



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.*

Meeting - Thursday, August 2, 2018 Veteran's Memorial Building - 6:00 P.M. 209 Surf Street, Morro Bay, CA

Ron Reisner, Chair	Marine Oriented Business
Lynn Meissen, Vice Chair	Member at Large
Gene Doughty	South Bay/Los Osos
(Vacant)	Member at Large
(Vacant)	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 the Harbor Advisory Board meeting held on May 3, 2018
Staff Recommendation: Approve minutes.

A-2 Approval of Minutes from the Harbor Advisory Board meeting held on June 7, 2018
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 Review, Input and Recommendation of Anchor QEA's Draft Morro Bay Conceptual Eelgrass Plan
Staff Recommendation: Receive and file committee report, and provide input and recommendation on the draft Morro Bay Conceptual Eelgrass Plan produced by consultant Anchor QEA.

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 Oral Update on Status of Various Waterfront Lease Site Projects and Negotiations, Lease Site Management Activities and Harbor Department Capital Projects
Staff Recommendation: Receive and file.

D. DECLARATION OF FUTURE AGENDA ITEMS

Pending items previously declared:

Goals and Objectives – Working Waterfront Designation Measure D

Explore Benefits of Becoming a Harbor or Port District

Wind Energy Generation off the Coast of Morro Bay

Creation of an Embarcadero Business District to Fund Harbor Infrastructure

Review of TBID Assessment funding

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.

AGENDA NO: A-1

MEETING DATE: August 2, 2018

MINUTES-MORRO BAY HARBOR ADVISORY BOARD
MEETING – May 3, 2018
VETERAN'S MEMORIAL HALL - 6:00 P.M.

PRESENT: Ron Reisner HAB Chair
Lynn Meissen HAB Vice-Chair
Jeremiah O'Brien HAB Member
Gene Doughty HAB Member
Bill Luffee HAB Member
Dana McClish HAB Member
Neal Maloney HAB 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/EHFlu5YD1uE?t=1m11s>

Board Member Luffee announced the upcoming Sea Lion dock dedication in conjunction with the Mermaid Walk, and Safe Boating Day, at the North T-Pier on May 19, 2018. In addition, there will be binocular viewing station installed on the public end street pier between Hofbrau and the Galley restaurants.

Also, Kent Nagano, Grammy Award-winning conductor and Morro Bay native, is donating his time to the Morro Bay Open Space Alliance with a concert of classical music featuring his daughter, Karin Kei Nagano held at St. Timothy's Church. Tickets are on sale now and the funds raised will go towards purchasing Cerrito Peak. For more information go to: <http://mbopenspace.org/>

Board Member McClish announced the inaugural Marine Swap meet on Saturday June 30, 2018, in the lot behind the Maritime Museum, hosted by three nonprofits, the Morro Bay Youth Sailing Foundation, Friends of the Morro Bay Harbor Department and Morro Bay Maritime Museum.

In addition, he congratulated the Cal Poly Mustang Sailing Team, for qualifying to go to a sailing conference championship held in Hawaii. They placed fourth in Co-Ed and third in the Pacific Coast Team racing. They will soon go to Nationals at Old Dominion.

Board Member O'Brien announced commercial salmon season opened May 1 and closes on May 7, with the season starting slow due to a low salmon stock.

Also, the Commercial Fishermen's Organization will be giving out two \$1,500.00 scholarships this year to two Morro Bay High School graduates at their awards ceremony. Also, for the second year two scholarships will be given out under the Captain Michelle Rowley Leary scholarship at \$1,000.00 each.

In addition, on Memorial Day, May 28, 2018, there will be the Lost at Sea ceremony at the base of the Cayucos pier at 3PM.

Lastly, Board Member O'Brien stated he was asked to represent the Fishing Communities Coalition in Washington DC last week, to discuss issues with the Magunson-Stevens Fishery Conservation and Management Act.

Board Member Doughty stated the bay is finishing up a straight three-week stint of minus tides, which is rare and boaters should beware channel markers in the harbor have been removed for the dredge Yaquina.

PUBLIC COMMENT

<https://youtu.be/EHFlu5YD1uE?t=16m5s>

The public comment period was opened.

The public comment period was closed with no public comment.

A. CONSENT AGENDA

<https://youtu.be/EHFlu5YD1uE?t=16m24s>

A-1 APPROVAL OF MINUTES FROM THE HARBOR ADVISORY BOARD MEETING HELD ON MARCH 1, 2018

MOTION: Board Member Maloney moved the March 1, 2018 Harbor Advisory Board minutes be approved. The Motion was seconded by Board Member McClish and carried unanimously, 7-0.

A-2 APPROVAL OF MINUTES FROM THE HARBOR ADVISORY BOARD MEETING HELD ON April 5, 2018

MOTION: Board Member Doughty moved the April 5, 2018 Harbor Advisory Board minutes be approved. The Motion was seconded by Board Member O'Brien and carried unanimously, 7-0.

B. REPORTS AND APPEARANCES

<https://youtu.be/EHFlu5YD1uE?t=17m21s>

B-1 HARBOR DEPARTMENT STATUS REPORT

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

C. BUSINESS ITEMS

<https://youtu.be/EHFlu5YD1uE?t=45m12s>

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

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

The public comment period was closed with no public comment.

Committee Chair McClish stated as mentioned previously in the Status Report the boatyard financial feasibility Study RFP will tentatively be discussed at the second City Council meeting in June and the boat storage documents will hopefully be on the May 22 Council meeting.

Board Member O'Brien praised the Harbor Department for the work put into the RFP document.

C-2 UPDATE FROM THE FINANCE & BUDGET AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES, AND DISCUSSION OF "USEFUL LIFE" AS IT PERTAINS TO DEPARTMENT CAPITAL INFRASTRUCTURE AND EQUIPMENT PRIORITIZING AND PLANNING

<https://youtu.be/EHFlu5YD1uE?t=50m27s>

Committee Chair Maloney stated the committee has not met recently, however, Committee member Reisner met with the City's Finance Director.

