

An adjourned meeting of the City Council of the City of San Clemente, California, Council Chambers, Civic Center Building, 100 Avenida Presido, Wednesday, July 25, 1984, at 7:00 P.M., Mayor Kenneth E. Carr presiding.

ROLL CALL

PRESENT: Council Members - DIEHL, KOESTER, LIMBERG, MECHAM, AND CARR
ABSENT: Council Members - NONE

Also Present: Gary Brown, Interim City Manager; Max L. Berg, City Clerk; Kathryn Tobin, Deputy City Attorney; Harry Weinroth, Community Development Director; Edward Putz, City Engineer; Marjorie L. Will, Deputy City Clerk; and certain other Staff members present in the audience.

CONSENT CALENDAR

Subject: 103 - Rescindment of Motion re Public Hearing on Appeal -
Koepsell.

IN RE: Report from City Clerk and Interim City Manager citing the need to rescind a motion setting public hearing on an appeal.

The City Clerk responded to question from Councilwoman Koester as to why the provisions of Municipal Code Section 7-8 must first be followed before an appeal can be made to the Council.

IT WAS MOVED BY MAYOR CARR, SECONDED BY COUNCILMAN MECHAM, AND UNANIMOUSLY CARRIED to rescind the motion approved at the meeting of 7-18-84 which set a public hearing on an appeal filed by Kent A. Koepsell relating to estimated transient occupancy tax due.

UNFINISHED BUSINESS

Subject: 106 - Language for Advisory Ballot Measure Regarding R.V.
Parking on Private Property.

IN RE: Report from Fire Marshal, Acting Police Chief, Senior Planner and Interim City Manager submitting revised suggested wording for advisory ballot measure regarding R.V. parking on private property.

IT WAS MOVED BY MAYOR CARR, SECONDED BY COUNCILMAN MECHAM, AND CARRIED to adopt the advisory measure wording as submitted. Councilwoman Koester voted "NO."

Subject: 96 - Design Report - Water Reclamation Plant Relocation.

IN RE: Discussion of John Carollo Engineers' Design Report -
Water Reclamation Plant Relocation (Middle Pico Site).

Some of the main comments during the lengthy discussion are briefly noted as follows: Gail Lynch and Dennis Wood of John Carollo Engineers, addressed the Council and reviewed the highlights of their report dated 7-20-84 entitled "City of San Clemente Design Report - Water Reclamation Plant Relocation" noting that to construct a new 6.8 MGD wastewater treatment plant at the middle Pico site with features comparable to an upgraded facility would be \$26,163,000 for treatment facilities; \$3,780,000 for reclamation facilities; and \$6,178,000 for pump station/pipelines, for a total cost of \$36,121,000. It was also noted that if the Talega Valley area comes in costs would increase approximately \$4,400,000. They then responded to numerous questions from Council following which the Mayor asked in there was anyone representing the developers who wished to be heard.

Don Steffensen, Vice President of John D. Lusk & Son, commented that the developers have one common interest and that is they hope the City will reach a resolution so that expansion of the necessary capacity for wastewater treatment facilities can get underway; that the ranches' position is to work with Staff and be responsive to problems the City has in being able to undertake a portion of the financial costs; that their intentions are honorable as outlined in the Staff memorandum subject to reviewing final agreement; that they are not trying to promote one site over the other; noted that the cost of site acquisition and development has not been included in the middle Pico site and will add about \$2½ million; and that they are interested in having the voters decide in November what makes the most sense for San Clemente.

A further question and answer period followed. In response to query from Mayor Carr, the location of the middle Pico site is approximately 2/3 mile easterly from the intersection of Presidio and Pico; that the present plant produces an average of about 1/2 million gallons of effluent per day; that the proposed new plant at the middle Pico site would produce about one million gallons of effluent per day and if the City desires to irrigate three golf courses and possibly medians another \$1/2 to \$1 million would have to be added for treatment costs at either site; that just providing capacity at the treatment plant is only part of the problem as there are additional costs to distribute the effluent and getting to the point of use is a major cost; that the developers would pick up approximately \$25 million in expansion of the present plant or approximately \$30 million in construction of a new plant; that an assessment district of the back country would be formed and the ultimate person who pays would be the purchaser; that the important issue is design of the plant, the location and how to get it financed; and that site acquisition would add to the \$36 million cost.

