

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR REGULAR COUNCIL MEETING
OF
MONDAY, OCTOBER 29, 2007
AT 2:00 P.M.
IN THE COUNCIL CHAMBERS - 12TH FLOOR

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CHRONOLOGY OF THE MEETING:

The meeting was called to order by Council President Peters at 2:01 p.m. with Council Member Maienschein and Council Member Hueso not present. Council President Peters recessed the meeting at 4:25 p.m. for the purpose of a break. Council President Peters reconvened the meeting at 4:33 p.m. with Council Member Maienschein not present. Council President Peters recessed the meeting at 5:28 p.m. to convene into a Special Meeting of the Redevelopment Agency. Council President Peters reconvened the regular meeting at 5:34 p.m. with Council Member Maienschein not present. Council President Peters adjourned the meeting at 5:34 p.m.

ATTENDANCE DURING THE MEETING:

- (1) Council Member Peters-present
 - (2) Council Member Faulconer-present
 - (3) Council Member Atkins-present
 - (4) Council Member Young-present
 - (5) Council Member Maienschein-not present-Excused by R-303305-due to
Witch Creek Fires
 - (6) Council Member Frye-present
 - (7) Council Member Madaffer-present
 - (8) Council Member Hueso-present
- Clerk-Maland (mz)

FILE LOCATION: MINUTES

ITEM-1: ROLL CALL

Clerk Maland called the roll:

- (1) Council Member Peters-present
- (2) Council Member Faulconer-present
- (3) Council Member Atkins-present
- (4) Council Member Young-present
- (5) Council Member Maienschein-not present
- (6) Council Member Frye-present
- (7) Council Member Madaffer-present
- (8) Council Member Hueso-not present

FILE LOCATION: MINUTES

ITEM-10: INVOCATION

Invocation was given by City Clerk Elizabeth Maland.

FILE LOCATION: MINUTES

ITEM-20: PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council President Pro Tem Young.

FILE LOCATION: MINUTES

COUNCIL COMMENT:

COUNCIL COMMENT-1:

Council Member Atkins announced Elizabeth Morris of the Housing Commission was awarded the M. Justin Herman Memorial Award, the highest and most prestigious award given by the National Association of Housing and Redevelopment Officials, for her outstanding contributions to the quality of life through her service in the field of housing and community development.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 2:45 p.m. – 2:46 p.m.)

CLOSED SESSION ITEMS:

Conference with Legal Counsel - existing litigation, pursuant to California Government Code section 54956.9(a):

CS-1 *Philip Paulson v. City of San Diego*

United States District Court Case No. 89cv00820GT (LSP)

United States Court Case No. 09cv1597 LAB (WMc)

Steve Trunk and Philip Paulson v. City of San Diego, et al.

United States District Court Case No. 06cv1597 LAB (WMc)

REFERRED TO CLOSED SESSION OF TUESDAY, OCTOBER 30, 2007

DCA Assigned: G. Schaefer

The Plaintiff in the first case (the *Paulson* case) obtained an injunction requiring the City of San Diego to remove the Mt. Soledad cross from City property. On June 15, 2007 the federal district court awarded the Plaintiff's counsel attorneys' fees and costs. The City has a pending appeal of that award. The appellate court is in the process of scheduling a mediation conference. The City Attorney needs to consult with the Mayor and Council in closed session on the City's position regarding settlement at the mediation.

The City Attorney also needs to update the Council and Mayor regarding the status of the related Mt. Soledad litigation in the second case (the *Trunk* case) and the prospects for resolution of that case.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 5:28 p.m. – 5:28 p.m.)

Council President Peters closed the hearing.

CS-2 *La Jolla Alta Master Council v. City of San Diego*
San Diego Superior Court Case No. GIC 822281

REFERRED TO CLOSED SESSION OF TUESDAY, OCTOBER 30, 2007

DCA Assigned: J. Boardman

This matter is a lawsuit filed by the La Jolla Alta Master Council for inverse condemnation and declaratory and injunctive relief. In Closed Session, the City Attorney will brief the City Council on the status of the litigation.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 5:28 p.m. – 5:28 p.m.)

Council President Peters closed the hearing.

CS-3 *Valerie O'Sullivan v. City of San Diego, et al.*
San Diego Superior Court Case No. GIC 826918
Court of Appeal Case No. D047382
California Supreme Court Case No. S157299

REFERRED TO CLOSED SESSION OF TUESDAY, OCTOBER 30, 2007

DCA Assigned: G. Schaefer

The Court of Appeal, Fourth District recently affirmed the trial court's issuance of an order requiring the City to: restore the Children's Pool to its 1941 condition and reduce the level of water contamination to levels safe for humans within six months; file a report within sixty days to demonstrate compliance with the order; and reimburse Ms. O'Sullivan for attorneys' fees and costs incurred as a result of litigation. In an effort to settle the case, Ms. O'Sullivan has offered to reduce the amount of attorneys' fees in exchange for the City's abandonment of the appeal. The Council will be briefed on the status of the litigation and a presentation of all settlement offers.

