

**MINUTES**  
**CITY COUNCIL OF THE CITY OF LA HABRA**  
**ADJOURNED REGULAR MEETING**  
**&**  
**REGULAR MEETING**

**Monday, April 16, 2018**

**APPROVED:** These Minutes were approved on June 18, 2018.

**ADJOURNED REGULAR MEETING 5:30 P.M.:**

**CALL TO ORDER:** Mayor Shaw called the Adjourned Regular Meeting of the City Council of the City of La Habra to order at 5:30 p.m. in Council Chamber, Closed Session Room 112c, located at 100 East La Habra Boulevard in La Habra, California.

**COUNCILMEMBERS PRESENT:** Mayor Shaw  
Mayor Pro Tem Blazey  
Councilmember Gomez  
Councilmember Beamish  
**COUNCILMEMBERS ABSENT:** Councilmember Espinoza (excused absence)  
**OTHER OFFICIALS PRESENT:** City Manager Sadro  
City Attorney Jones  
Deputy City Clerk Swindell

**I. ORAL COMMUNICATIONS FROM THE PUBLIC FOR CLOSED SESSION MATTERS:**  
None

**II. CLOSED SESSION:**

- a. Conference with Legal Counsel - Anticipated Litigation - Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (One Case).

Community and Economic Development Director Ho and Housing and Economic Manager Cole-Corona were present for this item.

- b. Conference with Labor Negotiator per Government Code Section 54957.6 - Agency Representative: Jim Sadro, City Manager; Employee Organizations: Police Sworn Employees, Police Civilian Employees, La Habra Municipal Employees Association, General Services Employees, Professional Employees, and Management and Executive Management Groups.

Finance Director Shannon, Human Resources Director Balderrama, and Assistant to the City Manager Ferrier were present for this item.

**III. ADJOURNMENT:** The City Council reconvened at 6:26 p.m. There were no Closed Session announcements. Mayor Shaw adjourned the Adjourned Regular Meeting at 6:26 p.m.

**REGULAR MEETING 6:30 P.M.:**

**CALL TO ORDER:** Mayor Shaw called the Regular Meeting of the City Council of the City of La Habra to order at 6:33 p.m. in the City Council Chamber, located at 100 East La Habra Boulevard in La Habra, California.

**INVOCATION:** City Attorney Jones

**PLEDGE OF ALLEGIANCE:** Mayor Shaw

**COUNCILMEMBERS PRESENT:** Mayor Shaw  
Mayor Pro Tem Blazey  
Councilmember Gomez  
Councilmember Beamish

**COUNCILMEMBERS ABSENT:** Councilmember Espinoza (excused absence)

**OTHER OFFICIALS PRESENT:** City Manager Sadro  
City Attorney Jones  
Deputy City Clerk Swindell

**CLOSED SESSION ANNOUNCEMENT:** None

**I. PROCLAMATIONS/PRESENTATIONS:**

- a. Proclaim April 21, 2018, as "Earth Day/Arbor Day" in the City of La Habra.

Mayor Shaw invited Public Works Director Saykali up to the podium. Public Works Saykali accepted the proclamation.

Mayor Shaw invited the Beautification Committee members to the podium to assist with the Beautification Awards presentations.

- b. Beautification Award to the Gomez Family, 415 Valencia Street.

The Gomez Family was invited to the podium. Mr. Gomez accepted the award.

- c. Beautification Award to the Valencia Family, 1051 Cypress Street.

The Valencia Family was invited to the front of the dais. Mrs. Valencia accepted the award.

**II. PUBLIC COMMENTS:**

Mayor Shaw asked that those who are not speaking regarding the proposed Rancho La Habra Development speak first. He gave the audience an alternative to clapping after each speaker so that more people could be heard within the Public Comment portion of the meeting.

Craig Sheets, Brea resident, spoke regarding extraterrestrials; Satan's location and his existence as an electric frequency; Vulcans; poison on food; terrestrial toxic cats; Roman/Latin law; and the removal of the Marshall flag.