Member Reisner stated the Finance Director is aware that for the FY17/18 there is an unfunded liability regarding Harbor infrastructure; capital equipment, maintenance & repair and replacement in the amount of just over 2 million dollars. This liability will carry forward to FY18/19 as there is no money to fund it. Within the City's current revenue stream there will not be enough funds to significantly impact those liabilities.

Director Endersby presented the staff report relating to the infrastructure replacement, maintenance, and prioritization spreadsheets for C-2 and received input and responded to inquiries from the Board.

Member Reisner recognized the importance for a possible Port District in the future to maintain the Harbor's infrastructure needs.

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

<https://youtu.be/EHFlu5YD1uE?t=1h22m13s>

Committee Chair Meissen stated the committee met to discuss the upcoming Anchor QEA report due by the end of June 2018. Chair Meissen stated during the committee meeting, member Lexi Bell with the National Estuary Program, reported the eelgrass transplanting projects in the bay are all during very well, and member Cathy Novak, a project consultant working on an Embarcadero waterfront project, informed the committee that eelgrass is currently impacting the proposed installation of a required waterside boardwalk.

Chair Meissen and Director Endersby discussed the probability of the committee's policy statement being included in the City's General Plan/Local Coast Plan update.

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

<https://youtu.be/EHFlu5YD1uE?t=1h29m18s>

Committee Chair Reisner stated there has been no new update or committee meeting.

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

<https://youtu.be/EHFlu5YD1uE?t=1h29m43s>

Committee Member McClish reported to the board the current zoning for the triangle lot has now been updated to include marine related uses, including a boat yard, in the draft GP/LCP update.

Discussion by the board.

C-6 PRESENTATION AND INPUT ON WATER AND ELECTRICITY METERING AND/OR COIN-OPERATION FOR COST RECOVERY AT THE CITY'S VARIOUS VESSEL AND BOATING FACILITIES

<https://youtu.be/EHFlu5YD1uE?t=1h34m32s>

Board Member Maloney asked if he needed to recuse himself due to a possible conflict of interest by renting a City slip and having a leasehold interest. Director Endersby explained he did not.

Director Endersby presented the staff report for C-6 and gathered input and answered questions from the Board.

There was Board consensus to install a coin-operated water control device at Tidelands Dock to recover water cost and possibly reduce usage.

Board Member Luffee left the dais at 8:13 PM.

C-7 HARBOR ADVISORY BOARD GOAL 1 OBJECTIVE (D): EVALUATE OPPORTUNITIES FOR NEW OR EXPANDED REVENUE SOURCES, INCLUDING, BUT NOT LIMITED TO PAID PARKING, MARIJUANA ASSOCIATED REVENUES, OTHER TAX MEASURES, AND A REVIEW OF CITY FEES; AND DISCUSSION OF TBID ASSESSMENT FUNDING AND CREATION OF AN EMBARCADERO BUSINESS DISTRICT AS POSSIBLE NEW REVENUE SOURCES

<https://youtu.be/EHFlu5YD1uE?t=2h11m47s>

Director Endersby presented the staff report for C-7 and gathered input and answered questions from the Board.

Discussion by the Board.

There was Board consensus with the following revenue generating ideas:

- Paid Parking on or near the Embarcadero
- Marijuana associated revenues
- City Fees
- Share of TOT
- Share of Possessory Interest Revenue
- Share of Sales Tax that is generated off the Tidelands Trust lands
- Periodic events at the Rock
- Some sort of Assessment District
- Port District Concept
- License Agreements for various events
- Food Truck and Beach needs concessionaires, including Tidelands Park
- Boat Storage in the Triangle Lot
- Movie Nights

Chair Reisner stated he would draft a HAB memo to Council with the list of ideas pertaining to HAB Goal 1 Objective (D) requesting their feedback of the ideas HAB should currently focus on.

C-8 INFORMATIONAL REVIEW OF HARBOR LEASE SITE ACTIVITY, LEASE TYPES AND LEASE MANAGEMENT POLICY

<https://youtu.be/EHFlu5YD1uE?t=2h33m54s>

Director Endersby presented the staff report for C-8 and answered questions from the Board.

D. DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/EHFlu5YD1uE?t=3h6m15s>

No additional items were added or removed.

- Pending items previously declared:
- Goals and Objectives – Working Waterfront Designation Measure D
- Explore Benefits of becoming a Harbor or Port District

Wind Energy Generation off the Coast of Morro Bay
Creation of an Embarcadero Business District to Fund Harbor Infrastructure
Review of TBID Assessment Funding

E. ADJOURNMENT

This meeting was adjourned at 9:09 p.m. The next Regular Meeting will be held on Thursday, June 7, 2018 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
MEETING – June 7, 2018
VETERAN'S MEMORIAL HALL - 6:00 P.M.

AGENDA NO: A-2

MEETING DATE: August 2, 2018

PRESENT: Lynn Meissen HAB Vice-Chair
 Jeremiah O'Brien HAB Member
 Gene Doughty HAB Member
 Dana McClish HAB Member
 Neal Maloney HAB Member

STAFF: Lori Stilts Harbor Business Coordinator

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:03 p.m., with four members present.

Vice-Chair Meissen announce the resignation of longtime Harbor Advisory Board Member Bill Luffee from the Board and thanked him for his service.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

Board Member Maloney joined the Board Members at the dais.

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/vyN8AbyqaaA?t=3m11s>

Board Member Doughty said most of the algae in the bay is now gone, but we still have anchovies, which is a good thing.

Board Member O'Brien thanked Mr. Luffee for his years of service he provided on the Harbor Advisory Board. In addition he recounted a recent midair confrontation between a flock of falcons and ospreys at the launch ramp.

Board Member McClish announce the inaugural Marine swap meet coming up on June 30, 2018, hosted by the Morro bay Maritime Museum, Friends of the Morro Bay Harbor Department, and Morro Bay Youth Sailing Foundation.

Also, Member McClish reported there will be a series of meetings hosted by the National Estuary Program at the Botanical Gardens on June 14, called Morro Bay Science Explorations with the Estuary Program: Fish and Fisheries. For more information you may go to: <http://www.mbnep.org/events/>

In addition, Member McClish, thanked Mr. Luffee for bringing his distinctive perspective to the Board.

Council Member Makowetski thanked Mr. Luffee from the City Council for his years of excellent service to the community.

