

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – SEPTEMBER 26, 2017
VETERAN'S MEMORIAL HALL – 6:00 P.M.

AGENDA NO: A-1
MEETING DATE: October 24, 2017

PRESENT:	Jamie Irons	Mayor
	Robert Davis	Council Member
	John Headding	Council Member
	Matt Makowetski	Council Member
	Marlys McPherson	Council Member
STAFF:	Martin Lomeli	Interim City Manager
	Joe Pannone	City Attorney
	Dana Swanson	City Clerk
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Greg Allen	Police Chief
	Matt Vierra	Fire Marshal
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:01 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION - None

CLOSED SESSION REPORT – No Closed Session Meeting was held.

MAYOR AND COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PRESENTATIONS

- Presentation of Proposed Fare Increases – Mary Gardner, RTA
<https://youtu.be/Abj2Kfai5-Q?t=15m3s>

PUBLIC COMMENT

<https://youtu.be/Abj2Kfai5-Q?t=16m52s>

Rick Gallagos, President of the White Caps Community Band, provided the business spot. The White Caps Band was established in 1984 and they rehearse at 10:00 a.m. each Saturday in the Veterans Hall. They perform a summer concert series on the Embarcadero and at other local events.

Jeff Bacon and Jon Elliott announced Morro Bay Trick-or-Treat event to be held Tuesday, October 31, from 3:00 to 5:30 p.m.

Erica Crawford, Morro Bay Chamber of Commerce, announced the Surfboard Art Festival unveiling event to be held Saturday, September 30, from 5:00 to 8:00 p.m. at Forever Stoked.

Ron Reisner, Community Foundation of Estero Bay, announced a fundraising event "Morro Bay Sings the Eagles" to be held Saturday, October 14, at the Community Center. Tickets are \$40 each and proceeds help area youth participate in sports and activities.

Barry Rands, representing SLO Bicycle Club, announced the annual Lighthouse Century Bike Ride to be held Saturday, October 14. They expect approximately 1,200 riders to participate this year and funds raised will be donated to organizations that support biking in San Luis Obispo County.

Joan Solu, Morro Bay, opposed a sewer rate increase due to the financial impact it would have on hoteliers.

Rigmor, Morro Bay, supported approval of the License Agreement with the Maritime Museum Association and encouraged the Council to move forward with site selection for the WRF. She supported the South Bay Blvd. site to prevent delays.

Cyndee Edwards, business owner and Chair of the Morro Bay Chamber of Commerce Board of Directors, urged the Council to be diligent in pursuing financial opportunities to offset the cost of the WRF and continue to look at the larger economic vitality picture.

Dorothy Cutter, Morro Bay, found the proposed WRF options unacceptable and suggested joining Cayucos as a feasible alternative.

Marla Jo Sadowski, Morro Bay, asked the Council to keep those on fixed incomes and single parents in mind when considering sewer plant costs.

Richard Sadowski, Morro Bay, expressed frustration about the cancellation of WRFCAC meetings and lack of land use discussion by the Planning Commission. He suggested a \$25 Million project is possible at or near the current location.

Barbara Doerr, Morro Bay, stated her opposition to the new speaker forms and noticing for the September 26 special meeting.

The public comment period was closed.

A. CONSENT AGENDA
<https://youtu.be/Abj2Kfai5-Q?t=43m46s>

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 SEPTEMBER 12, 2017 SPECIAL CLOSED SESSION CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF PROCLAMATION DECLARING SEPTEMBER 24-30, 2017 SEA OTTER AWARENESS WEEK; (HARBOR)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF PROCLAMATION DECLARING OCTOBER 8-14, 2017 AS "FIRE PREVENTION WEEK"; (FIRE)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF A LICENSE AGREEMENT WITH CENTRAL COAST MARITIME MUSEUM ASSOCIATION FOR USE OF REAL PROPERTY IN THE FRONT STREET PARKING LOT AND "TRIANGLE" PARKING LOT AREAS; (HARBOR)

RECOMMENDATION: Council approve the License Agreement with the Central Coast Maritime Museum Association as presented.