The following spoke in opposition to the proposed Rancho La Habra project:

- Carlene Grossman, 1331 Cherry Tree Circle.
- James "Jim" Lees, 2140 South Farrell Court.
- Tom Blaine, 1800 South Watson Street.
- Sawrav Mukhersee, 1981 South Mangrum Court.
- CJ Lees, 2140 South Farrell Court.
- Mindy Song, 2120 South Farrell Court.
- Dr. Ed Rikes, Westridge resident.
- Sue Ham, 1520 South Runyan Street.
- Peter Han, Westridge resident.
- Westridge resident.

Councilmember Beamish asked to extend the Public Comments 30-minute time limit to allow the remaining people standing in line to speak.

Those who spoke in opposition to the proposed Rancho La Habra project continued:

- Darna Magpayo, 1761 S. Palmer Court.
- Hawk's Pointe Community resident, Fullerton.
- Hillsborough Community resident.
- Michael Bailey, La Habra resident.
- Robert Hughes, Smoke Tree Court.
- Scott Edson, West Hills resident.

### **III. CONSENT CALENDAR:**

City Manager Sadro noted a correction regarding Page 5 of Item III.8 regarding the Keolis Transit Services, LLC agreement. He stated that the insurance amounts were updated to the required amounts as follows:

- Comprehensive General Liability Insurance was updated from \$1 million combined single limit per occurrence to \$5 million per occurrence, \$10 million general aggregate for bodily injury, personal injury, and property damage; and
- Business Automobile Liability Insurance from \$1 million to \$10 million per accident for bodily injury and property damage.

Councilmember Gomez noted that he will be voting No on Item III.2.

Moved by Councilmember Beamish, seconded by Councilmember Gomez, and CARRIED UNANIMOUSLY (4-0) TO APPROVE CONSENT CALENDAR ITEMS III.1 THROUGH III.9; WITH THE EXCEPTION OF COUNCILMEMBER GOMEZ VOTING NO ON ITEM III.2.

Said motion CARRIED by the following roll call vote:

AYES: Mayor Shaw, Mayor Pro Tem Blazey, Councilmember Gomez,  
Councilmember Beamish

NOES: Councilmember Gomez (Item III.2 only)

ABSTAIN: NONE

ABSENT: Councilmember Espinoza

A. PROPOSED ITEMS:

1. PROCEDURAL WAIVER: Waive reading in full of resolutions and ordinances and approval and adoption of same by reading title only.
2. APPROVE SECOND READING AND ADOPTION OF **ORDINANCE NO. 1791** ENTITLED: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA HABRA, COUNTY OF ORANGE, CALIFORNIA, APPROVING ZONE CHANGE 18-02 REPEALING SECTION 18.08.140 ("CULTIVATION OF MARIJUANA PROHIBITED") OF CHAPTER 18.08 ("GENERAL REGULATIONS") OF TITLE 18 ("ZONING") AND ADDING CHAPTER 18.22 ("COMMERCIAL CANNABIS ACTIVITY") TO TITLE 18 ("ZONING") OF THE LA HABRA MUNICIPAL CODE RELATING TO COMMERCIAL CANNABIS ACTIVITIES. (Vote of 3-1 with Councilmember Gomez voting No.)
3. Approve denial of Claim for Metromile (Alliant Insurance) for Property Damage.
4. Adopt by resolution identifying a List of Projects for Fiscal Year 2018-2019 Funded by SB 1: The Road Repair and Accountability Act of 2017.
  - a. APPROVE AND ADOPT **RESOLUTION NO. 5837** ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2018-2019 FUNDED BY SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017.
5. Approve City Council Minutes of March 5, 2018.
6. Approve and adopt a resolution and authorize City Manager to sign the CCTR-7158 Contract Amendment 02 with the California Department of Education, Child Development Division, for the 2017-2018 Fiscal Year; and
  - a. APPROVE AND ADOPT **RESOLUTION NO. 5838** ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA CERTIFYING THE APPROVAL AND AUTHORIZING THE EXECUTION OF LOCAL AGREEMENT NO. CCTR-7158 AMENDMENT 02, WITH THE CALIFORNIA STATE DEPARTMENT OF EDUCATION.
7. Approve and authorize City Manager to execute the Workforce Innovation and Opportunity Act (WIOA) Young Adult Cost Reimbursement Agreement for Fiscal Year 2018-2019 between the City of La Habra and the County of Orange for \$707,200 for the operation of the year-round Young Adult Career Program for the North Orange County region.
8. Approve and authorize City Manager to execute agreement with Keolis Transit Services, LLC, to operate the La Habra Shuttle Program, for an initial three-year term from May 1, 2018, through April 30, 2021, and authorize the City Manager to execute two additional