PUBLIC COMMENT

<https://youtu.be/vyN8AbyqaaA?t=10m47s>

The public comment period was opened.

The public comment period was closed with no public comment.

A. CONSENT AGENDA

None

B. REPORTS AND APPEARANCES

B-1 HARBOR DEPARTMENT STATUS REPORT

<https://youtu.be/vyN8AbyqaaA?t=11m4s>

Business Coordinator Stilts presented the staff report for B-1 and responded to Board Member inquiries.

C. BUSINESS ITEMS

<https://youtu.be/vyN8AbyqaaA?t=22m2s>

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

Committee Chair McClish stated there is nothing to report.

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

<https://youtu.be/vyN8AbyqaaA?t=22m17s>

Committee Chair Maloney stated there is nothing to report.

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

<https://youtu.be/vyN8AbyqaaA?t=22m32s>

Committee Chair Meissen reported the committee met with Anchor QEA on June 25. The meeting highlighted, Anchor QEA's involvement with Humboldt County's Eelgrass Mitigation Policy, Ms. Novak's permitting issues, NEP's restoration projects, techniques and locations in the bay, and possible ways of creating a standardized eelgrass mitigation plan. A complete Eelgrass Management Planning Report from Anchor QEA should be available at the next Harbor Advisory Board Meeting.

Discussion by the Board.

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

<https://youtu.be/vyN8AbyqaaA?t=29m25s>

Vice-Chair Meissen state the Committee Chair is absent and there is nothing to report.

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

<https://youtu.be/vyN8AbyqaaA?t=29m41s>

Committee Chair McClish stated there is nothing to report.

C-6 CONSIDERATION AND INPUT REGARDING FIRE PITS AT THE ROCK PARKING LOT AND OTHER AREAS FOR RECOMMENDATION TO THE CITY COUNCIL

<https://youtu.be/vyN8AbyqaaA?t=30m2s>

Business Coordinator Stilts presented the staff report for C-6 and gathered input and answered questions from the Board.

Council Member Makowetski gave a brief background on the establishment of the fire pits starting from the past 3 years.

There was board consensus to keep the existing pit and to add the remaining. They suggested three locations, one east of Target Rock, Tower 0 (lifeguard tower near the outlet), and one between Tower 0 and the established pit. The Board also suggested staff to find a nonprofit to keep them clean.

C-7 **CANCELATION OF THE JULY 2018 HARBOR ADVISORY BOARD MEETING**
<https://youtu.be/vyN8AbyqaaA>

Discussion by the Board.

MOTION: Board Member Maloney moved to cancel the July 2018 Harbor Advisory Board meeting. The Motion was seconded by Board Member McClish and carried unanimously, 5-0.

D. **DECLARATION OF FUTURE AGENDA ITEMS**
<https://youtu.be/vyN8AbyqaaA?t=48m41s>

There were no additional items declared or removed.

Pending items previously declared:

Goals and Objectives – Working Waterfront Designation

Measure D

Explore Benefits of becoming a Harbor or Port District

Wind Energy Generation off the Coast of Morro Bay

Creation of an Embarcadero Business District to Fund Harbor Infrastructure

Review of TBID Assessment Funding

E. **ADJOURNMENT**

This meeting was adjourned at 6:50 p.m. The next Regular Meeting will be held on Thursday, August 7, 2018 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: August 2, 2018

Staff Report

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

DATE: July 23, 2018

RECOMMENDATION

Receive and file.

DISCUSSION

Harbor Advisory Board Vacancies:

Due to two recent resignations, a notice of current unscheduled Advisory Board Vacancies is posted, and applications are being accepted through Friday, August 10, 2018. Attachment 1 to this report is the notice. Applications are to be turned in to the City Clerk's office at City Hall. Tentatively, interviews will be held mid to late August. We currently have a Member-at-Large and Waterfront Leaseholder seat available following the resignation of Bill Luffee and Neal Maloney. We'd like to thank Bill and Neal for their years of excellent public service to the board.

Recent Department Activity:

Harbor Patrol statistics for the month of June and July 2018 were 39 emergency responses, 214 calls for service, 97 assists of other agencies, 62 enforcement contacts, and 25 weather warnings.

6/30 Marine Swap Meet was held at the "Triangle Lot" next to the Maritime Museum and had approximately 42 vendors. Great swaps and sales were made, and plans are underway for next year's event.

7/4 4th of July Family Fun Day at Tidelands Park was successful with a solid line up of kids all day long on the Harbor Patrol Boat. Kids love to spray the fire monitor and learn about rescue operations.

7/10/18 – Harbor Patrol was dispatched to a little girl who was separated from her family and forgotten at Tidelands Park restroom. In conjunction with MBPD, the little girl was reunited with her family more than an hour later.

7/12 Shark sighting in Morro Bay City Limits.

7/14 49th Annual Brian Waterbury Rock to Pier Run & Half Marathon brought a big crowd to the beach. No issues reported, except the usual traffic jam with emergency access compromised.

7/14 Harbor Patrol received a report of a Stand-Up Paddler (SUP) that was sucked out of the entrance, exhausted and lost in the fog. Patrol responded, "code 3" and picked up a MBFD rescue

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

swimmer at the Target Rock area. SUP'er was located but said she was not in distress and just paddling fine.

7/15 Harbor Patrol were alerted of two climbers on Rock not far up in parking lot area. They responded to scene and located both climbers safely on the ground. They were advised of the laws against climbing and safety hazards.

Recent City Council Activity:

At the regular June 12 City Council meeting, Council adopt Resolution No. 41-18, authorizing the Fiscal Year 2018/19 Operating and Capital Budgets, including any amendments approved by the City Council, prior to the adoption of that Resolution.

At the regular June 26 City Council meeting, Council approved a one-year license agreement with Morro Bay Harbor Festival, Inc. for use of a portion of the Harbor Department's storage yard in the Front Street parking lot, and a two-year license agreement with Lonnie Carter, doing business as Morro Bay Hookers baiting service, that includes an option to extend for on two-year period, for use of a portion of the Harbor Department's storage yard, located at 1620 Embarcadero.