A-5 ADOPTION OF RESOLUTION NOS. 52-17, 53-17, 54-17 AND 55-17, RESPECTIVELY APPROVING MEMORANDA OF UNDERSTANDING FOR SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 620 AND THE MORRO BAY FIREFIGHTERS ASSOCIATION IAFF LOCAL 3725, AND ESTABLISHING COMPENSTATION AND BENEFITS FOR MANAGEMENT AND CONFIDENTIAL EMPLOYEES; (ADMINISTRATION)

RECOMMENDATION: City Council:

1. Adopt Resolution No. 52-17 approving a Memorandum of Understanding (MOU) for Morro Bay Firefighters Association (MBFFA) IAFF Local 3725.
2. Adopt Resolution No. 53-17 approving a MOU for Service Employees International Union (SEIU) Local 620 for the period July 1, 2017 through June 30, 2020.
3. Adopt Resolutions 54-17 and 55-17 establishing compensation and benefits for the City's unrepresented confidential and management designated employees.

Regarding Item A-4, Council Member Davis announced he was a member of the Central Coast Maritime Museum Association but that he has no financial interest or anything that presents a conflict of interest.

City Attorney Pannone announced for the record that he also is a member of the Central Coast Maritime Museum 1542 Club, and the Government Code provides an exemption that allows members of an organization like that to participate in the governmental decision being made tonight.

The public comment for the Consent Agenda was opened.

Larry Newland introduced Morro Bay Maritime Museum Board Members and thanked everyone for their cooperation.

Jane Heath, Vice President of Development for the Maritime Museum Association, recommended approval of the License Agreement provided in Item A-4.

Donald Pierce spoke representing the Salinan Tribe, expressing support for the Maritime Museum project.

The public comment period for the Consent Agenda was closed.

MOTION: Council Member Headding moved the Council approve all Items on the Consent Agenda. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

B. PUBLIC HEARINGS - NONE

C. BUSINESS ITEMS

C-1 ADOPTION OF RESOLUTION NO. 51-17 APPOINTING PLANNING COMMISSIONER, JOSEPH INGRAFFIA, TO THE GENERAL PLAN ADVISORY COMMITTEE (GPAC); (COMMUNITY DEVELOPMENT)
<https://youtu.be/Abj2Kfai5-Q?t=48m26s>

Community Development Director Graham presented the staff report and responded to Council inquiries.

The public comment period for Item C-1 was opened; seeing none, the public comment period was closed.

MOTION: Council Member Headding moved the Council adopt Resolution No. 51-17 to appoint Joseph Ingraffia to the General Plan Advisory Committee (GPAC) to serve as liaison between the Planning Commission and GPAC. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

The Council took a brief recess at 6:53 p.m. The meeting reconvened at 6:59 p.m.

C-2 WATER RECLAMATION FACILITY PROGRAM UPDATE; (PUBLIC WORKS)
<https://youtu.be/Abj2Kfai5-Q?t=52m39s>

Public Works Director Livick, WRF Program Manager Nunley, and WRF Deputy Program Manager Rickenbach presented the staff report and responded to Council inquiries.

Mr. Pannone noted for the record the Council would be choosing a preferred site, as the City cannot select a site until the EIR is complete.

The public comment period for Item C-2 was opened.

Carol Swain, Morro Bay, urged the Council to select the South Bay Blvd site in order to manage the timeframe and gain access to grants and loans.

Laura Pick, Morro Bay, asked the Council to choose a site and commented the Coastal Commission letter appeared to be clear a site west of Highway 1 would be denied.

Tim Crowley, Morro Bay, urged the Council to choose a site east of Highway 1.

Lee Johnson, Morro Bay, urged the Council to move forward with a site east of Highway 1.

Alice Kolb, Morro Bay, opposed the Righetti site stating no neighborhood should endure negative impacts when other locations are available.

Ken Green, Morro Bay resident speaking on behalf of Citizens for Affordable Living and Morro Bay Huddle, stated careful tracking and routine reporting of City spending is necessary for public trust.

Steve Stevens, Morro Bay, expressed concern about increased sewer rates and canceled advisory committee meetings. He urged the Council to deliver the most affordable project.

Ahmed Kassem, Morro Bay, encouraged the Council to choose the most economical and logical site and not spend money on a site prone to liquefaction.

Ken Clark, The Landing at Morro Bay, expressed concern about the negative impact increased sewer rates would have on tourism.

Anne Marie Schnetzler, Morro Bay, read a statement prepared by Jeff Heller, supporting the most affordable plant at or near the current plant and encouraging the City to hire an owner agent to manage the project.

