

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – NOVEMBER 12, 2014
VETERAN’S MEMORIAL HALL – 6:00P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	David Buckingham	City Manager
	Joe Pannone	City Attorney
	Jamie Boucher	City Clerk
	Rob Livick	Public Services Director
	Joe Woods	Recreation & Parks Director
	Eric Endersby	Harbor Director
	Amy Christey	Police Chief
	Susan Slayton	Administrative Services Director
	Whitney Mcilvaine	Contract Planner

ESTABLISH QUORUM AND CALL TO ORDER – the meeting was called to order at 6:00pm.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT

City Attorney Joe Pannone reported that with regards to the Closed Session Items, the Council did not take any reportable action pursuant to the Brown Act. He went on to say that the initiation of litigation matter in question involved the Dynegy Wave Energy Project that was in front of the Federal Energy Regulatory Commission for their preliminary permit. The question being, does the Council want to pursue legal action regarding the issuance of a preliminary permit. It is the attorney’s recommendation not too; the cost isn’t worth it and it’s too early - this is only a preliminary permit which only gives Dynegy first priority to apply for a license.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

- Update on the Progress of the LEAP Program

Don Maruska presented the strategic framework for LEAP. LEAP is a collaborative effort to strengthen the community via residents, businesses and visitors coming together to make this work. He reviewed the strategic framework objectives: sustaining and enhancing quality of life for residents focused on defined benefits; the focus areas for LEAP: ways to increase sales of goods and services for residents and visitors, ways to boost and differentiate Morro Bay’s offerings, and ways to leverage Morro Bay’s distinctive assets for sustainable businesses with an emphasis on opportunities for head-of-household jobs. He presented some very preliminary

ideas for businesses, tourism, and diversification. In an effort for his facilitation of action planning, he has scheduled the first of many workshops for Wednesday, November 19th from 830-10am at the Fire Department – “Hopes, Issues, Options”. Discussion points will include: who has a stake in the Morro Bay economy; what are your hopes for the Morro Bay economy and why those are important to you; what issues need attention to fulfill these hopes; what options are useful to address the issues; and what information is needed to evaluate options. The next steps include focusing information gathering for each initiative through a volunteer work group for development; and, holding a follow-up workshop #2 – “Action Planning”. A Program Initiative template was presented that will be used to identify “targeted benefits”, “key steps”, “key people (lead); “resources / comments”, and “schedule”. The 2nd Workshop, Action Planning and Early Wins, has been tentatively scheduled for Thursday, December 11th from 6-9pm at the Morro Bay Community Center Studio. He hopes for the following commitments from the City – 2 current/incoming Councilmembers to attend workshops; City Manager attendance (plus other staff as needed), information resources (inventory of available space for commercial and light industry), and website support.

PUBLIC COMMENT

Mayor Irons recognized and thanked Jan Goldman for bringing a speaker for our business spot each and every meeting.

Nancy Castle announced the Thanksgiving Day Dinner which is sponsored by the POA and Morro Bay Rotary. It is being held on Thursday, November 27th from 1-3pm at the Morro Bay Community Center. It is free for anyone who wants to attend. They also deliver. She also presented an attendance graph for the 45 weeks of Monday night meals. The program continues to grow, they have lots of support, and should anybody feel the calling, donations are always accepted.

Walter Heath announced the Morro Bay Surfboard Art Festival being sponsored by Morro Bay in Bloom, a civic beautification organization. Their art auction is being held on Saturday, November 29th from 2-5pm at FishBonez. There will be 32 pieces of surfboard art being auctioned off. Cost is \$50/person to attend. The money will benefit Project Surf Camp, and the Del Mar Arts Programs.

Bill Martoney spoke following up on the Dynegy project. He noticed there were 2 LLC’s and when he heard the Closed Session report, he wondered if there were 2 applications, one for each LLC.

The public comment period was closed.

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

A-1 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON OCTOBER 28, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON OCTOBER 28, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 STATUS REPORT OF A MAJOR MAINTENANCE & REPAIR PLAN (MMRP) FOR THE EXISTING WASTEWATER TREATMENT PLANT; (PUBLIC SERVICES)

RECOMMENDATION: Receive and file.

