

MAYOR RICHARD S. CLAIRE
VICE MAYOR JEFF IRA

MINUTES
1017 MIDDLEFIELD RD

COUNCIL MEMBER JIM HARTNETT
COUNCIL MEMBER DIANE HOWARD
COUNCIL MEMBER COLLEEN M. JORDAN
COUNCIL MEMBER BARBARA PIERCE
COUNCIL MEMBER IRA RUSKIN

REDWOOD CITY, CA

CITY COUNCIL
REGULAR MEETING
FEBRUARY 3, 2003
7:00 P.M.

1. **CALL TO ORDER** – 7:00 p.m.

2. **ROLL CALL** -

Council Members Present: Hartnett, Howard, Jordan, Pierce, Ruskin, Vice Mayor
Ira, Mayor Claire

Staff Present: City Manager Everett, Financial Services
Director/Assistant City Manager Ponty, City Clerk Howe,
City Attorney Yamamoto, Assistant City Attorney
Brower, Community Development Services Manager
Patterson, Public Works Superintendent Rosas, Public
Works, Assistant to the City Manager Gonzalez
Volunteer Balsamo

3. **PLEDGE OF ALLEGIANCE** - Jim Hartnett, Council Member

4. **INVOCATION** - Dennis Logie, Pastor Sequoia Christian Church

5. **SPECIAL ORDERS OF THE DAY** - None

6. **ORAL COMMUNICATIONS**

Rudy Luca stated that he is still awaiting a letter from the City Manager regarding questions asked on January 27, 2003 related to the Retail/Cinema project. The issue pertained to the Council aiming to protect Redevelopment funds from Sacramento. The loss of Redevelopment funds would end many fledging housing projects on the Peninsula and stop mortgage assistance programs for first time homebuyers and

teachers. It would also place a damper on the county-wide housing trust effort. He asked that Council Member Hartnett respond to the appropriation of \$20 million to the developer of the Retail/Cinema and preventing the State and the Governor from taking money from the City. He also asked if there are budget funds for affordable housing for seniors and working residents.

Alan Bygdnes stated that under the City's webpage, there is now available the "Associated Agenda Packet" that allows the user to get information on specific Council agenda items. He suggested that a brief explanation of how to access the City website might be included in the water bills.

Ray Fowler, speaking as President of the Redwood City Police Officers Association, read a statement from the Police Officers Association and Police Sergeants Association in support of the officers and sergeants named as involved parties surrounding the death of Ricky Escobedo. (Letter on file with City Clerk and part of the record.)

7. CONSENT CALENDAR –

Items on the Consent Calendar are considered to be routine by the City Council and will be enacted by one motion and one vote. There is no separate discussion of these items unless a Council Member or Citizen so requests, in which event the item is removed from the Consent Calendar and considered in its normal sequence on the agenda.

M/S Ruskin/Howard to waive reading of the Consent Calendar except the ordinances by title adopt the resolutions and the ordinances, and approve other items. Item 7.2.B. was removed for separate consideration. The motion passed by a unanimous roll call vote

7.1 Section – Motions

- A.** Motion to approve and authorize execution of an agreement with Harris & Associates for providing professional construction management services for the Ralston Avenue/Marine Parkway Interchange Improvement Project, in an amount not to exceed \$1,500,000, of which Phase 1, Pre-Construction Services, in an amount not to exceed \$57,775, is to proceed now. Phase 2, the Construction Management and Contract Administration will be added through an Amendment/Task Order after Construction bids are opened; **MINUTE ORDER 03-24 (304)**

7.3 Section - Claims and Warrants

- A. Reject the claims: of Paul Kokezas, claim no. 2093 and the claim of Lino Carrara, claim no. 2094 as submitted; (303) MINUTE ORDER 03-25
- B. Approve warrants dated through February 3, 2003 and usual and necessary payments through February 10, 2003; (301) MINUTE ORDER 03-26

7.2 Section - Resolutions

- A. Surplus Property – 1972 Fire Pumper Truck surplus and authorize the transfer of this truck to Colima, Mexico; (609)

Rudy Luca stated that he does not object to this recommendation; however, he requested that the City and staff assist residents in the community in need.

Council Member Ruskin stated that the City does show concern for those who are most disadvantaged every year from the General Fund by devoting approximately \$250,000.00 to non-profit organizations. The recommendations to Council for appropriating funds to specific organizations are carefully considered by the Housing and Human Concerns Committee every year.