one-year options, at the City's discretion; for an annual cost not exceed \$168,000 per year, with the cost of the initial three-year term not to exceed \$504,000 and the total potential cost of the agreement over five years not to exceed \$840,000.

9. WARRANTS: Approve Nos. 00115824 through 00116009 totaling \$558,165.68; and WIRE TRANSFER: Approve Wire Date 4/27/18 for a total of \$863,396.59.

**IV. CONSENT CALENDAR ITEMS REMOVED FOR SEPARATE DISCUSSION: None**

**V. PUBLIC HEARINGS:**

1. Duly noticed public hearing to consider a Zone Change 18-03 for amendments to Title 18 "Zoning" Chapter 18.80 "Affordable Housing Incentives"; and amendments to Chapter 18.12.150 "Accessory Dwelling Units" of the City of La Habra Municipal Code pursuant to the requirements of SB 229 and AB 494. This project was reviewed pursuant to the guidelines of the California Environmental Quality Act (CEQA) and determined to be Categorical Exempt pursuant to Section 15282(h), "The adoption of an ordinance regarding second units in a single family or multifamily residential zone by a city or county to implement the provisions of Section 65852.1 and 65852.2 of the Government Code as set forth in Section 21080.17 of the Public Resources Code" of the California Environmental Quality Act Guidelines.

Community and Economic Development Director Ho introduced Assistant Planner Lopez to present the staff report.

Council discussion included: clarification that the State of California is requiring that accessory dwelling units (ADU's) be accommodated and parking requirements for ADU's.

Mayor Shaw opened the public hearing at 7:35 p.m. There being no testimony the public hearing was closed.

Moved by Councilmember Gomez, seconded by Councilmember Beamish, and CARRIED UNANIMOUSLY (4-0) TO APPROVE FIRST READING OF **ORDINANCE NO. 1792** ENTITLED: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA HABRA APPROVING ZONE CHANGE 18-03 FOR AMENDMENTS TO TITLE 18 "ZONING" CHAPTER 18.80 "AFFORDABLE HOUSING INCENTIVES;" AND AMENDMENTS TO CHAPTER 18.12.150 "ACCESSORY DWELLING UNITS" OF THE CITY OF LA HABRA MUNICIPAL CODE PURSUANT TO THE REQUIREMENTS OF SB 229 AND AB 494, AS PER EXHIBIT "A" AND EXHIBIT "B".

Said motion CARRIED by the following roll call vote:

AYES: Mayor Shaw, Mayor Pro Tem Blazey, Councilmember Gomez,  
Councilmember Beamish  
NOES: NONE  
ABSTAIN: NONE  
ABSENT: Councilmember Espinoza

2. Duly noticed public hearing to consider approval of the 2018-2019 Annual Action Plan for the Community Development Block Grant (CDBG) Program.

Community and Economic Development Director Ho introduced Housing and Economic Development Manager Cole-Corona to present the staff report.

Council discussion included: clarification that the Asbestos Program falls under Residential Rehabilitation Administration; confirmation that Community Preservation is to pay for the City's code enforcement salaries for CDBG eligible areas; and the number of alleys to be repaved with the funds allotted in combination with other sources of funds.

Mayor Shaw opened the public hearing at 7:42 p.m. There being no testimony, the public hearing was closed.