A-4 AWARD OF MORRO BAY TRANSIT AND TROLLEY OPERATIONS AND MANAGEMENT REQUEST FOR PROPOSALS NO. MB 14-T1 TO MV TRANSPORTATION; (PUBLIC SERVICES)

RECOMMENDATION: Consider the proposal received and award Request for Proposals (RFP) No. MB 14-T1 to MV Transportation (MV) for the operation and management of Morro Bay Transit (fixed route and Call-A-Ride) (MBT) and trolley services for the period ending 2019.

A-5 ADOPTION OF RESOLUTION 75-14 AUTHORIZING ADMINISTRATIVE APPROVAL OF SUBLEASES ON CERTAIN MASTER LEASES AND APPROVAL OF REVISED CONSENT TO SUBLEASE AGREEMENT FORM FOR TIDELANDS TRUST LEASE SITES; (HARBOR)

RECOMMENDATION: Adopt Resolution 75-14 authorizing the Harbor Director to approve the remaining subleases that currently require Council approval, and approve the revised Consent to Sublease Agreement form, as proposed.

The public comment period was opened for the Consent Calendar; seeing none, the public comment period was closed.

Mayor Irons pulled Item A-5 from the Consent Calendar.

MOTION: Councilmember Nancy Johnson moved the City Council approve Items, A-1, A-2, A-3, and A-4 from the Consent Calendar as presented. The motion was seconded by Councilmember Christine Johnson and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

A-5 ADOPTION OF RESOLUTION 75-14 AUTHORIZING ADMINISTRATIVE APPROVAL OF SUBLEASES ON CERTAIN MASTER LEASES AND APPROVAL OF REVISED CONSENT TO SUBLEASE AGREEMENT FORM FOR TIDELANDS TRUST LEASE SITES; (HARBOR)

Mayor Irons pulled this item to fix a couple of administrative typos on the resolution; changing “his” to “their” in the third “Whereas” and removing the “al” in the “Now therefore be it resolved...” as well as asking Harbor Director Eric Endersby to clarify the approval process. Mr. Endersby went on to describe their current practice as it affects the Measure D area. Mr. Endersby stated that all the older leases required City Council approval which we have now moved away from in our new Master Lease approval process. In the Measure D area, there remains one master lease that still requires Council approval, the rest require administrative approval.

MOTION: Mayor Irons moved to approve Item A-5 of the Consent Calendar with the stated corrections to the Resolution. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

B. PUBLIC HEARINGS

B-1 APPEALS OF THE PLANNING COMMISSION APPROVAL OF COASTAL DEVELOPMENT PERMIT CP0-417 FOR CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE WITH AN ATTACHED SECONDARY UNIT AT 505 WALNUT STREET (APPELLANTS: BEATTIE, DEROSA, HELLER) (APPLICANTS: WAMMACK); (PUBLIC SERVICES)

Contract Planner Whitney Mcilvaine presented the staff report. She made note that there was a revised Resolution reflecting several more findings which she presented to each Councilmember.

There are 3 Appellants on this project, each being allowed 10 minutes to speak.

Alex Beattie lives in the neighborhood and doesn't feel the residence deserves a permit as proposed. The project satisfies all the zoning and code requirements; but not the visual resources or neighborhood compatibility areas. The Morro Bay General Plan states in part that ~the allowable height and bulk for residential development is not appropriate for some portions of the community; ~new development should be compatible with the character of surrounding areas; ~ the City should exercise strict design control over new development along their corridors to improve architectural coordination and quality; ~ and, the present human scale and leisurely, low intensity appearance of Morro Bay should be maintained through careful regulation of building height, location and mass. Other various City plans speak to neighborhood compatibility; if you define the boundaries of a neighborhood and look within the neighborhood, you can define neighborhood compatibility. He presented photos of how he defines the neighborhood to show this proposed home does not fit. He also feels that 505 Walnut will be a treeless lot. He finished by reiterating that 505 Walnut is not compatible as it is much larger than other homes in the neighborhood; it is visually dominant in a sensitive part of the City; its style is busy in a laid back, leisurely neighborhood; and, it is much too large for such a small lot on this community.