Closed Session Comment 1:

Bryan Pease commented on public noticing, dredging and on the appeal.

Closed Session Comment 2:

Gabriel Solmer commented on public resources and on settling the case not being a workable solution.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 5:28 p.m. – 5:33 p.m.)

Council President Peters closed the hearing.

CS-4 *David James v. City of San Diego*
San Diego Superior Court Case No. GIC 871972

REFERRED TO CLOSED SESSION OF TUESDAY, OCTOBER 30, 2007

DCA Assigned: R. Walters

This matter is an action filed by David James, a marine biologist City employee, seeking recovery for a work related injury under the Jones Act and for unseaworthiness of the City marine vessel under general federal maritime law. The City Attorney will brief the City Council on the status of the matter in closed session and request appropriate action, including settlement of the litigation.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 5:28 p.m. – 5:28 p.m.)

Council President Peters closed the hearing.



ITEM-150: Inviting Bids for Alvarado Water Treatment Plant Upgrade and Expansion – Ozone Project. (Navajo Community Area. District 7.)

(See Report to the City Council No. 07-152; Water Department's Executive Summary Sheet dated 7/3/2007; and Water Department's 7/18/2007 Powerpoint.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2008-215) ADOPTED WITH DIRECTION AS RESOLUTION
R-303093

Approving the plans and specifications for the construction of Alvarado Water Treatment Plant Upgrade and Expansion - Ozone Project (Project), on Work Order No. 189031;

Authorizing the Mayor, or his designee, after advertising for bids in accordance with law, to establish funding phases and execute a construction contract for the Project with the lowest responsible and reliable bidder in an amount not to exceed \$64,075,000, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer;

Authorizing the City Auditor and Comptroller to transfer an amount not to exceed \$64,075,000, of which \$61,875,000 is for construction and Project related costs from Water Fund 41500, CIP-73-261.3, Alvarado Water Treatment Plant Upgrade and Expansion-Ozone Project, and \$2,200,000 from Water Fund 41500, CIP-73-331.0, Annual Allocation - Water Pooled Contingency for the purpose of providing funds for Project contingency related costs, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that funds necessary for expenditure under established contract phases are, or will be, on deposit with the City Treasurer;

Authorizing the expenditure of an amount not to exceed \$64,075,000 from Water Fund 41500, CIP-73-261.3, Alvarado Water Treatment Plant Upgrade and Expansion-Ozone Project and \$2,200,000 from Water Fund 41500, CIP-73-331.0,

Annual Allocation - Water Pooled Contingency, solely and exclusively, for the purpose of providing funds for the Project and related costs, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are, or will be, on deposit with the City Treasurer;

Authorizing the expenditure of an amount not to exceed \$700,000, solely and exclusively, for the use of City Forces for coordinating and effecting operational changes and Alvarado Water Treatment Plant shut-down during construction of the Project;

Authorizing the City Auditor and Comptroller, upon advice from the administering department, to transfer excess budgeted funds, if any, to the appropriate reserves;

Finding that this activity is adequately addressed in EIR No. 98-0130, for the Alvarado Water Treatment Plant Upgrade and Expansion - Ozone Project and there is no change in circumstance, additional information, or project changes to warrant additional environmental review and that this activity is not a separate project for purposes of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c)(3) and 15378(c).

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 7/18/2007, NR&C to forward to the full City Council without a recommendation.

SUPPORTING INFORMATION:

As part of the Water Department Capital Improvements Program, the Alvarado Water Treatment Plant (AWTP) is undergoing an upgrade and expansion to increase its treatment capacity as well as provide infrastructure improvements to address new Federal Drinking Water Standards, and improve the operations and maintenance at the facility.

The Ozone Project is the fourth phase of the AWTP Upgrade & Expansion which consists of construction of a new ozone building and associated ozone contractors and all equipment. The AWTP currently uses free chlorine as the primary disinfectant which tends to create disinfection by-products that may exceed future primary drinking water standards for total trihalomethanes. The Ozone process will provide an added improvement to the treated water and enhance its taste and odor. After completion of the Ozone Project, Ozone will be added to the settled water to achieve primary disinfection and reduce the formation of disinfection by-products.

The requested action is to approve the plans and specifications for the construction of the AWTP Upgrade and Expansion - Ozone Project as advertised by contract services and authorize the expenditure of \$64,075,000. Construction is anticipated to begin in early 2008, and complete by winter of 2010.

This project will meet the new drinking water standards set by the U.S. Environmental Protection Agency and included in the California Department of Public Health Compliance Order (04-14-96CO-022). In order to comply with the Compliance Order, construction of these improvements must complete by December 31, 2010.