Bruce Elster, Morro Bay, was disappointed by the Coastal Commission letter and questioned the cost estimates for conveying to and from the South Bay Blvd. site.

Jacqueline Marie, Morro Bay, opposed the Righetti site and urged the Council to consider retrofitting the current WWTP site.

Donna Burke, Morro Bay, strongly opposed the Righetti location, stating lawsuits will delay the project.

Diane Playan, Morro Bay, requested these items be placed first on the agenda and suggested too many sites are still being considered.

Thomas Kessler, Morro Bay, urged the Council to move forward with a preferred site out of the flood plain.

David Burton, Morro Bay, spoke in support of the Council and encouraged an educated decision, not an emotional one.

Jeff Odell, Morro Bay, hoped at some point he would be able to thank the Council for keeping rates affordable.

Noah Smukler, Morro Bay, understood the time and effort spent looking at the issues and concerns. He stated the importance of water reclamation and encouraged the Council to make a decision and move forward.

Lawrence McNally, Morro Bay, supported a plant at or near the existing site to keep capital and operating expenses down.

The Council took a brief recess at 8:57 p.m. The meeting reconvened at 9:05 p.m. with all Members present.

Richard Clark, Los Osos property owner, supported rebuilding at the existing plant site to control costs.

Rob Kitzman, Morro Bay, shared escalating costs in many areas are affecting small businesses. He supported a project that would fit within or under the current approved rate structure.

Kristen Headland, Morro Bay, spoke in support of an affordable plant built based on the 2015 approved rate structure.

Patrick Sparks, a Morro Bay attorney, stated the City is eligible to ask for a categorical exemption to build at the current site which would drive project costs down to \$20 – 40 Million.

Kerrigan Mahan, Morro Bay, supported a more affordable project like that mentioned by Mr. Sparks or tying into the Cayucos site.

Glenn Silloway, Morro Bay, supported moving forward with a plant east of Highway 1, noting the time value of money and importance of keeping interest rates down.

Carole Truesdale, Morro Bay, was frustrated to learn the 2015 rate structure will not fund a new WRF. She hoped the Council would pursue affordable ideas being presented to reuse the existing site.

Nancy Bast, Morro Bay, opposed a rate increase and was concerned residents will not be able to afford their water / sewer bills.

Erica Crawford, Morro Bay Chamber of Commerce President and CEO, appreciated the action the Council has taken to support economic development and encouraged the Council to consider the impact this decision has on the business community.

Christine Johnson, Morro Bay, encouraged the Council to work to reduce costs in all phases, no matter the site, and make a decision as soon as possible to remain eligible for any and all funding.

Ken MacMillan, Morro Bay business owner and member of Chamber of Commerce Board of Directors, spoke as business owner in support of a project based on the current approved rates.

Chanel Channing, Morro Bay, stated citizens cannot afford double water / sewer rates and suggested more events would help bring money into the community.

Barbara Doerr, Morro Bay, requested that if a Proposition 218 vote were needed, the city provide a protest ballot on the last page. She provided an example from the City of San Diego for the record.

Jim Hayes, Morro Bay, urged the Council to listen and represent the citizens by pursuing the most affordable project.

Linda Warwick, Morro Bay, encouraged the Council to pursue tying into the Cayucos plant as the least expensive project.

Bart Beckman, Morro Bay, expressed frustration with estimates and recommendations provided by consultants and appreciated \$17 Million was saved through the peer review process.

Ed Sylvester, Morro Bay, asked why the City isn't pursuing plans for a \$36 Million plant at the current site and expressed frustration Cayucos is no longer a partner.

Janice Peters, Morro Bay, recounted the history of the project and suggested the City pursue permitting of a plant on the current site.

Betty Winholtz, Morro Bay, stated the cost of land must be factored in as well as operating and maintenance costs. She suggested when Cayucos goes offline, the current plant may meet secondary treatment requirements.

Terry Simons, Morro Bay, urged the City to present lift station plans to the Coastal Commission for approval before pursuing a plant east of Highway 1.

Cynthia Hawley, on behalf of the Morro Bay Action Team Huddle, stated the Council took action on April 25, 2017, to reduce cost by excluding reclamation. She suggested a decision should not happen until the Council reverses its action.