Moved by Councilmember Gomez, seconded by Mayor Pro Tem Blazey, and CARRIED UNANIMOUSLY (4-0) TO APPROVE THE 2018-2019 ACTION PLAN AND AUTHORIZE CITY MANAGER TO EXECUTE THE CITY OF LA HABRA'S ANNUAL APPLICATION TO HUD FOR ITS CDBG GRANT FUNDING APPROVAL/AGREEMENT IN THE AMOUNT OF \$732,000 PLUS \$130,000 OF PRIOR YEAR CARRYOVER FUNDS; AND AUTHORIZE THE INCREASE/DECREASE AMOUNT OF FUNDING FOR EACH PROPOSED PROJECT BASED ON THE INCREASED/DECREASED PERCENTAGE OF THE FINAL CDBG ALLOCATION.

Said motion CARRIED by the following roll call vote:

AYES: Mayor Shaw, Mayor Pro Tem Blazey, Councilmember Gomez,  
Councilmember Beamish  
NOES: NONE  
ABSTAIN: NONE  
ABSENT: Councilmember Espinoza

Councilmember Beamish expressed his appreciation to the Community Services Commission for their work on this item.

## **VI. CONSIDERATION ITEMS:**

1. Consider legislative review of Senate Bill 1033 (SB 1033) and Senate Constitutional Amendment 10 (SCA 10).

Assistant to the City Manager Ferrier presented the staff report. He stated that both bills have been sent to Committee. He confirmed that SB 1033 is scheduled for its first hearing on May 23, 2018.

Council discussion included: confirmation that Senate Constitutional Amendments will not be heard until June 2018; the need for data analysis for SB 1033 regarding fiscal impact to the City; and an explanation of SB 1033 and how it helps cities fiscally when a current City employee goes to work for another City that offered a promotion and a salary increase.

Mayor Shaw invited the public to testify at 7:45 p.m. There was no testimony.

Moved by Mayor Shaw, seconded by Councilmember Gomez, and FAILED (2-2) TO APPROVE TO INSTRUCT STAFF TO WRITE A LETTER OF SUPPORT FOR SENATE BILL 1033 (SB 1033).

Said motion FAILED by the following roll call vote:

AYES: Mayor Shaw, Councilmember Gomez  
NOES: Mayor Pro Tem Blazey, Councilmember Beamish  
ABSTAIN: NONE  
ABSENT: Councilmember Espinoza

Moved by Mayor Shaw, seconded by Councilmember Gomez, and FAILED (2-2) TO APPROVE TO INSTRUCTION STAFF TO WRITE A LETTER OF SUPPORT FOR SENATE CONSTITUTIONAL AMENDMENT 10 (SCA 10).

Said motion FAILED by the following roll call vote:

AYES: Mayor Shaw, Councilmember Gomez  
NOES: Mayor Pro Tem Blazey, Councilmember Beamish  
ABSTAIN: NONE  
ABSENT: Councilmember Espinoza

2. Consider direction to staff regarding a request for records and information from California Domestic Water Company.

City Attorney Jones declared a conflict of interest because he serves on the California Domestic Water Company (CDWC) Board of Directors and left the dais at 7:50 p.m.

Mayor Shaw inquired if other legal counsel is present to answer potential questions. City Manager Sadro confirmed that other legal counsel is not present, but if questions are asked regarding this item that answers can be requested.

City Manager Sadro presented the staff report. He asked that City Council provide specific instructions regarding the timeline of the documents and/or information that may be requested from CDWC. He noted that some information may be proprietary and not available, but possibly viewed at CDWC premises.

Council discussion included: review of previous investigations of and lack of findings regarding CDWC; clarification this records request is for transparency purposes; review of CDWC stockholders; noted transparency rules are different for privately held companies; retraction regarding the request for CDWC staff salaries; clarification of the audit finding portion of the request; and why this item is before Council.

Mayor Shaw recognized former City Manager and current CDWC Board Member Don Hannah in the audience. Don Hannah confirmed that there is no reason for Council to be concerned with CDWC operations, leadership, employees, or corporate structure.