M/S Ruskin/Howard to adopt **RESOLUTION 14497** DECLARING CERTAIN DESCRIBED CITY-OWNED PROPERTY SURPLUS AND AUTHORIZING SALE THEREOF;

The motion passed by a unanimous roll call vote.

8. STUDY SESSION -

A. GENERAL FUND FINANCIAL CONDITION; (501)

City Manager Everett stated that the City is dealing with two different problems, the economy and the State of California. In order to balance the State budget, the State is taking local revenues. City staff is proposing a short term and long term solution to the fiscal problems. He further stated that with Council leading and staff assisting Redwood City has positioned itself to handle the economic downturn, hopefully, without any layoffs of employees. He stated that, however, if the City loses Vehicle License Fee (VLF), his belief is that there will be layoffs that cover every department including public safety.

Director of Finance and Financial Planning Ponty explained the economy, what has occurred and why we are in this position. He outlined a five pronged strategy to deal with the situation, both short term and long term. The potential solutions included reducing expenditures, use of reserves, future economic development,

raising existing City fees/taxes to market level and fighting the State. He further outlined the proposed calendar for addressing both the short term FY 02/03 deficit and the long term FY 03/04 and FY 04/05 deficits.

City Manager explained that the State plans to take local revenues to balance the State budget. He delineated how the State has caused a normal difficult economic downturn to become a financial disaster. Firstly, when boom revenues occurred the State applied them as though they would be continuing revenues spending them on continuing and drastically increased State expenditures. Secondly, a tremendous amount of one time revenues consisting of capital gains and stock options that produced tax revenues represented 6% of the entire State budget, and approximately 25% during boom times. The Department of Finance was clearly aware of this phenomenon and the State continued to spend on ongoing recurring expenses and cut taxes with no plan. He further explained the proposed cut of the VLF that goes to cities and counties. He stressed the effects of such a cut and urged people to contact the Governor's office.

Public Comment:

Rudy Luca stated that he is concerned about the one subject of reducing expenditures. He stated that with as much as over two-thirds of the City's expenditures going to salaries and benefits, some salaries have been increased dramatically over the last 1-1/2 months – City Clerk, City Manager and City Attorney. He asked which employees will be affected by any layoffs and what the loss of services will consist of.

City Manager Everett invited Mr. Luca to attend the March 10 Council meeting where those specifics will be considered.

Kate Eckhardt supported Mr. Luca's comments and requested a response to the roll back of salaries.

Mayor Claire stated that the decision was made at a previous meeting, but that the policy is to pay employees at a median rate of surveyed cities. The salaries granted to the three City Council appointed employees were only at the median in the area.

Council Members made various comments such as both increasing the revenues and future economic development in order to not be forced to cut services and that staff is taking a very prudent approach. Vice Mayor Ira gave more background on the VLF and encouraged that the City be proactive in communicating with the Governor's office. He stated that Senator Sher is being very strong advocate for the cities.

M/S Howard/Pierce to approve the City Manager's initial recommendation to direct City Departments to identify savings equal to at least 1/3 (\$1.2 million) of the projected 2002/2003 deficit of \$3.5 million and draw down our reserves by the remaining 2/3 (\$2.3 million). Approve the suggested calendar for future meetings and decisions to work on the short-term and long-term solutions to our deficit problem.

The motion passed by a unanimous voice vote.

MINUTE ORDER 03-27

9. MATTERS OF COUNCIL INTEREST -

9.A. Legislation (information only) - This sub-section involves possible discussion of City Position on Proposed Legislation Described in the League of California Cities Priority Focus Bulletin No. 3 -2003. Council may direct staff to act on positions taken by Council. (Copies of League of California Cities Priority Focus available in City Clerk's Department).

9.A.1 – Council Member Howard – requested staff examine the "Utility Users Tax Task Force Update", page 3 of Priority Focus #3, dated January 24, 2003. Director of Finance and Financial Planning Ponty stated that the City is following and involved in this subject.

9.B. Proposed City Council Policy on Recycled Water: (205)

Council Member Jordan stated she did not want to discuss whether recycled water is safe because many studies are being done, there are reasonable differences and opinions as to the uses, and there will be ongoing debates in the future. She further stated that her proposal is to request Council implement a policy to not force one segment of the Redwood City population to carry the burden of a potential drought by forcing them to use recycled water near their homes, near their children or pets.

Council Member Jordan continued to explain her five reasons for the policy. She stated that even if we were told that it is absolutely safe by the State or by the Federal Government, there is still a chance that they could be wrong. Stating that the primary goal of the contingency plan is to share hardship equitability among all user classes, Ms. Jordan stated that the concept of forcing Homeowner associations to use recycled water is making that particular population disproportionately carry the burden of the potential drought. Devaluation of property could be an issue disclosed upon sale of property that could be viewed as inferior. Her final point was to allow buyers in new developments the choice of whether to buy or rent in an area where recycled water is being used.