Jeffrey Heller is another Appellant. He asked the question, “is this what we want the entry to Morro Bay to look like?” He doesn't. He feels that Main Street has enormous character and wants to protect it; homes are in harmony with the environment. He stated that what ruins

neighborhoods are huge houses that don't fit and this is an opportunity to address scale. He presented the following request(s): ~he is not asking that nothing be built - he is not asking for a single story home; ~he is asking that the project be reduced by at least 20% to a maximum of 2400 square feet with a maximum height of 20 feet above existing "average natural grade" (which will still be larger than 80% of the homes on that stretch of Main Street); ~and, he wanted to emphasize the cumulative impact of the current permit will be irreversible. The current project as proposed is over 3000 square feet, has a 25 foot roofline, is on an irregular corner lot that is less than 5000 square feet, is in a high profile location, and is surrounded by significantly smaller homes. He feels the project is out of scale. He then presented photos of surrounding homes; ie: the west side condos which are sited sensibly below street level; single story homes; affordable housing (mobile home park around the corner); windmill house, the cannery, the lighthouse – all having character, tells a story, and has history; lower profile homes; and, homes sited behind trees. He went on to say that the City is currently drafting guidelines to mitigate the impact of large 2-story homes; the Coastal Act (1976) and the LCP (1981) address the importance of keeping the scale of new structures aligned with existing structures; the Coastal Act specifically mentions the negative cumulative impact of allowing projects that are out of scale as an appealable action. He provided options to reduce the scale: ~eliminate the separate unit; ~excavate the soil so the structure is sited lower; ~set the maximum ceiling height to 8 feet on both floors; and ~reduce the slope of the roof. He ended by asking Council return the approved CDP to the Planning Department to reduce the size of the project.

Betty DeRosa is the last Appellant. Her family has owned a home just north of the property for 47 years. She has seen change over the years. In the 80's and 90's, she saw the reconfiguring of homes becoming larger in scale. The lots were initially developed in the 30's as smaller homes. The neighborhood is a hamlet of artistic homes and she is concerned that feeling will be lost when the large home is put in front of it. She presented a rendering of the home as it is now and how it will look when it is built. She is concerned with both the height and the size of the home. Even if the roof size is compatible with others, this is the gateway entrance to the town; this will set precedent for others to build large homes. She hopes the project will be sent back to the drawing board to reduce the size.

Mel and Marilyn Wammack are the applicants for the project at 505 Walnut. After going through the Planning Department as well as the Planning Commission, he engaged his architect again to provide Council with pictures of the property. He feels the 3 appeals fall into 3 categories: ~lot lines/survey and he stated the survey was correct; ~misinterpretation of Section 30251 of the LCP, this home is out of the area in question; and, ~neighborhood compatibility, they are not the first ones wanting to do this. Things change – neighborhoods grow. He presented renderings of what the project will look like, feeling that it is not out of proportion. The home is set quite a ways back from the street; the house will look bigger as it is the first house on the street; there are other larger homes in the neighborhood, the precedent has already been set. This project conforms to the General Plan, to Zoning, to all setbacks, to the height restriction and meets the lot coverage ratio; and the home is similar to other new homes in close proximity.

The public comment period for item B-1 was opened.

Dorothy Cutter stated that the neighborhood described by Mr. Beattie is a neighborhood; they have Christmas parties, block parties, etc. This house is too big, there is no neighborhood compatibility, and she requests the project be sent back to Planning.

The public comment period for Item B-1 was closed.

Ms. Mcilvaine, at the request of Council delineated the findings in the new version of the Resolution that were added.

Councilmember Nancy Johnson stated it all boils down to people who found property, researched to find out what the rules are and given those rules, bought the lot; they went to the Planning Department and then Planning Commission and had a project approved and so now want to build. It's a matter of property rights; they aren't even asking for an exception. She will be following the Planning Commission decision and denying the appeals.

