



CITY OF MORRO BAY HARBOR ADVISORY BOARD A G E N D A

The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.

Regular Meeting - Thursday, November 2, 2017 Veteran's Memorial Building - 6:00 P.M. 209 Surf Street, Morro Bay, CA

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|--------------------------|---|
| Ron Reisner, Chair | Member at Large |
| Lynn Meissen, Vice Chair | Member at Large |
| Gene Doughty | South Bay/Los Osos |
| Bill Luffee | Marine Oriented Business |
| Neal Maloney | Waterfront Leaseholders |
| Dana McClish | Recreational Boating |
| Jeremiah O'Brien | Morro Bay Commercial Fishermen's Organization |
| Peter Griffin | Alternate to Jeremiah O'Brien (MBCFO) |
| Owen Hackleman | Alternate to Jeremiah O'Brien (MBCFO) |

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR, ADVISORY BOARD MEMBER & LIAISON ANNOUNCEMENTS & PRESENTATIONS

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Board on City business matters other than scheduled items may do so at this time. To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Chair, please come forward to the podium and state your name and address for the record. Board meetings are audio and video recorded and this information is voluntary and desired for the preparation of minutes.
- Comments are to be limited to three minutes.
- All remarks shall be addressed to the Board, as a whole, and not to any individual member thereof.
- The Board respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, Board member and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the Board to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in Board meetings is welcome and your courtesy will be appreciated.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Harbor Department's Office Assistant at (805) 772-6254. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT CALENDAR

- A-1 Approval of Minutes from Harbor Advisory Board meeting held on September 7, 2017.
Staff Recommendation: Approve minutes.
- A-2 Approval of Minutes from Harbor Advisory Board meeting held on October 5, 2017.
Staff Recommendation: Approve minutes.

B. REPORTS AND APPEARANCES

- B-1 Harbor Department Status Report
Staff Recommendation: Receive and file.

C. BUSINESS ITEMS

- C-1 Update from the Marine Services Facility/Boatyard Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file.
- C-2 Update from the Finance & Budget Ad-Hoc Committee on Committee's Recent Activities.
Staff Recommendation: Receive and file.
- C-3 Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities, and Discussion of Eelgrass Comprehensive Management Plan Recently Prepared for Humboldt Bay Harbor, Recreation and Conservation District.
Staff Recommendation: Receive and file committee report, and discuss Humboldt Bay eelgrass management plan as-appropriate.
- C-4 Update from the Marine Sanctuary Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file.
- C-5 Update from the Working Waterfront Ad-Hoc Committee on Committee's Recent Activities.
Staff Recommendation: Receive and file.
- C-6 Harbor Advisory Board Work Program for City Council Goals and Objectives, Goal 1, Objective (d), Work Program Element 4, Regarding Licensing/Permitting for Certain Harbor/Tidelands Marine-Dependent/Supporting Business Activities
Staff Recommendation: Staff recommend the Harbor Advisory Board provide input and recommendation on Work Program Element 4 of Goal 1, Objective (d) regarding licensing/permitting for certain marine-dependent/supporting business activities occurring on Harbor Tidelands Trust properties.
- C-7 Harbor Advisory Board Work Program for City Council Goals and Objectives, Goal 1, Objective (d), Work Program Element 10, Regarding Leaseholder Incentives for Diversifying the Caliber or Type of Products or Services They Sell
Staff Recommendation: Staff recommend the Harbor Advisory Board provide input and recommendation on Work Program Element 10 of Goal 1, Objective (d) regarding possible leaseholder incentives for product or service diversification.

- C-8 Harbor Advisory Board Work Program for City Council Goals and Objectives, Goal 1, Objective (e), Work Program Element 1, Regarding an Internal “Gut Check” of the Harbor Enterprise Fund Cost Allocation Plan for Accuracy
Staff Recommendation: Staff recommend the Harbor Advisory Board provide input and recommendation on Work Program Element 1 of Goal 1, Objective (e) regarding a proposed process for a “gut check” of the Harbor Fund Cost Allocation Plan.

D. DECLARATION OF FUTURE AGENDA ITEMS

Pending items previously declared:

Goals and Objectives – Working Waterfront Designation

Measure D

Back Bay Water Use Forum

Explore Benefits of Becoming a Harbor or Port District

BOEM Update

Update from and current report from the Morro Bay Community Quota Fund

E. ADJOURNMENT

This agenda is subject to amendment up to 72 hours prior to the date and time set for the meeting. Please refer to the agenda posted at the Morro Bay Harbor Department, 1275 Embarcadero, for any revisions or call the department at 772-6254 for further information.

Materials related to an item on this Agenda are available for public inspection during normal business hours at the Harbor Department and at Mill's/ASAP, 495 Morro Bay Boulevard, or online at www.morrobayca.gov. Materials related to an item on this Agenda submitted to the Board after publication of the Agenda packet are available for inspection at the Harbor Department during normal business hours or at the scheduled meeting.

MINUTES-MORRO BAY HARBOR ADVISORY BOARD
REGULAR MEETING – September 7, 2017
VETERAN'S MEMORIAL HALL - 6:00 P.M.