Council Members asked questions and made various comments.

Vice Mayor Ira stated that staff has been asked to research the full ramifications of going to a non-voluntary program, what that would mean in the rate structure, in the financing structure and the overall supply structure. He stated his hope that if the Council shows good faith by approving the policy that they will then be given in return an open mind to examine the issues.

Public Comment:

Rudy Luca stated his confusion with the recommendation and policy on the item.

Council Member Jordan explained the recommendation as being a general recommendation and the policy to pertain to existing residences and homeowners' associations, not new developments where the choice would exist to purchase at that point or not.

Christina Lai thanked Vice Mayor Ira on behalf of the Safewater Coalition and continued to read her prepared statement on the issue. She asked for support of the recommendation.

Phil Minton, President of Sea Crest HOA, and stated that he requested purple water about two years ago for his location and it has been stopped in that region. He stated while he appreciates the position of others, he would like to move forward and get the purple water installed. A second item of concern regards construction that goes on during rush hour where one of two lanes is blocked.

Peter Lim stated that the issue is not about drought or saving water, but development in the eastern part of Seaport. He stated that credibility now exists after these statements have been made and his anxiety is now reduced. He further stated that if Council does not have enough information to support the policy then he questions how there is enough information to spend \$1.8 million on the sidewalks or bike paths on Hwy. 101.

Council Member Ruskin stated that he believes drought is one of the reasons we need recycled water but not the only reason.

Mayor Claire stated that there are two hospitals that will not locate in Redwood City if there is not available water.

Leslie Todd states she does have anxiety and referred to a website where she obtained medical information on cancer and recycled water areas. She stated that she does not want to expose her young son or fetus she carries to these risks.

Dennis Wolfe stated that the issue is about giving the citizens the right to choose what they want to do with recycled water, not what the City wants to do. He commended Vice Mayor Ira on his comments that assure residents that their interests come first.

Phil Nettle stated his appreciation on the Council's open mind on the issue. He yielded his remaining time to other speakers.

Mark Wiltse, representing 105 families at Stratford Bay, thanked Council for addressing issues before a water crisis occurs. He stated his community is violently opposed to mandatory implementation of recycled water on the lawns or landscape. He stated that he would like to see scientific data pertaining to young children before it is even offered as an option. He further stated that real estate agents are disclosing to prospective buyers that there is a mandatory recycled water proposal being considered.

Manuel Sotomayor stated he has lived in Redwood Shores for over 23 years and has also been aware of the threat to the availability of water. He stated he has been studying alternatives such as recycled water and sees hope. He further stated that issue tonight is whether it is worthwhile or necessary to make a decision tonight. He stated there is no definitive case made against the recycled water and he has not understood it to be mandatory.

Jeff Gee, representing the Shore at California Bayside HOA, comprised of 112 single family homes, over 8 acres of landscaping, and looking at investing \$200,000.00 in landscape improvements. In January, the Board voted unanimously to deliver a letter expressing interest in participating in the recycled water program. He encouraged Council to also look at the financial models so that participants will be rewarded properly for participating in the recycled water program.

Maureen Smith stated that she has researched the subject for the last year based on two issues that rise as the mantra of recycled water proponents: that recycled water has been used all over the world for decades with never a reported case of illness from drinking or using recycled water. She cited a program in Australia where extensive precautions are in place and described them in detail.

Alan Bygdnes supported the proposal as timely to approve whether there is recycled water implementation or not. He stated that if the true intent is not to use it in residential areas then the vote for this proposal will make no difference in the plan to use recycled water. If recycled water use is implemented than the policy will affect residents.

Ray Wang thanked Council and stated that the residents have listened and voiced concerns while patiently awaiting the leadership and respecting these concerns. He stated that now is an opportunity to show that Council has heard those concerns. He further urged Council to support the policy.

Rich Hegeman stated that he shares some of the safety concerns. While investigating some of the concerns he encouraged working with Peter to address alternatives. His suggestion is that perhaps desalinization is a good solution, reverse osmosis may be a good solution, or combining those by using reverse osmosis and using the same pipes as the Hetch Hetchy water.

Kate Eckhardt stated that she does not think anything should be done without representation or it would be a misuse of power. The residents should be duly informed and medical experts should be brought to bear. As a former broadcast reporter, she stated she has done documentaries on the topic and that there are ramifications. She stated that contamination of pipes and groundwater is irreversible. She summarized by asking that water be obtained from the right source.