Also, at the June 26 City Council meeting, Council adopted Resolution No. 49-18 approving a new 32-year master lease agreement between the City of Morro Bay and THMT, Inc., for lease site 122-123/122W-123W, and extension of 122W-123W, located at 1205 Embarcadero (Harbor Hut Restaurant).

Furthermore, at the June 26 City Council meeting, Council adopted Resolution Nos. 51-18 and 52-18, making the necessary findings to deny both appeals and uphold the Planning Commission approval of Amendment No. A00-054 to Conditional Use Permit (UPO-284) for Virg's Landing kiosk located at 1001 Front Street.

At the regular July 10 City Council meeting, Council adopted Resolution No.58-18 approving amendment No. 2 to the new master lease agreement between the City of Morro Bay and Boatyard LLC for lease site 89/89W, located at 845 Embarcadero, and commonly known as "The Boatyard."

Also, at the July 10 City Council meeting, Council approved installation of two additional fire pits in the North Morro Bay Rock parking lot. Attachment 2 to this report is a photo of one of the new pits.

Fishing Front:

Commercial and recreational Dungeness crab fishing season ended June 30. Much of the local fleet is now up fishing albacore off the Oregon Coast.

Upcoming Events:

8/7/18 National Night Out Day – community police awareness-raising event in the United States

8/11/18 10th Annual Zongo Cup <http://www.mbyc.net/zongo-yachting-cup/>

9/8/18 Avocado & Margarita Street Festival <https://avomargfest.com/>

9/7/18 3rd Annual Taste of the Grove <https://avomargfest.com/taste-of-the-grove/>

Status of Pending HAB Recommendations:

	HAB Recommendation	Date	Status
1	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

			<p>Parks to begin talks anew, and are acting accordingly before taking anything back to the Council.</p> <p>11/1/17. Staff have reached out to Parks to renew discussions.</p> <p>12/20/17. Spoke with office of Director for State Parks; tentative meeting set for week of January 8-12.</p> <p>2/13/18 Spoke with office of Director of Concessions office left message with assistant for our concession specialist to set up conference call. No response. 2/22/18 Called again left message. 2/23/18 new Parks concession specialist contacted department.</p> <p>4/23/18 Harbor Director email sent to Parks.</p> <p>4/27/18 Contacted Parks staff, discussions underway.</p> <p>5/17/18 Harbor Director met with Dan Falat, District Superintendent, regarding reviving discussions, putting concessions out to bid and prospects for City taking over operation and management of the marina.</p> <p>No new updates.</p>
2	Staff provide Council with modified sections of MBMC 15.24 (harbor sanitation) and develop environmental BMP's.	7/22/15	<p>Staff have incorporated this BMP effort into the ongoing Rules & Regs/MBMC updating project.</p> <p>11/1/17. Work ongoing; tentatively scheduled to come to HAB Feb or March 2018.</p> <p>1/18/18. Review at HAB 2/1/18 meeting item C7.</p> <p>4/27/18 Pending Council consideration.</p> <p>No new updates.</p>
3	City Council to approve issuance of the final draft Marine Services Facility/Boatyard Request for Qualifications document.	2/2/17	<p>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.</p> <p>7/27/17. No responses to RFQ.</p> <p>8/3/17. HAB meeting to consider next steps.</p> <p>11/3/17. Put together a RFP for a financial feasibility study to go to Council for approval.</p> <p>12/1/17. Draft proposal in process for HAB review 2/2018.</p> <p>12/18/17. Tentatively on Council agenda for 1/23/18 to lay out scope of work and get authorization for a financial feasibility study.</p> <p>1/18/18. Discussing at HAB meeting 2/1/18 during item C1.</p> <p>4/27/18 Working on draft RFP to go to Council. Tentatively on 6/26/18 City Council agenda for consideration of issuance.</p> <p>Tentatively on 8/28/18 City Council agenda for consideration of issuance.</p>
4	City to use a consultant to update the cost allocation plan, if feasible, if not, then direct staff to do an	6/1/17	<p>Approved Council Goal Objective Work Plan Item – Internal “gut check” Goal 1(e).</p> <p>11/2/17. On HAB agenda for process</p>

	internal check.		<p>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>1/18/18 Staff currently engaging in internal check. Staff met 3/2 with new Finance Director. Lighting issue “gut check” in Cost Allocation resolved in draft FY 18/19 budget.</p> <p>4/13/18 issued RFP for Comprehensive Fee Study & Cost Allocation Plan – closes 5/11/18. Multiple proposals received; have gone through initial staff review and evaluation. Interviews of top candidates pending in first half of June.</p> <p>Tentatively on 8/14/18 City Council agenda to award contract for comprehensive fee study.</p>
5	City to share tax revenues that are collected in the Harbor fund (and not currently going to the Harbor Fund) and used for Harbor Capitol maintenance and improvements.	6/1/17	<p>Pending until a new Finance Director and City Manager are in place.</p> <p>10/30/17. Per the SLC it is normal for these taxes to go into the City’s General municipal funds.</p> <p>4/5/18 – Chair Reisner requesting City Manager to provide a memorandum on this item.</p> <p>No new updates.</p>
6	City Council to include proposed eelgrass language into General Plan/Local Coastal Plan updates, and to review the proposed outline for the eelgrass policy to decide if the elements are appropriate.	6/7/17	<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>12/1/17. Update to HAB on 12/7/17 on revised consultant contract scope of work.</p> <p>12/18/17. Draft eelgrass consultant agreement submitted to legal for review and approval.</p> <p>1/18/18 executed contract with Anchor QEA.</p> <p>4/27/18 Anchor QEA beginning project.</p> <p>4/25/18 Eelgrass Ad-Hoc committee met with Anchor QEA reps in Morro Bay</p> <p>Draft Anchor QEA eelgrass mitigation report on HAB agenda for consideration 8/2/18.</p>
7	<p>Incorporate Working Waterfront land area and uses into General Plan/Local Coastal Plan updates.</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>	6/1/17	<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>12/18/17.</p> <p>1/11/18 PC/HAB joint meeting, recommendations made to GPAC.</p> <p>4/27/18 Pending GPAC action.</p> <p>No new updates.</p>
8	Paid parking be established on and around the Embarcadero, and recommended list of issues to be addressed when considering establishment of same.	7/6/17	<p>7/18/17 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> <p>11/7/17. Discussed at the Planning Commission Meeting.</p> <p>12/1/17. Per CD Director also discussed with PWAB and tentatively going to Council in Jan or Feb 2018 for direction.</p> <p>12/19/17. Per CD Director PC and Council will be provided with HABs recommendations.</p> <p>4/27/18. Pending consideration by PC and Council.</p> <p>No new updates.</p>