AGENDA NO: A-1

MEETING DATE: November 2, 2017

PRESENT: Ron Reisner HAB Chair
Lynn Meissen HAB Vice-Chair
Neal Maloney HAB Member
Peter Griffin HAB Member
Gene Doughty HAB Member
Bill Luffee HAB Member
Dana McClish HAB Member

ABSENT: None

LIAISON: Matt Makowetski Council Member

STAFF: Eric Endersby Harbor Director
Lori Stilts Harbor Business Coordinator

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:02 p.m. with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/xquaiCRMR2Y?t=2m4s>

Board Member Luffee announced coming up on September 30, 2017 is the 8th Jesse King memorial paddle race. For more information go to www.thepaddleboardcompany.com/events. On the September 16, 2017 from 2:00 PM to 5:00 PM Morro Bay Open Space Alliance is hosting the Cerrito Peak block party. For more information go to www.mbopenspace.org.

Board Member McClish spotlighted two upcoming water events during the Harbor Festival on October 7, 2017. The Central Coast SurviveOars Dragon boat races and the Harbor Fest Cup hosted by the Morro Bay Yacht Club.

Board Member Doughty emphasized the abundance of marine life in the bay. In addition, he stated there are as many as a dozen construction projects on the waterfront. And lastly, the Morro Bay Harbor Department is holding their annual action on September 24, 2017.

Board Chair Reisner announced on October 14, 2017, the Community Foundation of Estero Bay is holding their 9th annual Morro Bay Sings to support low income families to participate in sports and enrichment programs. For more information go to www.communityfoundationestrobay.org/events.

Chair Reisner also introduced Board Member Griffin as one of the three alternates for Harbor Advisory Board Commercial Fishing board seat and Member Griffin spoke to his commercial fishing background.

PRESENTATIONS – “State of the Bay” by Ann Kitajima, Morro Bay National Estuary Program

<https://youtu.be/xquaiCRMR2Y>

Link to the report. <http://www.mbnep.org/state-of-the-bay/>

A. CONSENT AGENDA

<https://youtu.be/xquaiCRMR2Y?t=27m19s>

A-1 APPROVAL OF MINUTES FROM HARBOR ADVISORY BOARD MEETING HELD ON, JULY 6, 2017.

MOTION: Board Member McClish moved the July 6, 2017 Harbor Advisory Board minutes be approved. The Motion was seconded by Board Member Doughty and carried unanimously, 7-0.

PUBLIC COMMENT

<https://youtu.be/xquaiCRMR2Y?t=27m55s>

The public comment period was opened.

The public comment period was closed.

B. REPORTS AND APPEARANCES

B-1 HARBOR DEPARTMENT STATUS REPORT

<https://youtu.be/xquaiCRMR2Y?t=28m38s>

Director Endersby presented the staff report and responded to Board Member inquiries with additional input from the Council Liaison Makowetski.

There was Board Member consensus to hear Item C-3 next.

C. BUSINESS ITEMS

C-3 UPDATE FROM THE EELGRASS AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES

<https://youtu.be/xquaiCRMR2Y?t=1h9m26s>

Committee Chair Meissen reminded the Board of the Eelgrass Ad-Hoc Committee's recommendation to the City Council to include certain language relating to an eelgrass mitigation policy into the General Plan/Local Coastal Plan update. In addition, to that recommendation the Ad-Hoc Committee requested the type of follow through the Council would want the Committee to pursue in the mean time? The Committee is still awaiting a response from Council.

Director Endersby presented the staff report.

Ann Kitajima from the Morro Bay National Estuary Program was invited by the Board to participate in the discussion and the Harbor Director responded to Board Member inquires.

MOTION: Board Member Maloney moved the Eelgrass Committee to move forward with Anchor QEA's proposal and work with the Harbor Department to recommend an approved proposal. The Motion was seconded by Board Member Luffee and carried unanimously, 7-0

C-1 UPDATE FROM THE MARINE SERVICES FACILITY/BOATYARD AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES

<https://youtu.be/xquaiCRMR2Y?t=1h40m44s>

Committee Chair McClish shared information regarding the NOAA Saltonstall-Kennedy Grant Program and how it relates to the marine services facility/boatyard.

Link to the NOAA grant: http://www.nmfs.noaa.gov/mb/financial_services/skhome.htm

C-2 UPDATE FROM THE FINANCE & BUDGET AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES

<https://youtu.be/xquaiCRMR2Y?t=1h44m52s>

Committee Chair Maloney stated there has not been a meeting in the last two months, however, the Committee would like to meet with the Harbor Director and Finance staff in October to discuss the cost allocation plan, the City sharing of TOT, sales and possessory interest tax.

Discussion by the Board and Director Endersby.

C-4 UPDATE FROM THE MARINE SANCTUARY AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES

<https://youtu.be/xquaiCRMR2Y?t=1h47m3s>

Committee Chair Reisner stated there is nothing to report.

C-5 UPDATE FROM THE WORKING WATERFRONT AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES

<https://youtu.be/xquaiCRMR2Y?t=1h47m16s>

Committee Chair Doughty stated the Committee has a scheduled meeting with the Planning Commission Ad-Hoc Committee tomorrow.

Committee member McClish recommended the board and public take a survey provided by the National Working Waterfront Organization.

C-6 HARBOR ADVISORY BOARD WORK PROGRAM FOR THE CITY COUNCIL GOALS AND OBJECTIVES DISCUSSION ON WORK PROGRAM ELEMENTS IDENTIFIED.

<https://youtu.be/xquaiCRMR2Y?t=1h48m9s>

Director Endersby quickly spoke to the prior agenda item B-1 with an update to paid parking and then presented the staff report for C-6.