Art Ross, representing 170 homes in Beacon Homes HOA, stated that there was unanimous support to object to using recycled water on front lawns and children's play areas. Alternatively, there was support for recycled water in areas where landscaping is ornamental such as commercial and industrial areas.

Patricia Dixon cited various posted areas in El Dorado or Granite Bay using recycled water for landscaping. She referred to her time on the water board where consideration of recycled water to be used in median strips and parks only was discussed. She encouraged education on chloramines which will be in the drinking water. She stated that if the recycled water proposal is approved all development proposals should be tabled until the water supply is replenished.

Council made various comments related to the policy.

M/S Jordan/Ruskin to implement Council policy on Recycled Water Use in Residential Areas:

Policy: Redwood City will not make the use of Recycled Water Mandatory to existing residences or Homeowners' Associations.

Vote on motion: Ayes: Council Members Hartnett, Howard, Jordan, Ruskin, Vice Mayor Ira. Noes: Council Member Pierce and Mayor Claire. **MINUTE ORDER 03-28**

10. STAFF REPORTS-

A. Construction Deposit to the California Department of Transportation for Highway 101 Recycled Water Transmission Line; (304)

Public Works Services Director Ingram explained the item for consideration as approval of payment and authorization of construction to proceed on a 24-inch diameter recycled water transmission line that would run underneath the bike path

that Caltrans is beginning to construct along the edge of the wetlands of Highway 101.

Public Comment:

Rudy Luca asked if the proposed recycling project does not get implemented, what happens to the transmission pipe expenses. He also asked what the difference in cost is from the Engineer's estimate.

Vice Mayor stated that the answer is unknown but the risk is worth it because of the options it creates and if not done now, the cost will increase to a \$6-8 million expenditure. *PWS Director Ingram* stated the cost is \$300,000.00 less than the Engineer's estimate.

Tom Cronin stated his support for the pipeline needed for not only the Seaport Industrial area but the Downtown core area, for both commercial and eventually landscaping use. He stated that the least expensive method for this would be to partner with Caltrans.

Clem Molony, representing the Seaport Industrial Association, stating that a number of those firms consume a fairly large amount of water and as a group, support in concept the use of recycled water for industrial and landscaping use. He stated that it makes sense from an investment point of view to support this pipeline stretch. He further stated that the City needs additional sources of high quality water so that Hetch Hetchy water can be used for drinking instead of being used for landscaping. Given the State Law regarding infrastructure limits, if housing Downtown and hospitals are desired, the City must invest in additional sources of water.

Kate Eckhardt stated that there are other solutions to be explored. She further stated that the majority must rule, urging inclusion of the public and knowledge of the facts.

Peter Lim requested acceleration toward a financial model in order to make an education decision on the issue. He stated that residents of Redwood Shores are not opposed to use of recycled water, but opposed to mandatory use of recycled water.

Manuel Sotomayor stated there should be better examination of all alternatives and encouraged Council to consider doing that.

Sri Durga Cheng thanked those searching their souls and thinking of the well being of all concerned.

M/S Hartnett/Ira to authorize the payment of construction deposit to the California Department of Transportation in the amount of \$1,854,900.00 for Highway 101 Recycled Water Transmission Line;

Mayor Claire stated that the decision without the financial information he needs precludes him from voting in favor of the motion.

The motion passed by a unanimous roll call vote with Mayor Claire voting no.

MINUTE ORDER 03-29

B. City's Ability to Fund the Construction of the Proposed Recycled Water Project Debt; (505)

City Manager Everett stated that the resolution allows for recovery of the initial cost if debt is issued at a later date.

M/S Ira/Ruskin to ADOPT **RESOLUTION 14498** DECLARING THE OFFICIAL INTENT TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF TAX EXEMPT SECURITIES;

The motion passed by a majority roll call vote with Mayor Claire voting no.

- 11. WRITTEN COMMUNICATIONS - None**
- 12. PUBLIC HEARING - None**
- 13. BOARDS, COMMISSIONS AND COMMITTEES - None**
- 14. CLOSED SESSION - No Action to Report**
- 15. ADJOURNMENT – 10:30 p.m.**

M/S Ruskin/Howard to adjourn until the next City Council meeting of February 10, 2003 in memory of Franklin J. Jeffries, Redwood City resident and former employee of the City. The motion passed by a unanimous voice vote.

Respectfully submitted,



Patricia S. Howe, CMC
City Clerk