The City of San Diego, as Lead Agency under the California Environmental Quality Act, has reviewed and considered the Addendum, LDR No. 98-0130, dated May 20, 1994, covering the AWTP Upgrade and Expansion, adopted on June 29, 1998, R-290389, to the Alvarado Water Filtration Plant Expansion and Rehabilitation EIR, DEP No. 88-0459, dated May 20, 1994 and adopted on June 29, 1998, R-290389.

City Forces will be utilized on this project for coordinating and effecting operational changes and difficult plant shutdown during construction, while maintaining continuous service to the City of San Diego customers. The work scope also includes closing and opening large diameter valves, monitoring flow in the existing clearwells and day to day coordination with the project team. Their knowledge, experience and participation on the project is essential to the success of the project. The cost for this work is estimated at \$700,000 for the duration of the project.

FISCAL CONSIDERATIONS:

The total cost for the AWTP Upgrade and Expansion - Ozone Project is \$65,275,113 of which \$1,200,113 was previously authorized. The remaining cost of this project is \$64,075,000 and will be phase funded in FY 2008 in the amount of \$11,507,000, FY 2009 in the amount of \$27,300,000, FY 2010 in the amount of \$25,268,000. The AWTP - Ozone Project is among one of the CIP projects the Water Department will fund with revenues generated by the rate increases approved by the City Council on February 26, 2007. The Water Department expects to reimburse 80% of the cost for FY 2008 (\$9,205,600), FY 2009 (\$21,840,000) and FY 2010 (\$20,214,400) from future debt issuances. Funding for the Project is available from the Water Fund 41500, CIP-73-261.3, AWTP Upgrade and Expansion - Ozone Project. The Auditor's Certificate for Phase I (FY2008) construction will be issued prior to contract award.

PREVIOUS COUNCIL COMMITTEE ACTION:

Council Resolution R-298186 authorized Advertise & Award of Construction to the lowest bidder for AWTP - Phase II which originally included the Ozone building. The Ozone building component of this project was removed from Phase II because bids were higher than budgeted.

The Ozone package was presented at the Natural Resources & Culture Committee (NR&C) on July 18, 2007. This item was forwarded to the City Council without a recommendation.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Community meetings have been conducted to inform members of the public, including the Friends of Lake Murray, Mission Trails Regional Park Citizen's Advisory Committee (CAC) and Task Force (TF), and local residents about the scope and schedule of the AWTP Upgrade and Expansion Project. A CIP hotline is regularly maintained to answer questions and provide information to the public. Door hangers, fact sheets, newsletters, AWTP WaterWorks newsletters, and updates on the City of San Diego Web site also add to the public outreach efforts. Recently, the Ozone Project was presented to the CAC and TF. Both of these committees supported the proposed landscaping plan as part of the project but would like to see an enhanced architectural design for the Ozone building and therefore, did not endorse the building as currently designed. For more information, see Report to the City Council.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Citywide Water Customers, MPI, Inc. (Design Consultant), CH2MHILL, Inc. (Construction Management Consultant), Mission Trails Regional Park Citizen's Advisory Committee and Task Force, San Diego County Water Authority, and California Department of Public Health.

Barrett/Haas

FILE LOCATION: W.O. 189031

COUNCIL ACTION: (Time duration: 4:47 p.m. – 5:11 p.m.)

MOTION BY MADAFFER TO ADOPT WITH DIRECTION TO ADD ARCHITECTURAL ENHANCEMENTS AND COLOR TO THE BUILDING AND PROVIDE COUNCIL WITH AN ANNUAL UPDATE ON THIS PROJECT. Second by Hueso. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-nay, Maienschein-not present, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-151: AKT Certified Public Accountants, LLP Amendment No. 1 for Pay for Performance and Bid to Goal Programs. (Citywide.)

(See Metropolitan Wastewater Department's 9/24/2007 PowerPoint.)

TODAY'S ACTION IS

Adopt the following resolution:

(R-2008-252 Rev.) ADOPTED AS AMENDED AS RESOLUTION R-303094

Authorizing the Mayor, or his designee, to execute, for and on behalf of the City, an amendment to the agreement with AKT Certified Public Accountants, LLP, for audit of the Pay for Performance and Bid to Goal Programs, under the terms and conditions set forth in Amendment No. 1;

Authorizing the expenditure of an amount not to exceed \$165,000, to provide funds for the above Amendment No. 1, to be expended as follows:

\$96,000 from Water Operating Fund No. 41500;
\$46,000 from Wastewater Operating Fund No. 41506; and
\$23,000 from Wastewater Operating Fund No. 41508.

Authorizing the Mayor, or his designee, to execute future extension for option years two, three, and four as needed, in accordance with the terms of the above agreement, in an amount not to exceed \$546,164 and provided the City Auditor and Comptroller furnishes one or more certificates demonstrating that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer, to be expended as follows:

\$173,250 for option year two, consisting of \$100,800 from the Water Operating Fund and \$72,450 from the Wastewater Operating Fund;

\$181,909 for option year three, consisting of \$105,838 from the Water Operating Fund and \$76,071 from the Wastewater Operating Fund; and

\$191,005 for option year four, consisting of \$111,130 from the Water Operating Fund and \$79,875 from the Wastewater Operating Fund.