Discussion and input by the Board.

Board Member Luffee left the dais at 8:45pm.

D. DECLARATION OF FUTURE AGENDA ITEMS

Discussion by the Board.

Pending items previously declared:

Goals and Objectives – Working Waterfront Designation

Measure D

Back Bay Water Use Forum

Explore Benefits of becoming a Harbor or Port District

BOEM Update

Update from and current report from the Morro Bay Community Quote Fund

E. ADJOURNMENT

This meeting was adjourned at 8:59 PM. The next Regular Meeting will be held on Thursday, October 5, 2017 at 6:00 p.m. at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by,

Lori Stilts
Harbor Business Coordinator

MINUTES-MORRO BAY HARBOR ADVISORY BOARD
REGULAR MEETING – October 5, 2017
VETERAN'S MEMORIAL HALL - 6:00 P.M.

AGENDA NO: A-2

MEETING DATE: November 2, 2017

PRESENT: Ron Reisner HAB Chair
Lynn Meissen HAB Vice-Chair
Neal Maloney HAB Member
Owen Hackleman HAB Member
Gene Doughty HAB Member
Bill Luffee HAB Member
Dana McClish HAB Member

ABSENT: None

LIAISON: Matt Makowetski Council Member

STAFF: Eric Endersby Harbor Director
Lori Stilts Harbor Business Coordinator

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:02 p.m. with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/Qyp53xOewx8?t=2m45s>

Board Member Luffee stated this past weekend was the 8th Jesse King memorial paddle race benefiting the Morro Bay Jr Lifeguard program and Friends of the Morro Bay Harbor Department where \$1000.00 was raised. Additional, Member Luffee announced Morro Bay Science Explorations with the Estuary Program is presenting 3 programs on 10/12/17, Eelgrass and the Estuary, 2/8/18 Sea Level Rise Impacts and Management and 6/7/18 Sea Otters and Morro Bay. Link for more information: <http://www.mbnep.org/events/>

Board Member McClish stated the Harbor Festival is this Saturday, and in the water will be two events, The Central Coast SurviveOars Dragon boat races and the Harbor Fest Cup hosted by the Morro Bay Yacht Club. Also, the prestige US Sailing Championship of Champions is October 5-8 in Oyster Bay, NY. Among the top-notch sailors are a couple of students from UCSB who will be representing the Morro Bay Yacht Club racing sonars. <http://www.ussailing.org/racing/championships/adult/cofc/>

Board Member Doughty informed the Board the bay is doing well with abundance of anchovies and pelicans.

Board Chair Reisner announced on October 14, 2017, the Community Foundation of Estero Bay is holding their 9th annual Morro Bay Sings the Eagles to support low income families to participate in sports and enrichment programs. The event features dinner and both a silent and live action. For more information go to www.communityfoundationesterobay.org/events.

PUBLIC COMMENT

<https://youtu.be/Qyp53xOewx8?t=10m20s>

The public comment period was opened.

There was no public comment.

The public comment period was closed.

A. CONSENT AGENDA

<https://youtu.be/Qyp53xOewx8?t=10m41s>

A-1 APPROVAL OF MINUTES FROM HARBOR ADVISORY BOARD MEETING HELD ON, AUGUST 3, 2017.

MOTION: Board Member Doughty moved the August 3, 2017 Harbor Advisory Board minutes be approved. The Motion was seconded by Board Member Meissen and carried unanimously, 7-0.

B. REPORTS AND APPEARANCES

<https://youtu.be/Qyp53xOewx8?t=11m23s>

B-1 HARBOR DEPARTMENT STATUS REPORT

Director Endersby announced the City has given a conditional offer of employment to Scott Collins as our new City Manager, and provided his professional background.

Director Endersby presented the staff report for B-1 and responded to Board Member inquiries.

C. BUSINESS ITEMS

<https://youtu.be/Qyp53xOewx8?t=47m22s>

C-1 UPDATE FROM THE MARINE SERVICES FACILITY/BOATYARD AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES

Board Member Maloney left the dais at 6:22 PM.

Committee Chair McClish stated there is no report at this time.

C-2 UPDATE FROM THE FINANCE & BUDGET AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES

<https://youtu.be/Qyp53xOewx8?t=48m22s>

Committee Member Reisner recapped the recent meeting between two members of the Committee and Director Endersby. The meeting included planning for the upcoming year and the Boards opinion that the Harbors infrastructure needs are substantially underfunded and recommendations regarding revenue potentially earmarked for Harbor infrastructure needs.

C-3 UPDATE FROM THE EELGRASS AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES

<https://youtu.be/Qyp53xOewx8?t=51m6s>

Committee Chair Meissen stated the Committee met to discuss the Anchor QEA proposal and per the recommendation from the Board Chair Meissen met with Director Endersby to discuss Anchor's scope of work and how it does or does not relate to a Morro Bay eelgrass mitigation policy development.

Discussion by the Board and Director Endersby.

C-4 UPDATE FROM THE MARINE SANCTUARY AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES

<https://youtu.be/Qyp53xOewx8?t=57m26s>

Committee Chair Reisner stated there is no activity at present.

C-5 UPDATE FROM THE WORKING WATERFRONT AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES

<https://youtu.be/Qyp53xOewx8?t=57m30s>

Committee Chair Doughty summarized the recent public Joint Planning Commission and Harbor Advisory Board Subcommittee meeting that took place on September 8, where the subcommittee members started the discussion to developed policy language for both Measure D and the Working Waterfront for inclusion in the General Plan, Local Coastal Plan, and Zoning Code update.