Councilmember Smukler thanked the appellants for their presentations, they were very well done. He stated that the applicant has followed all the rules. We have far too much gray area in our code, we need better definitions and tools and until we get there, we are sending a problematic message if we critique a project that meets our rules. He has to rely on that and a unanimous Planning Commission decision. He does feel we need to address the direct discharge to the asphalt driveway. He wants to ask staff to craft something that would address this runoff with some sort of retention capability.

Councilmember Leage doesn't understand why some feel it's not a compatible home. He thinks the fears will go away once it's built.

Councilmember Christine Johnson realizes the feeling of having "nothing there" and then having something – there will be impacts. She realizes the planning staff is working on ways to deal with neighborhood compatibility. This neighborhood also has a lot of quiriness that is appealing; there is a limit on how far we go with bulk or size. She feels our Planning Commission definitely took that into consideration and their decision was unanimous. She has to look at the facts, the project had good Planning Commission review, the applicant came back with adjustments, and there are no exceptions. She feels it's the right decision to follow staff recommendation and deny the appeals.

Mayor Irons stated the applicant took input from the Planning Commission and made appropriate changes. The home meets all the requirements and there are no exceptions. It does have a secondary unit in it; when talking about affordable housing, this project meets all those requirements too. This project lends itself to light and space compatibility. He is supportive of approving the project.

Staff recommended inserting a Planning Condition #10 in the Resolution stating "the project shall capture and treat runoff from all hardscape to the maximum extent practical as approved by the City Engineer." That would make the original Condition #10 – Condition #11.

MOTION: Councilmember Nancy Johnson moved to approve staff recommendation,

deny all appeals and uphold the Planning Commission approval of Coastal Development Permit CPO-417 for 505 Walnut Street and implement staff condition #10 as so stated and add additional findings as presented in the amended Resolution and staff report. The motion was seconded by Councilmember Leage and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

C. UNFINISHED BUSINESS / SECOND READING AND ADOPTION OF ORDINANCES

C-1 REVIEW OF REPORT FOR NEW WATER RECLAMATION FACILITY PROJECT COMPARATIVE SITE ANALYSIS: REGIONAL CMC FACILITY VS RANCHO COLINA BY JOHN F. RICKENBACH CONSULTING AND ADOPT RESOLUTION 77-14 STATING PREFERENCE FOR NEW WRF SITE LOCATION; (PUBLIC SERVICES)

City Manager David Buckingham provided an update on the overall status of the WRF project and the recommendations for the way ahead.

Project Manager John Rickenbach presented a power point presentation on Site Comparison: CMC and Rancho Colina. The goals of the presentation were to summarize Council direction, summarize preliminary report findings, and make recommendations for the next steps. Mr. Rickenbach presented the Council's stated goals for the project: produce tertiary treated wastewater, reclaim wastewater for a variety of purposes, allow for onsite composting, design for energy recovery, design to treat for contaminants of emerging concern, design for other City functions, and ensure compatibility with neighboring land uses. Mr. Rickenbach stated there have been numerous opportunities for public input; this has been a very robust process. Mr. Rickenbach provided historical context that brought us to this point: reminding us of the recent reports and findings; and, reaffirming Council's direction. This report is to respond to Council direction, compare CMC and Rancho Colina as regional options, provide preliminary conceptual cost comparison, update previous information, provide input from WRFCAC, and facilitate a recommendation about the most appropriate site. They key issues regarding comparative analysis are: rough cost of expanding existing site for regional flows; funding options; permitting implications; potential water use benefits to the City; logistics of a regional partnership; and, implications for the Morro Bay rate payers. Key questions to be addressed are: unique regional benefits for either site; comparative cost savings at the two sites; relative water supply benefits; relative water reclamation opportunities; relative regulatory or logistical constraints; physical constraints for expansion; environmental issues; discharge limitations that affect design; is City's 5-year goal achievable at either site; City's role in constructing and operating a regional plant; and, comparative site advantages for securing funding. Findings include: Rancho Colina appears to be better overall; CMC site faces substantial logistical challenges; but the cost analysis isn't complete. Both sites have advantages: CMC combines multiple agencies at one site; Rancho Colina maximizes regional ag reclamation; and both sites are equi-distant to regional water network. It will take longer to realize regional benefits at CMC. Regarding unique water supply benefits, the CMC site has greater potential direct benefits in drought years which could be negated by minimum streamflow and water rights issues. For the Rancho Colina site, water supply should be better in normal and wet years, the CSD's participation would improve the