Councilman Diehl inquired as to the difference of \$14 million in the 1981 report for expansion of the present plant to \$30 million in the 1984 report, and Mr. Lynch explained and reviewed the main factors for the cost difference. Councilman Diehl also asked questions concerning the poor condition of the electrical system, and questions concerning anticipated usage of effluent water, and differences in estimated construction time for expansion or relocation.

Councilwoman Koester noted she liked the in-depth review of alternates and sub-alternates in the 1981 report broken down by classification, and that reliability and expansion could be separated in most areas; and that further study should be made as to what improvements, if we stayed at the present plant, could be shared by the developers in terms of what is considered as expansion; and questions concerning the two possible routes for the force main.

Councilman Limberg had questions concerning Title 22 effluent requirements, various operating and maintenance costs, and who would be responsible for construction of the plant. Don Steffensen noted that in either case-- expansion of present plant or construction of plant at middle Pico--it is suggested that an assessment district be formed and the district would undertake the responsibility to build the plant; that from the ranches' standpoint they would like to see this formed right away so they can get boundaries and paperwork in line and once the plant's location is decided upon they can assign the dollars; that the City's cost, whether it be to expand the current plant or to build a new plant, is \$5.5 million.

Councilman Mecham emphasized that the proposal received from the ranches will limit the amount of money the City will have to spend--\$5.5 million if the plant is constructed at middle Pico or expanded at the present site; and if moved the City would have 18 acres of property available to use in whatever way is determined best.

During further discussion, it was also clarified that formation of an assessment district would be only properties of the undeveloped portions of the four ranches and would not include areas of Marblehead where people are now living and homes are under sale.

The Mayor then opened the discussion to members of the public desiring to speak and the following persons spoke: Frank Denison questioned pumping costs to the new plant; questioned whether there will be sufficient water to build 10,000 homes and water required for treatment plant; questioned the proposed use of one-half million dollars in RDA funds to be used for the project; and the \$300,000 from the plant salvage.

Byron Marshall, President of the Chamber of Commerce, noted that the Board of Directors urged that the matter of the sewer plant be placed on the November ballot.

Phil Peter expressed strong concerns regarding the digesters noting the odor problem and the high maintenance costs; noted the cost of the land has not been settled and questioned the design of the plant; that if the City can show that the costs are right to move the plant then he felt that the rest of the City will get behind it; and that he felt it is a little premature for the November ballot and that the people would rather spend money for a Special Election after they have been able to be involved in more study.

Norman J. Ream referred to an article in the Sun/Post suggesting it indicts all five Councilmen for allowing the current water reclamation plant to be in the condition that it is; that he understands Mr. Weinroth has denied the right of the people in the sewer plant to talk to anyone in the general public until they have his approval; that there are a large amount of bonds outstanding on the present plant which must be paid; that if a loan is made from RDA it is fostering its continuation since the RDA cannot go out of business until such time as it is out of debt and if facts were known citizens of the community would probably prefer that the RDA went out of existence; that the developers should underwrite the total cost of the plant because they are responsible for the increase in requirements; and inquired if a report from the Interim City Manager dated 7-25-84 would be available after the meeting as he would like to review it with comments to the Council.

C. L. Snider questioned the risk of building a \$30 million plant and having the City left holding the financial bag if the developers default with the sewer plant left unfunded. Walter Webb suggested the developers build their own plant with private money and not put the City in any financial danger.

Don Steffensen noted that the ranches would be glad to build at middle Pico the capacity they need to support their ranches which is significantly less in dollars to them than what is being talked about tonight but the problem is that the City does not have sufficient funds to upgrade the current plant; and that the ranches could build a plant in the back country which would provide the capacity they need for development.

Mayor Carr requested that the Finance Director prepare and have available for the 8-1-84 meeting a cash flow analysis of RDA funds; that the analysis show the RDA debt which was in existence as of July 1, 1984; how that debt might be increased as a result of budgetary appropriations included in the 1984-85 fiscal year budget; that the analysis should include any loan which has been made, such as the Water fund to RDA fund; also to take into account the input for cash flow analysis purposes the tax increment revenue which is generated for this current fiscal year, and in estimated amounts for succeeding fiscal years to show the cash flow.