C-6 HARBOR ADVISORY BOARD WORK PROGRAM FOR THE CITY COUNCIL GOALS AND OBJECTIVES DISCUSSION ON WORK PROGRAM ELEMENTS IDENTIFIED.

<https://youtu.be/Qyp53xOewx8?t=59m56s>

Director Endersby presented the staff report.

Discussion and input by the Board for Goal 1, objective (d), Work Plan Element 2, with Board consensus to follow staff recommendation on questions 1 through 8, excluding question 6.

Chair Reisner and Board Member Doughty recused themselves from the discussion regarding Goal 1, Objective (d), Work Plan Element 4, due to their businesses operating in the Tidelands Trust, and left the dais.

The public comment period was opened.

Gene Doughty, Land-Sea Interface, stated he has a mooring company that works on the bay. He expressed concern that more people should be aware of this item. Mr. Doughty went on to say there are a group of young individuals who work on the waterfront that don't make a whole lot of money, including himself and would hate to see this become a great big money-making venture and the process may be cumbersome.

Ron Reisner, Morro Bay resident and Marine Surveyor by profession, state he is concerned about having the opportunity to obtain an exclusive license to conduct marine surveying and the logistics of going to City on a case by case basis to obtain a permit to conduct a marine survey. Mr. Reisner continued to say he has never had to do that in any port around the world. Mr. Reisner does support the concept of a variety of ancillary business activities that take place in the Tidelands Trust and paying a fee which would go to the Harbor Fund.

The public comment period was closed.

Discussion and input by the Board for Goal 1, Objective (d), Work Plan Element 4 with Board consensus not to accept staff recommendations on questions 2 through 8.

Board Member Luffee left the dais and Board Chair Reisner and Member Doughty returned to the dais at 8:18 PM.

C-7 HARBOR ADVISORY BOARD WORK PROGRAM FOR CITY COUNCIL GOALS AND OBJECTIVES, "OTHER ADDED ITEM 1" REGARDING WATERFRONT LEASE SITE CONTRACTUAL CONFORMANCE.

<https://youtu.be/Qyp53xOewx8?t=2h17m18s>

Director Endersby presented the staff report.

Discussion and input by the Board.

There was board consensus to develop and implement the conformance program as presented, including Boards suggestions that included utilizing Cal Poly engineering interns, continuing to use Morro Bay Fire personnel for fire/life safety issues, and consider hiring professional inspectors.

D. DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/Qyp53xOewx8?t=2h45m33s>

Discussion by the Board.

Pending items previously declared:
Goals and Objectives – Working Waterfront Designation
Measure D
Back Bay Water Use Forum
Explore Benefits of becoming a Harbor or Port District

BOEM Update

Update from and current report from the Morro Bay Community Quota Fund

E. ADJOURNMENT

This meeting was adjourned at 8:59 PM. The next Regular Meeting will be held on Thursday, October 5, 2017 at 6:00 p.m. at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by,

Lori Stilts
Harbor Business Coordinator



AGENDA NO: B-1

MEETING DATE: November 2, 2017

Staff Report

TO: Harbor Advisory Board
FROM: Eric Endersby, Harbor Director
SUBJECT: Harbor Department Status Report

DATE: October 23, 2017

RECOMMENDATION

Receive and file.

DISCUSSION

Recent Department Activity:

Harbor Patrol statistics for the month of October 2017 to date were 22 emergency responses and 114 calls for service, 26 assists of other agencies, 8 enforcement contacts, 6 weather warnings and 1 hazardous bar.

October 1, Harbor Patrol dispatched to capsized kayaker near the finger jetty. The kayaker was being assisted to shore by two other kayakers, while Harbor Patrol personnel transferred to the sandspit to check on victim's condition. The adult male victim from San Miguel showed no signs of hypothermia and had not suffered any injuries.

October 4, Patrol responded to a report of an 18-foot day sailor capsized near the harbor entrance with one person in the water. The operator was assisted in righting and dewatering the vessel, and gathering the owner's belongings scattered around South Jetty. The operator sailed back to the Yacht Club on his own.

October 5, Patrol stood-by for day sailor capsized twice off Marina Square with two persons aboard, while nearby at the same time a different day sailor capsized with one person. Both re-righted themselves and they were escorted back to Yacht club in 20 knots of NW wind.

Also on the 5th, Patrol assisted two people in the water with a capsized kayak off the launch ramp. Both were helped out of the water and transported with their kayak to the launch ramp dock.

October 7, USCG receive mayday transmission on VHF 16 for an overturned kayak with one person in the water off Spooner's Cove in Montana de Oro. Harbor Patrol responded with a patrol vessel and a RWC. The RWC rescued the victim, where he was transported to Spooner's Cove by patrol vessel, then re-boarded the RWC for transfer to shore where the victim was treated by medics. He had no injuries and was released.

October 8, Harbor Patrol received a phone call from the Sheriff reporting a blue overturned kayak 200-yards off Villa Creek, north of Cayucos, with a missing person. Conditions were a strong but fading south swell combined with an increasing NW swell. Harbor Patrol responded with a patrol

Prepared By: LS

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

vessel and a RWC, and along with the Coast Guard began search patterns of the area. Multiple fire and other agencies were dispatched to search from shore, while air assets were brought in as well. The kayak was located by the Harbor Patrol with scattered personal items. Unfortunately, despite an exhaustive search into the dark, the victim was not located. On October 21, the body of the 67-year old Santa Maria victim was found on a cove beach near the original area of the accident.