Declaring that the above activity is not a project and therefore is not subject to the California Environmental Quality Act pursuant to CEQA Guidelines Section 15060(c)(3).

AUDIT COMMITTEE'S RECOMMENDATION:

On 9/24/2007, Audit voted 3 to 0 to forward the audit consultant contract for the Bid to Goal and Pay for Performance audits to the full City Council. (Councilmembers Faulconer, Atkins, and Young voted yea.)

SUPPORTING INFORMATION:

The Metropolitan Wastewater and Water Departments have engaged in operational optimization and cost savings programs since 1997. More specifically, both departments have implemented "Pay for Performance" (P4P) and "Bid to Goal" (B2G) Programs to create incentives for employees to participate in identifying and creating cost savings and operational improvements for the benefit of the rate payers. In part, these programs have benchmarks and goals that when met or exceeded will result in employees receiving incentive pay.

The program requires independent "audited" verification that the goals, savings and targets were met to substantiate the incentive payments. In Fiscal Year 2007, the City entered into agreement with the accounting firm of Grice, Lund and Tarkington, LLP (now doing business as AKT Certified Public Accountants) to verify both P4P and B2G results for the Fiscal Year 2006 program year. The original contract award to AKT Certified Public Accountants (AKT) includes four (4) option years for renewal (Program years Fiscal Year 2007 through Fiscal Year 2010).

This action seeks to exercise the first option year of the contract to engage AKT to audit the Fiscal Year 2007 Program Year for P4P and B2G in both the Metropolitan Wastewater and Water Departments and to provide authority to exercise three additional option years. Scope for future years will be adjusted to reflect the "auditing" needs for those Pay for Performance and Bid to Goal programs which are in place in each department.

FISCAL CONSIDERATIONS:

This action includes seven (7) audit components. In accordance with the proposal, five of the audits components are priced at \$23,000 each, and two are priced at \$25,000 each. The total cost is \$165,000 of which \$69,000 is available in the MWWO Operating Fund and \$96,000 is available in the Water Operating Fund. This action is funded from sewer and water revenue rates only.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

This action was discussed at the City's Audit Committee on September 24, 2007.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Participating Employees and their respective employee groups, to include: San Diego Municipal Employees Association and AFSCME Local 127.

Bertch/Haas

Aud. Cert. 2800226.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 5:12 p.m. – 5:19 p.m.)

MOTION BY FAULCONER TO ADOPT THE RESOLUTION AS AMENDED TO REQUIRE CITY COUNCIL APPROVAL BEFORE THE MAYOR EXECUTES FUTURE EXTENSIONS. TO ACCEPT COUNCIL MEMBER FRYE'S SUGGESTION TO FORWARD AUDITS TO THE AUDIT COMMITTEE AND TO THE CITY COUNCIL. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-not present, Frye-yea, Madaffer-yea, Hueso-yea.

ITEM-200: Update on Potential State Bond Measures – Water Infrastructure.

MAYOR SANDERS' RECOMMENDATION:

INFORMATION MATERIALS RECEIVED

Informational item only in order for staff to provide an update on Potential State Bond Measures related to Water Infrastructure.

SUPPORTING INFORMATION:

The Governor called for a special legislative session to consider water issues. In his proclamation he called for the following:

- To consider and act upon legislation to protect and restore the Sacramento-San Joaquin Delta while also improving the reliability and quality of water supplies from that estuary.
- To consider and act upon legislation to address the short term and long term improvement of California's water management system including the development of new surface and groundwater storage and improved conveyance facilities.
- To consider and act upon legislation to appropriate funds, including appropriations for general obligation and lease revenue bonds, to improve water resource management, build additional water storage facilities, develop groundwater aquifers, improve groundwater quality and flood protection, and restore the Sacramento-San Joaquin Delta and other important ecosystem restoration projects.
- To consider and act upon legislation to place a general obligation bond and, as necessary, a lease revenue bond on the ballot.

Senator Perata has introduced SB 1052 in the regular session and SBXX 1 in the special session. SB 1052 proposes a \$5.4 billion General Obligation bond for the 2008 ballot to be spent on water supply, conveyance and reliability. In addition, the Administration has released language for a water bond that would provide over \$8 billion in GO bond funds. SBXX 1 is nearly identical to SB 1002 which proposes to spend \$610 million in already authorized bond funds (from Props 40, 1E and 84).

Both the Assembly and Senate have held hearings in the last two weeks. The Assembly Democrats however, have stated that they do not want to rush a water bond and would rather come back next year to vote on a bond. The Senate last week took a vote on Senator Perata's version of the water bond. However, it did not receive the needed 2/3rds vote due to concerns by Senate Republicans over the lack of money for surface storage. While there is still some time to get a bond passed in time for the February ballot, Senator Perata has vowed to take the water bond to an initiative if it does not pass in the Legislature.