City's benefit, ag reclamation would indirectly benefit City supply, and there are less complex permitting issues. So overall, both site are beneficial with unique considerations. Regarding agricultural reclamation potential, the CMC site has 545 acres of potential irrigated acreage between CMC and the City; much of this is at a higher elevation than the plant site, and Dairy Creek Golf Course uses about 250 acre feet from the current plant. The Rancho Colina site has 1100 acres of irrigated ag land, most near the WRF site and the City, approximately 70% of this is at lower elevation than the site, and there is greater ag water demand in Morro Valley. As such, Rancho Colina is better overall for ag reclamation with greater opportunity potential. Regarding regulatory or logistical constraints, the CMC site has substantial logistical challenges: CDCR recently upgraded their plant and aren't interested in more expansion anytime soon; potential transfer of site is encumbered by bond restrictions; would take much study and time to get potential go ahead from other state agencies; County in best position to lead but not a current priority for County Public Works; State can't directly serve municipal customers under current regulations; multi-agency framework would be needed and would take time; and, lack of coordinated effort among agencies makes timing goals problematic. Regarding the Rancho Colina site there are fewer challenges: it is a private property owner, multi-agency framework isn't needed; and it makes the 5 year goal more achievable. Rancho Colina is substantially better overall here. Regarding CCC Environmental issues, the CMC site is far from the coast so visual and coastal access isn't an issue; ESHA is adjacent to but not on developable site area; and, there are prime agricultural soils on site. For the Rancho Colina site, it is far from the coast so visual and coast access isn't an issue; ESHA is adjacent to but not on developable site area; the pipeline would traverse known cultural resource site; and, there is less energy used because the site is closer to the City. Both sites are similar overall with some minor differences. Regarding the ability to reach this goal in 5 years, the CMC site is a no. The Rancho Colina site is a possible. The Rancho Colina site is substantially better overall. Regarding the City's role in a regional facility, with the CMC site, the City would not direct the overall project, CDCR would retain control over the facility with the County likely involved; the City would be a customer, not an operator; and the City and CSD would be responsible for pipelines and related infrastructure. With the Rancho Colina site, the City would direct the project to meet City needs; the City would own, operate and maintain the facility; and if the CSD was involved, that agency could be a customer. Rancho Colina allows for more direct control for the City. Regarding funding issues, both sites have water supply benefits allowing for grant and loan potential; most funding opportunities would be the same at either site. The CMC site would also allow for access to various state funding sources but if the WRF doesn't further CDCR goals, money is unlikely. With the Rancho Colina site, solving seawater intrusion and water quality issues could improve access for funding. Neither site has major advantages. In summary, Rancho Colina appears to have more relative advantages; CMC faces substantial logistical challenges; a 5 year goal potential is achievable at Rancho Colina and not CMC; the completion of the Carollo study will shed light on cost and design issues. It is his recommendation to complete the Carollo Study, take public input, refine the report as appropriate and have Council base their decision on a full report.

County Supervisor Bruce Gibson provided a couple of comments. The County is very respectful that it's the decision of Morro Bay and the Cayucos Sanitary District how to proceed with a new water recycling facility; he stands by to be helpful when and where he can. He operates under the assumption that Morro Bay and Cayucos should proceed together, it doesn't make sense to do this alone. The role he sees the County helping with is the land use permitting. The likely site

will be outside of the City limits, which falls under the Local Coastal Program of the County. They expect a very thorough comparison of alternatives. He has no dog in the fight but should be a jointly arrived at decision. The County stands by ready to move forward with us at one site or the other and are ready to work with us to form a plan.

John Diodati spoke representing the City's WRFCAC. They wrote, which he signed as Chair, a letter which is in Council's packet. Unanimously, they are requesting Council defer their decision to the December 9th meeting. They would like the opportunity to look at the Carollo report in order to give Council their recommendation.