October 9, Patrol received a radio call from CGMB of a capsized canoe with two people in the water near the entrance who had been in the water for about ten minutes. Patrol responded to south side of finger jetty where the victims had made it to the beach. One patrolman was dropped in waist-deep water to assess them, where one was mildly hypothermic and stated they were in the water for approximately 30 minutes. The two were transported to the Harbor Patrol dock to be checked out by medics, where they were cold but OK. They took a warm shower at the Harbor Office and waited in the office until warm. Patrol went back to the sandspit to retrieve their canoe.

On October 19 at approximately midnight, the Coast Guard was contacted reporting that the 54-foot fishing vessel Pamela Rose's mast and rigging catastrophically collapsed while fishing squid north of Piedras Blancas, where one crew member was killed and another seriously injured. The Coast Guard airlifted the 62-year-old surviving victim from the vessel to a local hospital, while a 47-foot motor lifeboat from Station Morro Bay was dispatched to tow the vessel back to Morro Bay. The injured crewman was last reported to be in stable condition. The cause of the incident is under investigation by the US Coast Guard Marine Safety Detachment Santa Barbara.

October 21, Patrol received a report of five people and two canoes stuck in the mud in the back bay with a unknown exact location, with darkness pending. A patrol vessel went to the back bay to try and locate the victims, while another patrolman went up Black Hill for an overview. Cal Fire personnel responded from Los Osos, the victims were eventually located and Cal Fire worked into the night to extract the victims from the mud due to their location inaccessible from the water.

Recent City Council Activity:

At the regular October 10 City Council meeting, Council approved an employment contract with Scott Collins to serve as the new Morro Bay City Manager. We wish to extend our welcome to Scott.

Also at the October 10 meeting, Council adopted Resolution No. 56-17, approving a Conditional Use Permit for 945 Embarcadero (House of JuJu) for a project that includes remodel of the existing restaurant, harbor walk public access improvements, and improvements to the adjacent Anchor Memorial Park.

On October 24, the City Council introduced the City's new Finance Director, Ms. Jennifer Callaway Schrantz.

Also at the October 24 meeting, Council adopted Resolution No. 59-17, conditionally authorizing the Mayor to execute documents necessary for a new loan for the lease agreement at the Morro Bay Marina lease site.

Finally, Deputy City Manager Ikani Taumoepeau, who has been in charge of the City's economic development/tourism, IT and Recreation Services, has given notice that he will be moving on to an Assistant City Manager position with the City of Santa Paula. His last day with Morro Bay will be November 17. We wish Ikani the best of luck.

Fishing Front:

Commercial Dungeness crab season is scheduled to start November 15 south of Mendocino County, so you may have noticed crab traps and other gear being staged in various location on the waterfront. Recreational Dungeness season starts November 4.

Upcoming Events:

- 11-5-17 Morro Bay Triathlon www.morrobaytri.com
- 11-4-17 Morro Bay Underwater Clean-Up Dive 9AM-12PM www.depthperceptions.net/node/58
- 11-11 & 11-12-17 WSA Surf Competition www.surfwsa.org/20172018-schedule-of-events/
- 11-23 to 12-12-17 Tall Ships Lady Washington and Hawaiian Chieftain
www.historicalseaport.org/public-tours-sails/sailing-schedule
- 12-1-17 Lighted Boat Cruise www.morrobayrotary.org
- 12-2-17 Lighted Boat Parade 6:30PM - www.morrobayboatparade.com
- 12-3-17 Non-Motorized Paddle Parade 1PM - www.morrobayrotary.org
- 12-1 to 12-12-17 Winterfest www.morrobay.org/events/winterfest
- 12-11 to 12-13 Caroling with Cops - Morro Bay Police Department

Status of Pending HAB Recommendations:

| HAB Recommendation | Date | Status |
|---|---------|---|
| Staff draft letter to Council encouraging the City to pursue negotiating with State Parks the City assume both marina and café concessions. | 5/7/15 | Staff's last contact with Parks indicated no Parks interest in giving up the café concession. Since that time, all of Parks' key personnel on the SPM have either retired or positions turned over. Staff's current thinking is we're at a "start-over" point with Parks to begin talks anew, and are acting accordingly before taking anything back to the Council. 11/1/17. Staff have reached out to Parks to renew discussions. |
| Staff provide Council with modified sections of MBMC 15.24 (harbor sanitation) and develop environmental BMP's. | 7/22/15 | Staff have incorporated this BMP effort into the ongoing Rules & Regs/MBMC updating project. 11/1/17. Work ongoing; tentatively scheduled to come to HAB early part of 2018. |
| Council direct staff to engage consultancy relative to obtaining regulatory approval for cost-effective ocean disposal of SPM dredge material, and/or determine the practical and economic feasibility of using same as landfill. | 1/7/16 | Staff did engage consultancy and the Corps to investigate regulatory permit approval of SPM material disposal in the Nearshore Disposal area. With consultant cost estimate to <i>attempt</i> this approval of \$178,000, and no guarantee of success, staff ceased pursuing. In discussions with the EPA, permitting success seemed not likely. City also seeking (along with CMANC) regulatory relief of the "80-20" dredge material disposal rule, which could change the playing field. |
| City Council to approve issuance of the final draft Marine Services Facility/Boatyard Request for Qualifications document. | 2/2/17 | 2/14/17. Council approved the release of a Request for Qualifications (RFQ) document as-proposed. RFQ is out, and responses due July 14, 2017. 7/27/17. No responses to RFQ. 8/3/17 HAB meeting to consider next steps. |