Mayor Shaw invited the public to testify at 7:55 p.m. There was no testimony.

Councilmember Blazey requested that CDWC President Linda Noriega approach the podium to answer some questions.

CDWC President Linda Noriega confirmed that the company is being fully compliant with transparency that is mandated by law. She noted that when records requests are made of CDWC, legal counsel reviews them and provides guidance what can be provided to the shareholders based on the rights of the shareholders and their ownership within the company. She expressed CDWC's willingness to provide records, that some records are proprietary and would be protected under the Trades Secrets clause that govern the Public Records Act. She noted that proprietary records/information would be deemed confidential and would be provided to the City, but CDWC would ask, per the Public Records Act, that the City not further disclose them. She confirmed that the records regarding compensation paid to CDWC staff are proprietary in nature. She stated that with the retraction of the request for records relating to staff salaries, specifics would be needed regarding other records requested; particularly for the material changes in the auditing between 2015 and 2016 portion of the request. She clarified that if there are any findings during an audit they are listed in the CDWC financial statements provided to the City. She confirmed that the City has a right to copies of CDWC agendas and minutes, that she would discuss with legal counsel regarding sharing those records, and she will need to check on how many years of agendas are available if the request is made.

Moved by Councilmember Beamish, seconded by Councilmember Gomez, and CARRIED (3-1) TO APPROVE TO INSTRUCT STAFF TO REQUEST ANNUAL FINANCIAL STATEMENTS TO SHAREHOLDERS FOR FISCAL YEAR 2010-2011, FISCAL YEAR 2011-2012, AND FISCAL YEAR 2012-2013 FROM CALIFORNIA DOMESTIC WATER COMPANY.

Said motion CARRIED by the following roll call vote:

AYES: Mayor Pro Tem Blazey, Councilmember Gomez, Councilmember Beamish  
NOES: Mayor Shaw  
ABSTAIN: NONE  
ABSENT: Councilmember Espinoza

City Attorney Jones returned to the dais at 8:08 p.m.

## **VII. MAYOR'S COMMUNITY CALENDAR:**

Mayor Shaw made the following announcements:

- La Habra Community Services Department Luau themed "Kids Night Out" – Friday, April 20, from 6:00 p.m. to 10:30 p.m. at the La Habra Community Center.
- Celebrate Earth Day/Arbor Day – Saturday, April 21, from 8:00 a.m. to 12:00 p.m. at El Centro Lions Park.
- "Love La Habra" Block Party – Saturday, April 28, from 8:00 a.m. to 12:00 p.m. at Corona Park, located at 701 West 5<sup>th</sup> Avenue.
- City of La Habra Roaring 20's themed Senior Dance – Sunday, April 29, from 2:00 p.m. to 4:00 p.m. at the La Habra Community Center.

**VIII. COMMENTS FROM STAFF:** None

**IX. COMMENTS FROM COUNCILMEMBERS:**



Mayor Pro Tem Blazey welcomed Councilmember Gomez back, stated that he was missed, and glad that he is feeling better.

Councilmember Gomez thanked his colleagues on the Council, friends, family, and the community for their support, phone calls, cards, flowers, and letters during his recent illness.

Mayor Shaw stated that it was good to have Councilmember Gomez back. He reported that he attended a meeting at Federal Judge Carter's Chambers with City Manager Sadro and the other 33 Orange County Cities City Managers and Mayors to discuss the homeless issue in Orange County. He noted that Judge Carter stated that all cities will participate in finding a solution to the homeless issue. He stated that he attended the State of Orange County event at California State University Fullerton.

**X. ADJOURNMENT:** Mayor Shaw adjourned the Regular Meeting of the City Council at 8:12 p.m. to Monday, May 7, 2018, at 5:30 p.m. in the Council Closed Session Room 112c, 100 E. La Habra Boulevard, followed by the Regular Meeting at 6:30 p.m. in the City Council Chambers.

Respectfully submitted,

Laurie Swindell, CMC  
Deputy City Clerk