FISCAL CONSIDERATIONS: No fiscal consideration.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: No previous Action.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: -

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The State Bond Measures under discussion in Sacramento could significantly affect the reliability and availability of future water supplies to San Diego water customers by providing significant funding for local and state-wide water infrastructure projects.

Nelson

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 5:12 p.m. – 5:12 p.m.)

MOTION BY COMMON CONSENT TO RECEIVE THE INFORMATION MATERIALS. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-not present, Frye-yea, Madaffer-yea, Hueso-yea.

ITEM-201: Informational Report on the Water Department's Long Range Water Resources Plan.

STAFF'S RECOMMENDATION:

INFORMATION MATERIALS RECEIVED

Informational report from the Water Department on the Long Range Water Resources Plan.

STAFF SUPPORTING INFORMATION:

On October 8, 2007, during review of Item 200 (Informational Presentation from the San Diego County Water Authority), the City Council requested an informational report on the Water Department's Long Range Water Resources Plan (Plan).

General information on Regional and City water supplies in conjunction with an update on the status of the Plan's goals will be presented for review. This review will discuss current efforts to meet City goals and plans for future work.

Detailed discussion to include updates on conservation, recycled water, and groundwater. In addition, information will be provided on water treatment, delivery energy requirements, and cost of water supply sources.

FISCAL CONSIDERATIONS: None.

PREVIOUS COUNCIL/COMMITTEE ACTION:

A motion was passed unanimously on October 8, 2007 to bring this subject to the Council on October 29, 2007.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

There have been presentations to professional associations, civic and community groups.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders include all City water customers.

Barrett/Haas

Staff: Marsi Steirer - (619) 533-4112

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 5:12 p.m. – 5:12 p.m.)

MOTION BY COMMON CONSENT TO RECEIVE THE INFORMATION MATERIALS. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-not present, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-202: Water Reuse Study.

(See Report to the City Council 06-100; Jim Barrett's 7/21/2006, memo; Ronald Coss's 5/31/2006, letter; Ronald Coss's 10/07/2005, Scientific Studies and associated resource material on Health Effects related to Water Reuse; Henry Abarbanel's 6/27/2006, letter; Henry Abarbanel's 2/14/2006, letter; Joes Anderson's 3/07/2006, letter; Art Madrid's 2/09/2006, letter; Mark Lewis's 1/30/2006, letter; Diane Rose's 1/27/2006, letter; Crystal Crawford's 1/24/2006, letter; Mickey Cafagna's 1/17/2006, letter; Nick Inzunza's 1/11/2006, letter; Tom Smisek's 1/09/2006, letter.)

TODAY'S ACTION IS:

Take the following actions:

(R-2008-382) ITEM VETOED BY MAYOR;
TO BE RE-DOCKETED WITHIN 30 DAYS

Requesting the acceptance of the Water Reuse Study Final Draft Report as fulfillment of the elements outlined in Resolution No. R-298781 dated January 13, 2004;

Directing the City Attorney to prepare the appropriate resolutions and/or ordinances in accordance with Charter Section 40.

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 7/26/2006, NR&C voted 4 to 0 to forward the Water Reuse Study to the full City Council; encourage more outreach by City staff on the issue by holding extensive public meetings and hearings, including evening meetings; and to hold at least one evening Natural Resources and Culture Committee workshop on the item.

SUPPORTING INFORMATION:

On January 13, 2004, the San Diego City Council (Council) directed the City Manager to conduct a study to evaluate options for increasing the beneficial use of the City's recycled water (Resolution R-298781). During the Council hearing, staff was directed to research and produce a report on specific opportunities for increasing recycled water use, to compile research studies on the health effects of various reuse options, and include a public participation component in the effort. The Study Final Draft Report outlines the process undertaken and includes, but is not limited to, details of stakeholder involvement and public outreach, developing criteria, refining options, formulating strategies and water quality research.

The Water Department's Water Policy and Strategic Planning Division undertook implementation of the Study. The Department assembled a team of City staff, consultants and technical experts. Staff gave a presentation of Study activities to the Natural Resources and Culture Committee (NR&C) on July 20, 2005. The presentation included study options, criteria, public outreach activities, Independent Advisory Panel, and an update on the second City of San Diego Assembly Workshop on Water Reuse (Assembly) held the previous week. In that meeting, a description of public involvement activities and timeline of the activities was also presented. NR&C directed staff to present the same information to the Public Utilities Advisory Commission (PUAC). On November 21, 2005, the PUAC adopted a resolution supporting the Study effort. The resolution in part, acknowledged a completion of assignments in Resolution R-298781. Staff presented the completed Water Reuse Study Final Draft Report to the NR&C on July 26, 2006.

FISCAL CONSIDERATIONS:

None. The Study was undertaken to provide a comprehensive analysis of potential water reuse strategies without making a recommendation for further funding.