ATTACHMENTS

1. Morro Bay Advisory Board Vacancy Notice
2. Photo of new fire pits installed at the Rock



CITY OF MORRO BAY

CITY HALL

595 Harbor Street
Morro Bay, CA 93442

LOCAL APPOINTMENT LIST NOTICE OF CURRENT UNSCHEDULED ADVISORY BOARD VACANCIES

The following is a list of all boards and commissions with current vacancies; members of which who serve at the pleasure of the City Council, along with qualifications for each position:

	<u>Date of last Appointment</u>	<u>Date Term Expires</u>
<u>HARBOR ADVISORY BOARD (2 positions)</u>		
Vacant – Member-at-Large	02-01-17	01-31-21
Vacant – Waterfront Leaseholder	02-01-15	01-31-19

The Harbor Advisory Board consists of seven (7) members, four of which must be qualified electors of the City of Morro Bay. The City Council will attempt to select members from the following categories:

- Morro Bay Commercial Fishermen’s Association;
- Waterfront Leaseholders;
- Marine-oriented Business;
- Recreational Boating; and
- Three (3) Members-At-Large

The Harbor Advisory Board is charged to review, advise and recommend to the City Council on items pertaining to the City’s harbor. These include, but are not limited to use, control, promotion and operation of vessels and watercraft within the harbor; docks, piers, slips, utilities and publicly-owned facilities as part of the City’s harbor; and water commerce navigation, or fishery in the harbor.

The Harbor Advisory Board meets on the first Thursday of each month at 6:00pm in the Veterans Memorial Building.

VISIT SAN LUIS OBISPO COUNTY (VSLOC) BOARD OF DIRECTORS

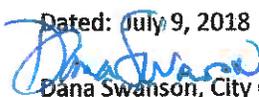
The City is also seeking applications to appoint one (1) representative from a Morro Bay lodging establishment to fulfill the remainder of a 3-year term on the VSLOC Board of Directors, a nonprofit corporation, which serves as the Owners’ Association for the San Luis Obispo County Tourism Marketing District (SLOCTMD).

Vacant – Lodging Representative	05-23-17	06-20-20
---------------------------------	----------	----------

The VSLOC Board of Directors meets the 3rd Wednesday, every other month from 8:30 – 10:00 a.m. at various locations.

For additional information regarding the above upcoming vacancies on any of the boards or commissions, please contact Dana Swanson, City Clerk at dswanson@morrobayca.gov or call 772-6205. All vacancies will be advertised locally, and applications are being accepted through Friday, August 10, 2018.

Dated: July 9, 2018


Dana Swanson, City Clerk



CITY OF MORRO BAY ADVISORY BOARD APPLICATION

FULL NAME: _____

ADDRESS: _____

MAILING ADDRESS: _____

(If different)

PHONE NO. _____

E-MAIL ADDRESS: _____

**Please note this application is a public record that
may be disclosed to the public upon request.**

Are you a registered voting resident of the City of Morro Bay? Yes No

I would like to be considered for appointment to the following Commission/Advisory Board/Committee and have provided a statement of background and interests, which I believe qualify me for consideration:

Harbor Advisory Board

Member-at-large

Waterfront Leaseholder

Representative to Visit San Luis Obispo County (VSLOC) Board of

Directors – Lodging Representatives Only

I have read the statement regarding the responsibilities of this Commission, Advisory Board, Committee, and should I be appointed, I will be able and willing to devote the necessary time to perform the required duties.

(Signature)

(Date)

All appointees to a City Commission, Advisory Board, or Committee will be required, in accordance with State law to file a "Statement of Economic Interest Form 700" which remains available for public inspection.

Application Deadline: Friday, August 10, 2018 at 5pm

Applicants should be present in order to be interviewed by the City Council.
Interviews will be held mid- to late-August



HARBOR DEPARTMENT LIFEGUARD

LIFEGUARD OFF DUTY

KEEP OFF

LIFEGUARD TOWER

Sponsored by Friends of the Harbor Department
www.harbordep.org

WOODEN BENCH

Concrete bench with informational plaque

Circular concrete fire pit

Concrete bench with informational plaque



AGENDA NO: C-1

MEETING DATE: August 2, 2018

Staff Report

TO: Harbor Advisory Board

DATE: July 26, 2018

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 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: August 2, 2018

Staff Report

TO: Harbor Advisory Board

DATE: July 24, 2018

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: August 2, 2018

Staff Report

TO: Harbor Advisory Board

DATE: July 24, 2018

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities, and Review, Input and Recommendation of Anchor QEA's Draft Morro Bay Conceptual Eelgrass Plan

RECOMMENDATION

Receive and file committee report, and provide input and recommendation on the draft Morro Bay Conceptual Eelgrass Plan produced by consultant Anchor QEA.

DISCUSSION

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

In addition, Anchor QEA, under consultant contract with the City, has completed their work on conceptual eelgrass mitigation plan approaches for Morro Bay, and has produced a draft report recommending a process by which a true Morro Bay-specific eelgrass mitigation plan could be developed to assist the City and waterfront businesses and other stakeholders better manage and mitigate impacts to eelgrass due to waterfront development. Their report is essentially what Anchor, in their professional opinion, believes is the most likely roadmap to success in taking a more user-friendly, and less costly, approach to eelgrass management and mitigation in Morro Bay.

Staff request the Harbor Advisory Board review and provide input and recommendation on Anchor's report (Attachment 1 to this report), including taking input from the public and Eelgrass Ad-Hoc committee.