During further discussion, Councilman Mecham asked certain questions and confirmed that in order to have the existing plant serve the existing community, with no additional back country development coming in, it will cost the City \$8.7 million to bring the plant up to proper standards and required level of reliability; that certain developers only have responsibility for expansion of the plant to take care of their capacity but that the existing City has the responsibility for the plant that is already there and for the capacity that is already being used; that this City will have to incur expenses to fix the existing plant and the only way those dollars will come is through increased sewer fees as there is no other place to get them at this point; that the \$2 million in sewer connect fees can only be spent on plant expansion; and that the facts and issues raised tonight need to be carefully examined.

Councilman Diehl noted that a policy decision is needed as to which way the City is going in order to provide sewer capacity and then moved that the City Council shall have the authority to move the sewer treatment facility to the middle Pico site.

Mayor Carr requested that the motion be held and further Council comments and concerns are as follows: Councilwoman Koester agreed that a number of areas in the plant need upgrading but she would like to have a keener look at the alternatives in the 1981 report as to what is absolute need versus the cadillac version, and would like to see a series of workshops concerning the matter.

Don Steffensen commented that the four ranches encourage the matter to be placed on the November ballot as their rationale as they continue to develop, record maps, and build more homes is that they reduce their ability to formulate some kind of financing plan as to what their share of the costs will be; that some very valid concerns have been expressed and noted that there is a Technical Committee of the four ranches which he would like to see expanded, preferably under the auspices of some form of City committee, and if not appropriate, they would like to expand the Technical Ranch Committee to include discussions and concerns of the speakers here tonight to get the benefit of their comments; that everyone is interested in what is the best plan for the City; and suggested that within the next 60 days the developers meet with City Staff and interested citizens to get all their comments and go through the technical issues and alternatives which need to be considered as we move forward to the ultimate costs.

Councilman Diehl restated his motion and IT WAS MOVED BY COUNCILMAN DIEHL, SECONDED BY COUNCILMAN MECHAM to submit a ballot issue that the City Council be authorized to move the sewer treatment plant to the middle Pico site.

Councilwoman Koester stated she was not prepared to vote on the issue; Councilman Limberg noted this was a moment of opportunity with the back country ranches proposing to carry the major financial burden for a substantial investment on the part of the City; and that adequate information must be developed so the public will be able to make a decision.

Following comments by Mayor Carr and the City Clerk, an AMENDED MOTION WAS MOVED BY COUNCILMAN DIEHL, SECONDED BY COUNCILMAN MECHAM, AND CARRIED that the question be placed on the November 6 ballot "Shall an ordinance be adopted which authorizes the City Council to relocate the municipal sewer treatment facilities to the site commonly referred to as 'middle Pico'?" Councilwoman Koester "ABSTAINED".

It was noted that the wording for the ballot measure would be subject to review by the City Attorney, and if any changes were needed it could be discussed at the 8-1-84 meeting.

IT WAS MOVED BY COUNCILMAN LIMBERG, SECONDED BY COUNCILMAN DIEHL, AND UNANIMOUSLY CARRIED that Staff and Carollo Engineers organize a tour of the sewer plant to which citizens of the community would be invited to tour and see the plant.

URGENT MATTERS

Robert Flynn stated that it has come to his attention when he was on a trip and returned last week that the present City Council, and also the past City Council, has a big problem which has not been confronted so far and that is the parking of boats and recreational vehicles in the City; that this issue has been passed on to the voters to make the decision; that the City Council must now make some provision in the future for this problem; that the Council has been giving concessions to the developers on density programs throughout the past but has not been requiring that they provide areas for recreational vehicles and boats; that this problem exists because we are near the ocean and residents have boats and trailers; and that he cannot put a box trailer on his lot as it is so small and Council allows the developers to cut up the lots. Mayor Carr questioned this being an urgent matter, and Mr. Flynn replied that Council may have to make a decision between now and the next meeting on approving another tract map.

ITEMS FROM CITY MANAGER

Subject: 36 - Recruitment of City Manager.

IN RE: Update from Interim City Manager on recruitment of City Manager.

