 20, 2010 at 4:00 PM, Civic Center, 2000 Main Street, Huntington Beach.



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

ATTEST:


City Clerk-Clerk
Mayor-Chair