| | | |
|--|---------------|--|
| <p>City Council to involve the Harbor Advisory Board directly in the consideration and incorporation of Measure D into the General Plan and Local Coastal Plan update.</p> | <p>3/2/17</p> | <p>Tentatively on the July 11, 2017 City Council Agenda for consideration regarding Harbor Advisory Board Request to Resolve Ambiguities regarding Measure D / Working Waterfront (HD).</p> <p>7/27/17. City Council on 7/11/17 authorized PC subcommittee to jointly work with HAB ad-hoc committee on Measure D ambiguities and Working Waterfront policy language for consideration of incorporation into GP/LCP update process.</p> <p>9/1/17. First joint HAB/PC subcommittee meeting to consider Measure D and Working Waterfronts scheduled for September 8, 2017, at the Community Center Studio room from 3:00-5:00 pm.</p> <p>9/8/17. First joint subcommittee meeting held. General discussion and public input. Second meeting TBD, likely late October or early November.</p> |
| <p>City to use a consultant to update the cost allocation plan, if feasible, if not, then direct staff to do an internal check.</p> | <p>6/1/17</p> | <p>Approved Council Goal Objective Work Plan Item – Internal “gut check” Goal 1(e).</p> <p>11/2/17. On HAB agenda for process consideration. Staff/Committee analysis review calendar 2017. To new Finance Director January 2018. Consideration of findings into development of FY 18/19 budget.</p> |
| <p>City to share TOT, sales tax and possessory interest revenue that is collected in the Harbor fund and used for Harbor Capitol maintenance and improvements.</p> | <p>6/1/17</p> | <p>Pending until a new Finance Director and City Manager are in place.</p> |
| <p>City Council to include proposed eelgrass language into General Plan/Local Coastal Plan updates.</p> | <p>6/7/17</p> | <p>7/28/17. Consultant Anchor QEA is developing a proposal to review existing information and documentation, research typical projects that have eelgrass issues, interview NEP personnel, and meet with Eelgrass Ad-Hoc committee members to discuss Newport Beach management plan.</p> <p>11/1/17. Staff engaged with Anchor on eelgrass proposal.</p> |
| <p>City Council to review the proposed outline for the eelgrass policy to decide if the elements are appropriate.</p> | <p>6/1/17</p> | <p>See above.</p> |
| <p>Incorporate Working Waterfront land area and uses into General Plan/Local Coastal Plan updates.</p> | <p>6/1/17</p> | <p>Tentatively on the July 11, 2017 City Council agenda for consideration with Measure D recommendation above.</p> |

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|---|---------------|---|
| | | <p>7/27/17. City Council on 7/11/17 authorized PC subcommittee to jointly work with HAB ad-hoc committee on Measure D ambiguities and Working Waterfront policy language for consideration of incorporation into GP/LCP update process.</p> <p>9/1/17. First joint HAB/PC subcommittee meeting to consider Measure D and Working Waterfronts scheduled for September 8, 2017, at the Community Center Studio room from 3:00-5:00 pm.</p> <p>9/8/17. First joint subcommittee meeting held. General discussion and public input. Second meeting TBD, likely late October or early November.</p> |
| <p>In General Plan/Local Coastal Plan updates, consideration be given to a list of uses provided, and that the Measure D area and its uses be incorporated into Morro Bay's Working Waterfront.</p> | <p>6/1/17</p> | <p>Tentatively on the July 11, 2017 City Council agenda for consideration with Measure D recommendation above.</p> <p>7/27/17. City Council on 7/11/17 authorized PC subcommittee to jointly work with HAB ad-hoc committee on Measure D ambiguities and Working Waterfront policy language for consideration of incorporation into GP/LCP update process.</p> <p>9/1/17. First joint HAB/PC subcommittee meeting to consider Measure D and Working Waterfronts scheduled for September 8, 2017, at the Community Center Studio room from 3:00-5:00 pm.</p> <p>9/8/17. First joint subcommittee meeting held. General discussion and public input. Second meeting TBD, likely late October or early November.</p> |
| <p>Paid parking be established on and around the Embarcadero, and recommended list of issues to be addressed when considering establishment of same.</p> | <p>7/6/17</p> | <p>July 18, 2017 letter from HAB Chairman provided to Planning Commission and copied to City Council, Public Works Advisory Board and Community Development Director with HAB's recommendations.</p> <p>10/9/17. Once CD Director gets additional input from PC, it will be brought to Council to obtain direction on parking initiatives. PC to the lead on policy development.</p> |



AGENDA NO: C-1

MEETING DATE: November 2, 2017

Staff Report

TO: Harbor Advisory Board

DATE: October 19, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Marine Services Facility/Boatyard Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive and file.

DISCUSSION

The Marine Services Facility/Boatyard Ad-Hoc Committee will be presenting an oral update on their activities, if any. This is a standing committee report agenda item.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: C-2

MEETING DATE: November 2, 2017

Staff Report

TO: Harbor Advisory Board

DATE: October 19, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Finance & Budget Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive and file.