PREVIOUS COUNCIL COMMITTEE ACTIONS:

A list of all the Council and Committee actions from August 1997 through November 21, 2005 is provided in detail in the Staff Report. In addition, the draft report was presented to the NR&C Committee on July 26, 2006.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

City staff used a variety of ways to inform City residents about the Study. A key component was a 67-member stakeholder group, the City of San Diego Assembly on Water Reuse. The Assembly convened twice to discuss and provide input on the Study's direction and water reuse options. Assembly workshop statements support all options to increase the use of recycled water and, at Workshop II, the Assembly affirmed unanimous support for indirect potable reuse options.

Public involvement activities also included a speakers bureau, stakeholder interviews, Study website, telephone survey, electronic news brief, a telephone hotline and informal opinion surveys. Media coverage has been very visible through exposure in local newspapers and television stations. An educational video on the Study airs on City TV, available on both local cable companies, and many copies of the video have been distributed in the community. Details are provided in the Staff Report.

KEY STAKEHOLDERS:

Stakeholders affected by each strategy are described in detail in the Staff Report and would include both City and non-City residents

The Water Reuse Study is available at:

<http://www.sandiego.gov/water/waterreustudy/involvement/fd2006.shtml>

Barrett/Haas

Staff: Marsi Steirer - (619) 533-4112

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:47 p.m. – 3:00 p.m.;
3:34 p.m. – 4:25 p.m.)

Motion by Frye to adopt with direction to accept the Water Reuse Study and to direct the Mayor and staff to develop a plan for implementation of the NC-3 Implementation Strategy from the 2006 Water Reuse Study and to 1) Execute a one-year demonstration project to begin July 1, 2008; 2) Conduct a Current Flow and Detention Model Study at San Vicente; 3) Perform an Independent Energy and Economic Analysis to all water supply augmentation methods in the Long Range Water Resources Plan by July 1, 2008; 4) Lead an effort for community education and outreach to begin January 2008 and ensure that communities that have not had any presentations to be the first to start the education process and; 5) Return January 2008 to full City Council with an update of their progress including information on community outreach. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-nay, Atkins-yea, Young-nay, Maienschein-not present, Frye-yea, Madaffer-yea, Hueso-yea.

**NOTE: THE RESOLUTION WAS VETOED BY THE MAYOR ON
NOVEMBER 14, 2007.**



ITEM-203: Recycled Water Master Plan Update 2005.

STAFF'S RECOMMENDATION:

Take the following actions:

(R-2008-383) ITEM VETOED BY MAYOR;
 TO BE RE-DOCKETED WITHIN 30 DAYS

Requesting approval of the Recycled Water Master Plan Update 2005 to comply with the City's Water Reclamation Ordinance (O-17327), adopted by the City Council on July 24, 1989 and incorporated into Municipal Code (Charter 66, Article 4, Division 8);

Request that the Mayor develop an implementation strategy and capital improvement projects to accomplish the greatest amount of beneficial use recycled water as outlined in the Master Plan update;

Directing the City Attorney to prepare the appropriate resolutions and/or ordinances in accordance with Charter Section 40.

STAFF SUPPORTING INFORMATION:

On July 24, 1989, City Council (Council) adopted Ordinance O-17327, adding to the Municipal Code Article 4, Division 8, Section 64.081 et. seq. The ordinance promoted the use of recycled water. Council also directed the City to prepare and adopt a Water Reclamation Master Plan to define, encourage, and develop the use of reclaimed water within its boundaries. The Master Plan is to be updated every five years.

The last Updated Water Reclamation Master Plan was approved by the Council in 2000 with an update due in 2005. On June 24, 2003, City Council approved a Resolution (R-298116), directing the City to prepare an updated reuse master plan with the objective to maximize available use of recycled water produced at both the North City and the South Bay Water Reclamation Plants.

On January 13, 2004, the Council adopted Resolution R-298781, directing the City to conduct a study evaluating all aspects of a viable increased water reuse program. In preparing the Water Reuse Study (Study), a series of technical memoranda were written to provide an indepth review of various topics pertinent to the study. The Recycled Water Master Plan Update 2005 was one of the technical elements and was incorporated in Section 5.1 of the Study. The Master Plan Update includes analysis of existing and future recycled water facilities and identification of recycled water customers near and or adjacent to the existing distribution system. The Master Plan Update also proposed distribution system expansion.

FISCAL CONSIDERATIONS:

None. The Master Plan was undertaken as an update to the 2000 plan without making a recommendation for further funding.

PREVIOUS COUNCIL COMMITTEE ACTIONS:

The Recycled Water Master Plan Update 2005 was presented to the Natural Resources and Culture Committee (NR&C) on July 26, 2006. The Council approved the consultant agreement on June 24, 2003.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

City staff used a variety of ways to inform City residents about the Study. A key component was a 67-member stakeholder group, the City of San Diego Assembly on Water Reuse. The Assembly convened twice to discuss and provide input on the Study's direction and water reuse options. Assembly workshop statements support all options to increase the use of recycled water and, at Workshop II, the Assembly affirmed unanimous support for indirect potable reuse options.