John Pierre Wolfe is the Chairperson for the RWQCB, Central Coast Region. He is addressing this item pertaining to regulatory and logistical concerns. He stated there appears to be a dark cloud over the CMC site. Their Regional Water Quality staff hasn't been contacted regarding some challenges that may be ahead with a CMC selection. They haven't received any requests for input for any regulatory issues. But they are committed to assisting and are available to answer questions. Was surprised to get a December 9th deadline to show a strong interest; to be able to provide more definitive answers to expectations by then is a tall order. They are also willing to help out financially with some of the reports that you have.

Ken Harris, Executive Officer with RWQCB, stated the paperwork is going through and expects they will be able to cover the costs of the Carollo report. Of the \$7+ billion in Prop 1 monies, this area will be getting \$2.1 billion to administer. He doesn't know how that will be spent but will begin to identify projects on the Central Coast that may qualify. He feels that we have placed an emphasis on use of recycled water for agricultural purposes. He thinks around the State, there is a push to use recycled water for higher valued uses – ag is an appropriate use but drinking water has a much higher value. An advantage of a regional CMC facility is the opportunity to share risks and benefits with others. The RWQCB are facilitators, he doesn't understand what kind of leadership role they are being asked to take. He doesn't feel shared facilities are that unique or complicated. He also doesn't feel the water rights issues are that complicated. He wanted to emphasize the Rancho Colina site isn't a slam dunk; there will be challenges for a small community to undertake.

Fred Cordero with CDCR spoke regarding the CMC option. They are not looking at CMC as becoming an additional utility provider. He wanted to be realistic about time frames. Regarding the operation of the plant; he isn't sure they have the staffing to provide for others. It's hard to say if they are in or out without knowing the details. He stressed they are not in the utility business and aren't interested in expanding their role in that area. This is a capital improvement with ongoing operations which means it would have to be vetted through State Public Works, their legal team as well as general services legal.

The public comment period for Item C-1 was opened.

Bill Martoney feels that it's obvious the Morro Valley site is superior; there are too many agencies and issues to deal with at the CMC site. If we want to go regional, we could go with Los Osos; it would only cost \$20 million to "supersize" their plant. Los Osos makes more sense if we go regional; otherwise, the best choice is Morro Valley.

The public comment period for Item C-1 was closed.

Mike Nunley, also consulting on the project stated that Carollo is working on the capacity evaluation at the CMC site. Carollo has concluded that there isn't sufficient capacity in the existing oxidation ditches (2 units), secondary clarifiers (2 units), tertiary filtration (8 units) or ultraviolet (UV) disinfection system to accommodate flows from the City and Cayucos. To utilize the CMC site, new oxidation ditches (2 or 3), new clarifiers (2 or 3) and at a minimum a doubling of the tertiary filters and UV disinfection system will be required. It's unclear if the current site can accommodate these new facilities. Site piping, earthwork and supporting facilities will also be required.

Mayor Irons stated that even in light of the information we have, he thinks it's important to have the Carollo report as a tool going into the December 9th meeting. In moving forward, he would have 2 comments in moving forward to December 9th - establishing ground-works/draft for an MOU with Rancho Colina and what is the similar question for CMC; ie: parameters set, etc.?

Councilmember Nancy Johnson stated that based on what we've heard and what we know, the WRFCAC has asked for a delay, Mr. Harris and Mr. Wolfe have said there isn't enough information, she suggests postponing this decision to the 9th including the Carollo report.

Councilmember Smukler agrees to extending the decision to December 9th as it will give us the ability to do more legwork and the new Councilmembers will be on board.

MOTION: Councilmember Smukler moved to extend the meeting beyond 11pm. The motion was seconded by Mayor Irons and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

Councilmember Smukler went on to say that he agrees with working on a draft MOU with Rancho Colina. The amount of work to date has given us a lot of experience and he is confident we have what it takes to move forward. He thinks there is a pressing timeframe; he isn't willing to accept the risk of what a natural disaster at the current site would do to our community so he wants to move forward as quickly as possible. He would like to see Resolution 77-14 strengthened for the December 9th meeting adding the following bullet points: time cost of money; ~strong work effort generating community priorities and goals; ~site analysis; ~risks of current site and coastal hazards there and also the benefits and support for managed retreat and CAP measures; ~ability to implement the highest use of City owned beachfront property; ~achieve water reclamation benefits as soon as possible.