BACKGROUND

The Finance & Budget Ad-Hoc Committee will be presenting an oral update on their activities, if any. This is a standing committee report agenda item.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: C-3

MEETING DATE: November 2, 2017

Staff Report

TO: Harbor Advisory Board

DATE: October 27, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities, and Discussion of Eelgrass Comprehensive Management Plan Recently Prepared for Humboldt Bay Harbor, Recreation and Conservation District.

RECOMMENDATION

Receive and file committee report, and discuss Humboldt Bay eelgrass management plan as appropriate.

BACKGROUND

The Eelgrass Ad-Hoc Committee will be presenting an oral update on their activities, if any. This is a standing committee report agenda item.

The Humboldt Bay Harbor, Recreation and Conservation District recently completed their own Eelgrass Comprehensive Management Plan, much along the lines of what was done in Newport Beach, California, and likely much like what we are looking to do in Morro Bay.

Here is a link to that plan: <http://humbolddbay.org/eelgrass-management-plan>

The Harbor Advisory Board should review this plan prior to the meeting on November 2 and be prepared to discuss it and how it might assist in our current eelgrass goal efforts.

In addition, the Harbor Director recently by chance in Sacramento met a district commissioner for Humboldt Bay, who pledged to share whatever materials or experiences Morro Bay might see a need for.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: C-4

MEETING DATE: November 2, 2017

Staff Report

TO: Harbor Advisory Board

DATE: October 19, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Marine Sanctuary Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive and file.

DISCUSSION

The Marine Sanctuary Ad-Hoc Committee will be presenting an oral update on their activities, if any. This is a standing committee report agenda item.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: C-5

MEETING DATE: November 2, 2017

Staff Report

TO: Harbor Advisory Board

DATE: October 19, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Working Waterfront Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive and file.

BACKGROUND

The Working Waterfront Ad-Hoc Committee will be presenting an oral update on their activities, if any.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: C-6

MEETING DATE: November 2, 2017

Staff Report

TO: Harbor Advisory Board

DATE: October 26, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Harbor Advisory Board Work Program for City Council Goals and Objectives, Goal 1, Objective (d), Work Program Element 4, Regarding Licensing/Permitting for Certain Harbor/Tidelands Marine-Dependent/Supporting Business Activities

RECOMMENDATION

Staff recommend the Harbor Advisory Board provide input and recommendation on Work Program Element 4 of Goal 1, Objective (d) regarding licensing/permitting for certain marine-dependent/supporting business activities occurring on Harbor Tidelands Trust properties.

BACKGROUND

At the October 5, 2017 Harbor Advisory Board (HAB) meeting, a portion of agenda item C-6 was consideration of the goal objective work plan item subject to this agenda item, namely, consideration of licensing/permitting for certain for-profit, marine-dependent/supporting business activities occurring on Tidelands Trust properties.

While definite HAB input and recommendation was received on October 5 for for-profit events and activities that currently receive Public Area Use Permits (PAUPs) such as "Beach Butlerz," the HAB input received was not responsive to the goal objective item regarding licensing and/or permitting for marine-dependent/supporting activities on the bay such as boat repair and maintenance, bottom cleaning or marine surveying. Therefore, the HAB Chairman and staff believe another consideration of the issue is needed to complete this goal work plan objective.

HAB concerns/input from the October 5 meeting for such licensing/permitting were:

- The process could be onerous and cumbersome
- "Exclusivity" hampering the free market
- Not worth the revenue that would be received
- The City's current business license process should be sufficient

DISCUSSION

It is in the Harbor Department's mission to promote business throughout the harbor and Tidelands Trust area in a *safe, orderly and professional manner*, encourage the offering of essential marine-related services, and increase opportunities for small businesses that have no fixed place of business or lease on the waterfront.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

In staff's opinion, a licensing/permitting program would:

- Ensure those conducting business in the Tidelands Trust have an appropriate Business License and any other required licensing or certification for their line of work.
- Ensure those conducting business in the Tidelands Trust are properly insured, including naming the City as additionally insured.
- Provide a means for the City to ensure, by enforcement if necessary, those working in the Tidelands Trust are legitimate businesses who follow best management practices, environmental and other regulations and do not abuse the privileges of doing business on the bay.
- Provide surety and peace of mind to those in need of such services that entities providing them are legally conducting business with the proper insurance and authorization.

Staff do not view such a licensing/permitting program as an economic revenue generator per se, rather, it is a means of protecting the public's interest and the City's liability, and ensuring entities conducting business on our bay are doing so legally and in a sound manner by providing some degree of reasonable oversight of them. Many harbors along the coast employ such programs for these purposes.

To be clear, *staff is not asking whether or not such a program be implemented as that is not the Council/HAB goal objective. Rather, the goal objective is to research the issue and bring it to the Council for consideration. If it was the HAB's desire such a program not be considered for implementation, as appeared to be the case on October 5, it should not have been supported as a goal objective item in the first place.*

Staff is again, therefore, seeking HAB input on the following:

1. Should licenses/permits be issued on an as-needed, continual basis, or periodically (such as annually) via a Request For Proposals (RFP) review process?
Staff recommend they be issued on an ongoing, as-needed basis for marine-dependent/supporting services in the harbor.
2. Should limits be placed on the number and types of businesses that are licensed/permited?
Staff recommend the market determine the number and type of marine-dependent/supporting service businesses licensed/permited.
3. For what term should licenses/permits for marine dependent/supporting services be issued?
Staff recommend a three-year term, renewable at the discretion of the City and terminable for cause.
4. What fees should be charged?
Staff recommend a flat administrative license/permit fee be charged for marine/harbor-dependent support services.
5. How should licenses/permits be approved; administratively or by the City Council?
Staff recommend licenses/permits for marine-dependent/supporting services be administratively approved by the Harbor Director.
6. Of the HAB concerns from October 5, are there ideas or recommendations that would mitigate the concerns or issues?
7. Are there other issues or considerations that should be taken into account in such a licensing/permitting program?