The Interim City Manager advised that Mr. Thomas of Ralph Anderson & Associates has advised that the cut-off date for receiving applications for the City Manager position is July 27; that although he does not have the actual number of persons who have applied there has been a very good response; that the first week in August they plan to begin doing some background inquiries on the prospective candidates and that by the middle of August they will present to Council a resume of the candidates.

IT WAS THEN MOVED BY COUNCILMAN MECHAM, SECONDED BY COUNCILMAN DIEHL, AND UNANIMOUSLY CARRIED that an adjourned meeting be held at 7:00 P.M. on August 21 for the purpose of going into Closed Session to discuss a matter of personnel.

It was further noted that a full day early in September will be set aside for the interviews.

Subject: 29 - Ordinance No. 896 Consolidating the Functions of the Design Review Committee and the Cultural Heritage Board.

IN RE: Ordinance No. 896 consolidating the functions of the Design Review Committee and the Cultural Heritage Board under a new Commission to be called the "Community Design Commission."

The Community Development Director reviewed certain changes that Council had previously approved but which were inadvertently not included in the final draft, and requested they be incorporated into the Ordinance and reintroduced in order that this new Commission can become operative by September 1st.

IT WAS THEN MOVED BY COUNCILMAN DIEHL, SECONDED BY COUNCILMAN MECHAM, AND UNANIMOUSLY CARRIED to waive the reading in full of Ordinance No. 896.

Upon motion of Councilman Diehl, seconded by Councilman Mecham, and carried, ORDINANCE NO. 896, BEING AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, CONSOLIDATING THE FUNCTIONS OF THE DESIGN REVIEW COMMITTEE AND THE CULTURAL HERITAGE BOARD UNDER A NEW COMMISSION TO BE CALLED THE "COMMUNITY DESIGN COMMISSION," was reintroduced by title only, the reading in full thereof having been unanimously waived. Councilwoman Koester voted "NO."

ITEMS FROM COUNCIL MEMBERS

Councilman Diehl noted that on September 6 the Boys & Girls Club will be having their appreciation luncheon and that Council has been invited along with all the service clubs, and recommended keeping this date open.

Mayor Carr noted that one of the most outstanding events that has occurred in San Clemente was witnessing the Olympic Torch passing through the City; and further noted that there was a very large crowd and all the people were very patriotic and enthusiastic about the event.

Subject: 37 - Request for Report re "Confidential" Material.

IN RE: Request for report re confidential material received by Council members.

Councilman Limberg referred to the manner in which the City Council conducts their business noting that most of the City business is treated as being public; however, there are occasions when matters of personnel, litigation, and pending negotiations need to be treated in confidential communications; and requested that the City Attorney prepare a report for Council as to what "confidentiality" entails, and the responsibilities and obligations of City personnel, employees, and Council members who are privileged to this information.

Mayor Carr noted that it was always his understanding from the Brown Act that when a person was in receipt of information which under the law was deemed to be privileged and confidential, that if the individual who was in receipt of the information disclosed that information to any other person such individual was guilty of a crime punishable under law.

Subject: 37 (27) - Assessment District Proceedings.

IN RE: Assessment district proceedings.

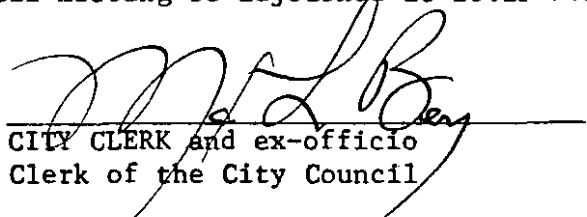
Mayor Carr requested that the Deputy City Attorney relay to the City Attorney the comments and concerns that have been voiced this evening as to what happens under assessment district proceedings as far as bond holders are concerned; whether or not existing taxpayers, property owners in any way, manner, shape or form, could be held responsible for redemption of those bonds, with report to Council at the 8-1-84 meeting.

ADJOURNMENT

IT WAS MOVED BY COUNCILMAN MECHAM, SECONDED BY COUNCILMAN DIEHL, AND UNANIMOUSLY CARRIED that the Council meeting be adjourned at 10:15 P.M.



MAYOR and President
of the City Council



CITY CLERK and ex-officio
Clerk of the City Council