Public involvement activities also included a speakers' bureau, stakeholder interviews, Study website, telephone survey, electronic news brief, a telephone hotline and informal opinion surveys. Media coverage has been very visible through exposure in local newspapers and television stations. An educational video on the Study airs on City TV, available on both local cable companies, and many copies of the video have been distributed in the community.

KEY STAKEHOLDERS:

Stakeholders defined in the Master Plan would include both City and non-City entities.

Barrett/Hass

Staff: Marsi Steirer - (619) 533-4112

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:00 p.m. – 3:34 p.m.;
4:33 p.m. – 4:47 p.m.)

Motion by Madaffer to adopt staff's recommendation with direction to request the Mayor to develop an implementation strategy and capital improvement project consistent with Council's direction under Item 202 of City Council Meeting on October 29, 2007. Second by Frye. Passed by the following vote: Peters-yea, Faulconer-nay, Atkins-yea, Young-nay, Maienschein-not present, Frye-yea, Madaffer-yea, Hueso-yea.

**NOTE: THE RESOLUTION WAS VETOED BY THE MAYOR ON
NOVEMBER 14, 2007.**

ITEM-204: Public Contract Operations (MWWD Department-wide Bid to Goal) Implementation. (Citywide.)

(See Report to the City Council No. 07-114; Independent Budget Analyst Report No. 07-65; memorandum from Timothy C. Bertch dated 10/18/2007; and memorandum from the City Attorney dated 7/11/2007.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2008-90) ADOPTED AS RESOLUTION R-303097

Ratifying the Memorandum of Understanding for the Bid to Goal Public Contract Operations Agreement, as set forth in the document, regarding the operation of the City's wastewater system;

Authorizing the Mayor, or his designee, to approve and accept a responsible and responsive Metropolitan Wastewater Department Labor-Management Partnership Bid for the operation of the City's wastewater system, pursuant to the Memorandum of Understanding;

Declaring that this activity is not a "project" and therefore is not subject to the California Environmental Quality Act pursuant to State CEQA Guidelines Section 15060(c)(3).

STAFF SUPPORTING INFORMATION:

In 1997, City Council authorized the first Bid to Goal Agreement (Agreement) with the Metropolitan Wastewater Department (MWWD). Currently, two divisions of MWWD have Agreements in place (through FY 2007). Over the past 10 years, the Bid to Goal approach has demonstrated remarkable success as a strategy to optimize public sector service delivery, promoting significant improvements in the efficiency and effectiveness of relevant MWWD functions.

This proposed department-wide Agreement is complementary to the recent MWWD Business Process Reengineering (BPR) effort that validated MWWD performance levels and developed a Most Efficient Organization (MEO). While this Agreement maintains most of the elements of the two operative Agreements, significant refinements are included and addressed in the accompanying Report to Council. MWWD and the Labor Organizations have reached a tentative Bid to Goal agreement pending the City Council approval.

FISCAL CONSIDERATIONS:

MWWD's Bid to Goal Agreement is projected to yield estimated annual savings of \$20 million compared to projections made prior to implementing the MEO. Incentives and accountability provisions are incorporated to encourage efficiency savings beyond these projections.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Two existing MWWD Bid to Goal Agreements and related Amendments were approved with MWWD's Operations & Maintenance and Wastewater Collection Divisions (both expire 6/30/2007).

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Past Bid to Goal efforts and the proposed expansion to a department-wide agreement were discussed with the Public Utilities Advisory Commission in conjunction with presentations on the MWWD BPR process. Performance results will be briefed in public forum at appropriate venues.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Results of actions described above are intended and designed to deliver reliable, cost-effective services to MWWD's ratepayers with reduced staff and expenses. This agreement extends and maintains the labor-management partnership of the City and participating labor organizations.

Bertch/Haas

Staff: Margaret Wyatt - (858) 292-6467
Thomas C. Zeleny - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 5:19 p.m. – 5:28 p.m.)

MOTION BY MADAFFER TO ADOPT. Second by Hueso. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-not present, Frye-yea, Madaffer-yea, Hueso-yea.

ITEM-250: SUBMISSION OF BALLOT PROPOSALS

City Council Policy 000-21 establishes the procedure for submittal of ballot proposals. The Council Policy states that members of the public shall submit proposals to the City Clerk, who shall then transmit them promptly to the Rules Committee for review and comment. The proposals must be submitted in time to allow the City Clerk to list on the Council Docket 127 days prior to the election the ballot proposals which have been referred to Council following Rules Committee review.