CONCLUSION

Staff seek HAB input and recommendation on the above goal work plan item issues identified, and other such issues or matters as the HAB may identify and wish to make comment on. Considering the HAB input, staff intend to develop a draft policy and procedure for such a program, gaining additional input as necessary from the Chamber of Commerce, City's Tourism Manager, and the business community, to ensure an inclusive approach before bringing it to the City Council for consideration.



AGENDA NO: C-7

MEETING DATE: November 2, 2017

Staff Report

TO: Harbor Advisory Board

DATE: October 26, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Harbor Advisory Board Work Program for City Council Goals and Objectives, Goal 1, Objective (d), Work Program Element 10, Regarding Leaseholder Incentives for Diversifying the Caliber or Type of Products or Services They Sell

RECOMMENDATION

Staff recommend the Harbor Advisory Board provide input and recommendation on Work Program Element 10 of Goal 1, Objective (d) regarding possible leaseholder incentives for product or service diversification.

BACKGROUND

On June 27, 2017, the City Council approved the final Harbor Advisory Board (HAB) Work Program for City Council 2017/2018 Goals and Objectives.

Goal 1, Objective (d), Work Plan Element 10 is:

Research and bring to Council for consideration a waterfront leaseholder incentive to obtain more years on the term of their leases in exchange for diversifying the caliber or type of products or services they sell to types that are lacking/needed in the area.

DISCUSSION

In discussing this concept with various business people and City staff, the general conclusion is that if a product or service were lacking on the waterfront, market dynamics would provide it unless there was some significant regulatory or other barrier to said products or services.

Staff believes a more sensible approach would be less of a product or service-specific one, to more of a general one, where incentives could be provided for things such as (but not limited to):

- Special event planning and execution.
- Participation in a Business Improvement District (BID) to generate revenues specific to the waterfront and its needs. This could include comprehensive sidewalk and public area improvements and maintenance, public restroom (either the City's or those required in many of our leases) improvements, maintenance and cleaning or periodic or seasonal decorations, to name a few.
- Public/Private partnerships to promote or augment various events or services.
- Participation in or support of public parking options such as trolley services, valet services or pedicabs.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

CONCLUSION

Staff seek HAB input and recommendation on these or other possible leaseholder incentives to raise the overall business climate on the waterfront, as opposed to attempting to create a product or service-specific incentive approach.



AGENDA NO: C-8

MEETING DATE: November 2, 2017

Staff Report

TO: Harbor Advisory Board

DATE: October 26, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Harbor Advisory Board Work Program for City Council Goals and Objectives, Goal 1, Objective (e), Work Program Element 1, Regarding an Internal “Gut Check” of the Harbor Enterprise Fund Cost Allocation Plan for Accuracy

RECOMMENDATION

Staff recommend the Harbor Advisory Board provide input and recommendation on Work Program Element 1 of Goal 1, Objective (e) regarding a proposed process for a “gut check” of the Harbor Fund Cost Allocation Plan.

BACKGROUND

On June 27, 2017, the City Council approved the final Harbor Advisory Board (HAB) Work Program for City Council 2017/2018 Goals and Objectives.

Goal 1, Objective (e), Work Plan Element 1 is:

Perform a department “gut check” of the current cost allocation plan for accuracy.

The General Fund provides personnel and services to the Harbor Enterprise, Sewer Enterprise and Water Enterprise Funds by way of a cost allocation study and plan intended to capture the full costs of the services provided those enterprise funds for reimbursement to the General Fund. The Harbor Fund’s current cost allocation is ~\$277,000 this fiscal year.

The current Cost Allocation Plan is now approximately ten years old. In the recent past, two significant discrepancies (one relating to office space in the Community Development Department no longer being used but still being charged-for, and one relating to excessive street lighting charges) were discovered by Harbor staff and HAB Budget and Finance Ad-Hoc Committee members, and subsequently corrected.

The purpose of this work plan item is to identify other potential discrepancies in the cost allocation as it relates to current levels and costs for services the General Fund provides the Harbor Fund.

DISCUSSION

Staff are proposing the following process for HAB input and concurrence to perform a “gut check” analysis of the Harbor Fund cost allocation for further discrepancies:

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

1. Staff and Budget & Finance Ad-Hoc Committee perform an in-depth review and analysis of the plan and its elements, and develop a list or spreadsheet of questions, concerns and discrepancies.
Completion of this step: end of calendar year 2017.
2. Staff and Committee bring questions and concerns to the new Finance Director, Jennifer Callaway, for discussion and clarification. Ms. Callaway's first day is November 2.
Completion of this step: January 2018.
3. Results of meeting with Finance Director and staff/Committee analysis brought to the HAB in February for input and recommendation into the FY18/19 budget-setting process.

CONCLUSION

Staff seek HAB input and recommendation on this proposed cost allocation "gut check" process.