Councilmember Leage agrees we should wait until the 9th; it's important to have the Carollo report.

Councilmember Christine Johnson is thrilled we have 2 sites, especially considering where we were 2 years ago. The tipping point for her is costs. She supports where we are going at tonight's meeting; she supports the extra added bullet points to the Resolution.

Mayor Irons is glad to see the WRFCAC will have the opportunity to review the Carollo report before a site preference is made

MOTION: Mayor Irons moved to approve staff recommendation #4 with the stated direction of the Rancho Colina MOU draft and continue conversations with CMC and what that outline arrangement would be and the recommendations by Councilmember Smukler regarding strengthening Resolution 77-14. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

C-2 ADOPTION OF ORDINANCE NO. 589 ADDING SECTION 5.04.275 TO THE MORRO BAY MUNICIPAL CODE RELATING TO THE TIME LIMITED SUSPENSION AND REFUND OF PENALTIES FOR CERTAIN BUSINESSES THAT PAY BUSINESS LICENSE TAXES DUE AND OWING; (ADMINISTRATION)

Mayor Irons recused himself as he has a potential financial conflict.

City Manager David Buckingham presented the staff report.

The public comment period for Item C-2 was opened; seeing none, the public comment period was closed.

MOTION: Councilmember Smukler moved to adopt Ordinance No. 589 adding Section 5.04.275 to the Morro Bay Municipal Code relating to the time limited suspension and refund of penalties for certain businesses that pay business license taxes due and owing. The motion was seconded by Councilmember Nancy Johnson and carried 4-0-1 with Mayor Irons recusing himself.

Ayes: C. Johnson, N. Johnson, Leage, Smukler

No's: None

Recused: Irons

C-3 ADOPTION OF ORDINANCE NO. 590 ADDING SECTION 5.08.220 TO THE MORRO BAY MUNICIPAL CODE RELATING TO REQUIREMENTS FOR LOW REVENUE BUSINESSES TO OBTAIN BUSINESS LICENSES; (ADMINISTRATION)

Councilmember Nancy Johnson had to recuse herself as she has a conflict of interest; her husband's business may fall in the low threshold limit.

City Manager David Buckingham presented the staff report.

There was no one in the audience; as such, there was no public comment period.

MOTION: Mayor Irons moved to adopt Ordinance 590 adding Section 5.08.220 to the Morro Bay Municipal Code relating to requirements for low revenue businesses to obtain business licenses and add the \$12,000 threshold limit to the Ordinance. The

motion was seconded by Councilmember Christine Johnson and carried 4-0-1 with Councilmember Nancy Johnson recusing herself.

Ayes: Irons, C. Johnson, Leage, Smukler

No's: None

Recused: N. Johnson

D. NEW BUSINESS

D-1 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 588 AMENDING SECTION 15.04.150 OF THE MORRO BAY MUNICIPAL CODE RELATING TO COMMERCIAL FISHING VESSEL SLIP QUALIFICATIONS; (HARBOR)

Harbor Director Eric Endersby presented the staff report.

There was no one in the audience; as such, there was no public comment period.

MOTION: Mayor Irons moved to accept public testimony, move to waive the reading of Ordinance 588 in its entirety and introduce for first reading by number and title only Ordinance 588 amending Section 15.04.150 of the Morro Bay Municipal Code relating to commercial fishing vessel slip qualifications. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Smukler requested an informational Presentation on the idea of a Chumash/Marine Sanctuary concept; no concurrence was necessary as it will be brought forth as a Presentation item.

Mayor Irons requested bringing back the Sub-lease agreement for the Measure D area to discuss Harbor Director authorization vs Council authorization; all Councilmembers concurred.

Mayor Irons requested an update on the Power Plant over the last 2 years and into the future; all Councilmembers concurred.

ADJOURNMENT

The meeting adjourned at 11:20 p.m.

Recorded by:

Jamie Boucher
City Clerk