ATTACHMENT

1. Draft City of Morro Bay Conceptual Eelgrass Plan from Anchor QEA.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

Memorandum

June 19, 2018

To: Eric Endersby, Harbor Manager, City of Morro Bay
From: Jack Malone, PhD, and Adam Gale, Anchor QEA, LLC
Re: City of Morro Bay Conceptual Eelgrass Plan

Introduction

The City of Morro Bay (City) must balance a variety of commercial, public, and recreational uses along the waterfront and in the bay with management of natural resources. The City's waterfront supports a variety of coastal-dependent uses including recreation, public access, commercial and recreational fishing, mariculture, public safety, education, and research. Morro Bay serves as an important harbor of refuge and is the base of operations for local and federal public safety operations by the Morro Bay Harbor Patrol and the U.S. Coast Guard. The bay also supports a wide variety of shore- and water-based public recreation.

Maintenance, renovation, or new development projects by the City or commercial tenants along the waterfront or in the bay undergo local, state, and federal review, and addressing potential impacts to eelgrass (*Zostera marina*) has become increasingly difficult and time consuming. Project proponents must navigate several levels of agency review and comply with environmental regulations and policies from multiple agencies. This memorandum provides a brief summary of typical projects, important environmental regulations and policies pertinent to eelgrass, a conceptual plan to address typical eelgrass impacts in the bay, and potential next steps to develop and implement the plan.

Background

Typical waterfront projects include replacement of existing docks and associated infrastructure or renovation or construction of overwater structures such as walkways or gangways. These projects may result in changes in infrastructure configuration or increases in the size of structures to meet increased demand for slips or to comply with current navigation, safety, design standards, building codes, and access (such as the Americans with Disabilities Act) requirements. In some cases, design and access requirements may conflict with requirements to avoid and minimize environmental impacts, leaving project proponents in an untenable position.

In a typical year, several of the projects proposed along the Morro Bay waterfront have the potential to affect eelgrass by shading or direct removal. The potential impacts are typically small—less than 10 square meters—but any impacts to eelgrass are a source of concern because of its decline in the bay. Since 2007, eelgrass has decreased more than 90% in the bay. In 2007, mapping by the Morro Bay National Estuary Program (MBNEP) documented 344 acres of eelgrass in the bay, while surveys

in 2013 and 2015 measured less than 20 acres of eelgrass (MBNEP 2017). Recent MBNEP surveys suggest that the eelgrass acreage has remained relatively unchanged since 2013. The causes of the decline in eelgrass are being investigated, and research suggests that the decline is likely due to multiple factors including excess sedimentation, increasing water temperatures, and lower levels of dissolved oxygen in the bay (MBNEP 2017). Eelgrass research in the bay, led by the MBNEP and Cal Poly, San Luis Obispo, is ongoing, and substantial efforts are being made to understand the causes of the decline and potential opportunities and methods to restore eelgrass. However, the regulatory and resource agencies, including the California Coastal Commission (CCC), U.S. Army Corps of Engineers (USACE), and National Marine Fisheries Service (NMFS), remain very concerned about any potential impacts to eelgrass in Morro Bay.

Agency concerns combined with the complicated permitting process and eelgrass survey requirements have resulted in a high level of uncertainty, long timelines, and high costs for proposed waterfront development projects. In an attempt to avoid impacts to eelgrass, project proponents are often caught in a cycle of costly eelgrass surveys and project design changes. Typically, project proponents commission a reconnaissance-level eelgrass survey to support the permitting process, and then a more comprehensive and detailed pre-construction survey is required within 30 days of construction. As eelgrass beds shift or change in size naturally over time between surveys, the project proponent is forced to modify the project design to avoid the eelgrass.

While it is appropriate first to avoid impacts to natural resources before minimizing and finally mitigating for unavoidable impacts, because of the sensitivity regarding eelgrass in the bay, project proponents are pressured to avoid eelgrass impacts at all costs. Traditional permittee-responsible eelgrass mitigation, in which the permittee is responsible for developing and implementing a mitigation plan and then monitoring and protecting the mitigation site, is viewed as undesirable by the agencies and expensive and risky by project proponents. Because there are no other eelgrass mitigation options available in Morro Bay, project proponents with waterfront projects with the potential to affect eelgrass find it very difficult and time consuming to obtain permits and may be forced to agree to perform permittee-responsible eelgrass mitigation with a low likelihood of success.

Eelgrass and Mitigation Regulations and Policies

A variety of local, state, and federal environmental regulations and policies pertain to eelgrass impacts and mitigation. The two most important policies and regulations are the *U.S. Army Corps of Engineers' Compensatory Mitigation for Losses of Aquatic Resources; Final Rule* (73 Fed. Reg. 19594) and the *California Eelgrass Mitigation Policy and Implementing Guidelines* (CEMP; NOAA 2014).

Compensatory Mitigation for Losses of Aquatic Resources

Compensatory mitigation for projects requiring permits from the USACE under the Clean Water Act or Rivers and Harbors Act of 1899 is governed by the USACE's 2008 compensatory mitigation

regulations (Mitigation Rule). The Mitigation Rule establishes standards and criteria for compensatory mitigation, including permittee-responsible mitigation, in-lieu fee mitigation, and mitigation banks. The Mitigation Rule describes requirements for all phases of compensatory mitigation, including development of mitigation plans and documentation, ecological performance standards, mitigation monitoring and management, and long-term mitigation site protection.

The Mitigation Rule states that a spatially appropriate approach to mitigation should be pursued in marine environments, to the extent practical. This approach emphasizes the importance of a landscape approach to aquatic resource functions in a changing environment and the habitat requirements of important species. Within the appropriate area, the Mitigation Rule presents a hierarchy of preference for mitigation, with mitigation banks the preferred approach, in-lieu fee programs the next preferred approach, and permittee-responsible mitigation the least preferred approach. Mitigation banks and in-lieu fee programs typically result in more successful mitigation through larger, more ecologically important projects. Both approaches rely on a sponsor to develop and implement detailed plans, monitor and manage the mitigation sites, and comply with reporting requirements. Significant time, expertise, and funding are required to establish mitigation banks and in-lieu fee programs. For marine areas in California, establishing a bank or in-lieu fee program would take several years and several hundred thousand dollars.