Tina Metzger, Morro Bay, opposed the Righetti site adding the time to work with CalTrans to lay pipe down Highway 41 had been underestimated in the report.

John Diodati, Morro Bay resident and WRFAC Chair, offered background information on the committee's work to evaluate appropriate sites. As a rate payer, he urged the Council to make a decision tonight to avoid losing the WIFIA loan.

Linda Donnelly, Morro Bay, expressed frustration with lack of public outreach and opposed a rate increase.

Bill Todd, Morro Bay, urged the Council to select the South Bay Blvd. site and use solar power to minimize its carbon footprint.

Brad Snook, Morro Bay, spoke in support of a site east of Highway 1, low interest loans, and water reclamation.

Robert Church, Morro Bay, supported a sewer treatment plant without reclamation, and continued use of State Water and Chorro Wells.

The public comment period for Item C-2 was closed.

A brief recess was taken at 10:21 p.m. The meeting reconvened at 10:30 p.m. with all members present.

Staff and consultants responded to issues raised during public comment and further questions from the Council.

The Council agreed sufficient information and community input had been gathered to move forward with a preferred site, and that it was necessary to move forward quickly with a project that includes water reclamation to take advantage of WIFIA and SRF funding opportunities. With the understanding rates would be heavily influenced by debt service, it was critical to get funding secured as quickly as possible to keep rates down. The importance of cost containment and avoiding the potential risk of litigation associated with the Righetti site was also discussed.

MOTION: Mayor Irons moved the meeting go past 11:00 p.m. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

There was Council consensus the Coastal Commission would not permit a project west of Highway 1, the Giannini site had too many issues and no cost advantages, and due to the risk of litigation, the Righetti site was not feasible. There was stated support to proceed with planning and permitting at South Bay Blvd. as the preferred site.

Council Member McPherson read a letter to the editor submitted by Mary Schallenberger of the Coastal Commission dated December 15, 2013, into the record. As subcommittee members, Mayor Irons and Council Member McPherson expressed disappointment all residents would be required to pay an additional \$17/month to avoid delays caused by potential litigation if the Righetti site were selected.

MOTION: Council Member Heading moved the Council direct staff to proceed with planning and permitting at the South Bay Blvd. site as the preferred site. The motion was seconded by Council Member Makowetski and carried unanimously, 5-0.

MOTION: Mayor Irons moved the Council direct staff to come back with a timeline for decision making for moving this WRF project forward, to include discussion on how the Council directs and has expectations with the citizens advisory committee, to lay

out expectations from Council and staff on how to utilize and coordinate the project moving forward. The motion as seconded by Council Member Headding for discussion.

Mayor Irons clarified he wants to discuss whether the citizens advisory committee is being used correctly, or does the Council need to make decisions on a month to month basis to keep the project on schedule. Staff affirmed the timeline for Council decision making and discussion regarding the citizens advisory committee could be brought back in two weeks.

The motion was restated for clarification: Mayor Irons moved the Council direct staff to come back to Council with a timeline of the project for Council decision making to move this project forward, including discussion about expectations with our citizens advisory committee and coordinate decision making through this process to be brought back at the next meeting. The motion carried unanimously, 5-0.

MOTION: Council Member McPherson moved the Council direct staff to, in consultation with financial experts, carefully analyze the existing water and sewer rate structure put in place in 2015 for the purpose of reexamining assumptions and identifying the maximum amount of resources that could be applied to the proposed WRF. The motion was seconded by Council Member Headding and carried unanimously, 5-0.

MOTION: Council Member Headding moved the Council reexamine the existing program management process and structure and look at available resources within the Public Works Department and make decisions for possible changes based on that. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

MOTION: Council Member McPherson moved the Council revisit goals of the project to ensure that, before we go out in the bidding process, it's clear what the current project goals are. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

The timeline for these items was discussed. Staff affirmed the timeline for Council decision making will be brought back at the next meeting and cost analysis of the current rate structure, project management analysis, and review of project goals will be included in that timeline.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

https://youtu.be/FvaeWPHq_hs?t=2h13m14s

None

E. ADJOURNMENT

The meeting adjourned at 11:27 p.m. The next Regular Meeting will be held on Tuesday, October 10, 2017 at 6:00 p.m. at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by:


Dana Swanson
City Clerk