Therefore, the City Clerk’s Office has established the following administrative guidelines for the February 5, 2008 election:

<u>DAY</u>	<u>DATE</u>	<u>DAYS BEFORE ELECTION</u>	<u>EVENT</u>
Friday	9/14/2007	144	LAST DATE (10:00 a.m.) for public, departments, and agencies to submit ballot proposals to City Clerk for review by Rules Committee
Wednesday	9/19/2007	139	Rules Committee review
Monday	9/24/2007	134	Council Docket (PUBLIC NOTICE) lists proposals referred by Rules Committee (<i>NB: E-127 is 10/1/2007, a legislative recess</i>)
Monday	10/8/2007	120	Council adopts propositions for ballot; directs City Attorney to prepare ordinances
Monday	10/29/2007	99	Council adopts ordinances prepared by City Attorney
Friday	11/9/2007	88	Last day for City Clerk to file with Registrar of Voters all elections material
Monday	11/26/2007	71	Last day to file ballot arguments with City Clerk

If you have questions, please contact the Office of the City Clerk at (619) 533-4025.

ITEM-251: Notice of Pending Final Map Approval – 9054 Gramercy Drive.

Notice is hereby given that the City Engineer has reviewed and will approve on this day the subdivision of land shown on that certain final map entitled “9054 Gramercy Drive” (T.M. No. 47066/PTS No. 93960), located on the north side of Gramercy Drive easterly of Sandrock Road in the Serra Mesa Community Plan Area in Council District 6, a copy of which is available for public viewing at the Office of the San Diego City Clerk. Specifically, the City Engineer has caused the map to be examined and has made the following findings:

- (1) The map substantially conforms to the approved tentative map, and any approved alterations thereof and any conditions of approval imposed with said tentative map.
- (2) The map complies with the provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval of the tentative map.
- (3) The map is technically correct.

Said map will be finalized and recorded unless a valid appeal is filed. Interested parties will have 10 calendar days from the date of this Council hearing to appeal the above findings of the City Engineer to the City Council. A valid appeal must be filed with the City Clerk no later than 2:00 p.m., 10 calendar days from the date of this Notice stating briefly which of the above findings made by the City Engineer was improper or incorrect and the basis for that conclusion. If you have questions about the approval findings or need additional information about the map or your appeal rights, please feel free to contact Anne Hoppe at (619) 446-5290.



ITEM-S400: Ratifying the Declaration of State of Local Emergency and Shelter Crisis
– Wildfires.

(See Mayor Sanders' Proclamation of State of Local Emergency dated
October 22, 2007.)

MAYOR SANDERS' RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2008-359) ADOPTED AS RESOLUTION R-303098

Declaring a state of local emergency to exist in the City of San Diego, and has existed since October 21, 2007, in the areas of the City of San Diego threatened by wildfires, and that the proclamation of the state of emergency by the Mayor on October 22, 2007 is hereby ratified, in accordance with California Government Code section 8630 and San Diego Municipal Code section 51.0106(a)(1);

Ratifying and approving, in accordance with the police powers vested in City Officials under the Constitution of the State of California, the City Charter, and the laws of this State including the aforementioned Government Code provision, all orders and regulations promulgated, issued and carried out by City officers and City officials from Sunday, October 21, 2007, until the passage of this resolution, which were necessary to provide for the protection of life and property;

Declaring that during the existence of this local emergency, the powers, functions and duties of the Mayor of this City shall be those prescribed by State Law and Charter, ordinances, resolutions and approved plans of the City of San Diego in order to mitigate the effects of this local emergency, including the receipt, processing and coordination of all inquiries and requirements necessary to obtain available state and federal assistance;

Declaring that a state of local emergency shall be deemed to continue until its termination is proclaimed by the City Council.

Subitem-B: (R-2008-371) ADOPTED AS RESOLUTION R-303099

Declaring that a shelter crisis exists and has existed since October 21, 2007, in the areas of the City of San Diego threatened by wildfires, which has resulted in a threat to the health and safety of persons evacuated from their homes, pursuant to Government Code sections 8698 through 8698.2;

Ratifying and approving, in accordance with the police powers vested in City Officials under the Constitution of the State of California, the City Charter, and the laws of this State including the aforementioned Government Code provisions, the designation of public facilities as emergency shelter by City officers and City officials from Sunday, October 21, 2007, until the passage of this resolution, which were necessary to provide for the protection of life and property;

Declaring that the declaration of a shelter crisis shall be deemed to continue during the state of local emergency.

FILE LOCATION: SUBITEM A and B: MEET

COUNCIL ACTION: (Time duration: 2:02 p.m. – 2:44 p.m.)

MOTION BY MADAFFER TO ADOPT THE RESOLUTIONS IN SUBITEMS A AND B. Second by Peters. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-not present, Frye-yea, Madaffer-yea, Hueso-yea.

REPORT OUT OF CLOSED SESSION:

None.

NON-DOCKET ITEMS:

None.

ADJOURNMENT:

The meeting was adjourned by Council President Peters at 5:34 p.m.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 5:34 p.m. – 5:34 p.m.)

Elizabeth S. Maland, City Clerk
City of San Diego