Permittee-responsible mitigation is viewed as riskier and less ecologically beneficial than mitigation banks and in-lieu fee programs because it relies on individual permittees to implement small mitigation projects on a case-by-case basis rather than relying on a large-scale programmatic mitigation approach. Permittee-responsible mitigation may be pursued in a regional approach and may include in-kind, on-site mitigation or off-site or out-of-kind mitigation. If a regional mitigation approach targeting the lost ecological functions is not practicable, the preference is typically for in-kind, on-site mitigation rather than off-site or out-of-kind mitigation. However, in many cases, in-kind, on-site mitigation may not be possible or may have a lower likelihood of success than off-site or out-of-kind mitigation. Because the goal of mitigation is to replace lost ecological functions, flexibility may be used in evaluating mitigation opportunities for individual projects.

California Eelgrass Mitigation Policy

Eelgrass management in California is largely driven by the NMFS's CEMP, which was finalized in October 2014. The CEMP provides policy guidance on all aspects of eelgrass mitigation, including survey methods and timing, regional mitigation ratios, mitigation options, in-kind mitigation site performance standards, and relevance to the USACE's compensatory mitigation regulations. The policy emphasizes no net loss of eelgrass habitat function in California and recommends that avoidance and minimization of impacts to eelgrass be pursued to the maximum extent practicable before mitigation for unavoidable impacts is pursued.

The CEMP states that NMFS supports the development of comprehensive management plans (CMPs) that protect eelgrass within the context of broader ecosystem needs and management objectives for

a local area and that CMPs may be most appropriate where similar projects may result in incremental and recurrent impacts to a small proportion of local eelgrass populations over time. The CEMP provides examples of potential mechanisms for CMPs, including programmatic permits, special area management plans, harbor plans, or ecosystem-based management plans. Furthermore, the CEMP states that recommendations different from in-kind mitigation may be appropriate when a CMP provides local population-level protection to eelgrass. The CEMP advises that NMFS should be involved in development of CMPs. Two eelgrass CMPs have been developed in California following publication of the CEMP.

Existing Eelgrass Comprehensive Management Plans

The City of Newport Beach developed the *Eelgrass Protection and Mitigation Plan for Shallow Waters in Lower Newport Bay: An Ecosystem-Based Management Approach* (Newport Beach Eelgrass Plan), which was approved in 2015 (City of Newport Beach 2015). The plan relies on data from many years of biannual bay-wide eelgrass surveys that provide a long-term understanding of the local dynamics of eelgrass population changes in Lower Newport Bay and addresses impacts to eelgrass within a defined area where maintenance dredging may occur. The Newport Beach Eelgrass Plan is complemented by a maintenance dredging permitting program called Regional General Permit (RGP) 54 that delegates most management and oversight of routine maintenance dredging projects to the City of Newport Beach. The Newport Beach Eelgrass Plan is implemented through RGP 54, which provides an enforceable programmatic permit mechanism for addressing eelgrass management under the plan.

The Humboldt Bay Harbor Recreation and Conservation District recently released the *Humboldt Bay Eelgrass Comprehensive Management Plan* (Humboldt Bay Harbor, Recreation, and Conservation District 2017). This plan discusses the ecology of eelgrass in Humboldt Bay in detail and includes recent eelgrass survey data. The plan describes the recreational and commercial activities in Humboldt Bay and discusses the ways that they could potentially impact eelgrass. The standard regulatory process for evaluating potential impacts to eelgrass is described, and the plan includes a short set of questions to help project proponents to determine whether their project may affect eelgrass. The plan does not include a programmatic mechanism to address eelgrass impacts and mitigation, leaving project proponents responsible for their own eelgrass mitigation, if required. The recent eelgrass survey data included as part of the plan may help project proponents in the planning stages of projects, but standard surveys and mitigation pursuant to the CEMP are still required. The Humboldt Bay Recreation and Conservation District does not have a programmatic permit associated with its CMP like the City of Newport Beach does.

Even though Morro Bay's eelgrass population dynamics differ greatly from these other areas, their plans provide examples of site-specific management plans that have been developed pursuant to the CEMP. Development of eelgrass management plans requires technical studies and eelgrass survey data. To be effective, the plans must provide an effective programmatic approach to eelgrass

mitigation so that project proponents are not forced to implement permittee-responsible mitigation for every project. While there is no “one-size-fits-all” CMP for all harbors and bays in California, given the relatively small size of typical projects and associated eelgrass impacts in Morro Bay, it may be possible to develop a focused eelgrass mitigation approach that would provide effective eelgrass mitigation options and a more streamlined regulatory review process.

Conceptual Eelgrass Plan for the City of Morro Bay

After discussions with City staff and stakeholders in Morro Bay, Anchor QEA has developed a conceptual approach to managing eelgrass mitigation. The conceptual approach would need to be reviewed by the City and stakeholders and modified as appropriate to best meet their needs and to be protective of eelgrass.

To increase the effectiveness of eelgrass mitigation in the bay, the City could work with the MBNEP to develop a programmatic Morro Bay Eelgrass Mitigation Plan (Plan) that would include a variety of high-priority eelgrass restoration projects and activities. The restoration projects and activities in the Plan would be designed to provide the greatest ecological benefit to Morro Bay and a higher chance of success than permittee-responsible mitigation. The Plan would include sufficient detail about the projects to satisfy Mitigation Rule and CEMP requirements for eelgrass restoration. The Plan would be developed in coordination with the resource and regulatory agencies so that it meets their needs as well as the needs of project proponents.

Project proponents would work directly with the MBNEP to identify appropriate restoration projects to offset the loss of eelgrass functions that would result from their projects. During the permit application process, project proponents would describe the potential eelgrass impacts and include correspondence with the MBENP outlining the restoration projects that would be implemented to offset the impacts. The selection of restoration project(s) would be commensurate with the potential impacts to eelgrass. Project proponents would pay for implementation, annual monitoring, and management for the restoration projects that would be implemented by the MBNEP. To make the process efficient, a single annual monitoring report covering all the restoration sites used for mitigation could be prepared by the MBNEP. The reports would describe the monitoring results for the individual restoration sites associated with each development project and any adaptive management actions taken. Although the MBNEP would implement the projects, the project proponents would retain responsibility for success of the projects at the end of the 5-year monitoring period, and funding remedial restoration activities if required to meet success criteria.

This approach would save project proponents substantial time and money because the Plan would be available and approved by the agencies prior to submittal of their applications. Project proponents would not need to develop their own individual mitigation plans for review and approval by the agencies, and they would not need to implement the projects on their own. The likelihood of restoration project success would be increased because the projects would be identified and

implemented by the MBNEP as part of their bay-wide restoration efforts. The Plan would support a holistic approach to eelgrass restoration in the bay that would be more effective in mitigation loss of eelgrass functions than individual permittee-responsible mitigation projects. The Plan would also allow flexibility in implementing a variety of restoration projects and activities throughout the bay, rather than being restricted to small permittee-responsible eelgrass mitigation projects that may not be in the most suitable locations.

The regulatory and resource agencies would be involved in development of the Plan, but it would need to be associated with a "project" to facilitate regulatory agency approval. For example, the CCC requires that plans or agreements be associated with a Coastal Development Permit for staff to present it to the Commissioners for approval. One option that would satisfy this requirement would be for the City to include the Plan with an application for a City project with the potential to impact eelgrass. The City would fund one of the Plan's restoration projects if required to mitigate for impacts to eelgrass and include the Plan and a discussion of the way that it would be used for other projects in Morro Bay. The USACE and Regional Water Quality Control Board would also likely accept this approach, and they have been amenable to reviewing and approving similar plans, even if they are not associated with a specific permit action. The Plan could also be implemented through a programmatic permit developed for typical, recurring projects in Morro Bay if the agencies and City agree that this is a better approach.

Prior to engaging the resource and regulatory agencies, the scope and details of the Plan would need to be developed in greater detail between the City and the MBNEP to define roles and responsibilities that maximize the value of the plan to the stakeholders. One way the City could facilitate success of the Plan would be to assist in funding annual or biannual bay-wide eelgrass surveys. These surveys would provide valuable information to agencies, researchers, and project proponents, who could use the survey data for project planning purposes. The surveys could be used to provide the annual restoration site monitoring data that would be required by the agencies to track project performance.

Simple, low-cost measures such as deploying eelgrass seed bags from docks or buoys could be implemented by project proponents as an additional restoration effort. Because the eelgrass seeds are dispersed by currents, it would be difficult to attribute eelgrass growth to a specific seed bag, but this method could contribute to the overall restoration of eelgrass functions in Morro Bay and would make the Plan more attractive to the agencies during their review. Including a range of restoration projects and activities in the Plan would provide options for project proponents and allow flexibility in addressing project-specific impacts. The Plan should include an adaptive management approach so that the MBNEP, with input from biologists and technical experts, can adapt the restoration projects and activities to the changing bay environment. As researchers develop a better understanding of the factors affecting eelgrass in Morro Bay, there would be opportunities to identify new and different priorities for restoring eelgrass in the bay. The Plan would need to be updated to reflect the most current research. This adaptive management approach could be

proposed as part of the Plan, with updates on adaptive management activities presented in annual reporting. Additionally, as restoration projects are completed, the Plan would need to be updated to identify new restoration projects and activities.

Developing the Plan based on this conceptual approach to eelgrass mitigation would be relatively inexpensive compared to alternatives like establishing an eelgrass mitigation bank or an in-lieu fee program and would likely require substantially less time. This approach also avoids the need for a sponsor to accept responsibility for success of the restoration projects, which would remain with the project proponents. The MBNEP has extensive experience with eelgrass restoration and monitoring in Morro Bay and maintains trusted relationships with agency staff and technical experts. A partnership between the City and the MBNEP would leverage the experience of both entities to develop an eelgrass plan that meets the needs of project proponents and provides the most efficient approach to increasing eelgrass in Morro Bay. Although project proponents would still be required to fund the eelgrass restoration activities under the Plan, the cost, time, and uncertainty associated with eelgrass mitigation would be reduced compared to permittee-responsible mitigation.

Next Steps

If the City and the MBNEP elect to pursue development of this Plan, the first step would be to develop a framework of the different project elements, assign potential costs, and define roles and responsibilities. The City and MBNEP would need to agree on the roles, responsibilities, and costs before committing additional resources to Plan development. Table 1 outlines potential roles and responsibilities for the Plan.

Table 1
Morro Bay Eelgrass Plan Elements and Responsibilities

Project Element	Responsibility	Notes
Plan Development	City, with technical input from MBNEP to identify potential restoration projects and activities	Collaborative effort between City and MBNEP, including regulatory and resource agency consultation.
Plan Implementation	City coordinates with project proponent, and MBNEP implements restoration efforts	MBNEP to identify costs and contracting mechanism with project proponents.
Annual Monitoring	MBNEP, City, and project proponent	Costs to be partially paid by applicants to cover annual monitoring commensurate with restoration effort. City could contribute to annual or biannual eelgrass surveys.
Annual Reporting	MBNEP and City	MBNEP to prepare a single annual report that covers all restoration activities, adaptive management, and other information required in the permitting process.

Project Element	Responsibility	Notes
Adaptive Management	MBNEP and City	Adaptive management of restoration projects would be implemented based on bay-wide and site-specific eelgrass trends, new technologies, scientific research, and agency input.
Plan Oversight and Management	City	

Once the framework is established, we recommend a meeting with the regulatory and resource agencies to discuss the conceptual Plan and obtain their input. At the conceptual stage, agency staff will likely provide general comments, and the goal of the communications at this stage would be to identify any significant flaws or suggestions that would improve the Plan.

Following the agency meetings, a Draft Plan incorporating agency input would be developed by the City and the MBNEP. Coordination with major stakeholders would be very important during development of the Draft Plan, to build support for the plan and make sure that it addresses their needs.

Once the Draft Plan is completed, it should be submitted to the agencies for their review and comment. Once agency comments are addressed, a Final Plan would be prepared. Some agencies may be willing to review and approve the Plan for implementation at this stage, while others—like the CCC—may require that the Plan be submitted in conjunction with a permit application for their official review and approval. If required, the Plan could be submitted as part of a project application for a City project with a statement that the Plan would be available for use by anyone in Morro Bay.

It is difficult to predict the timeline for development of plans like this one that require review and approval from multiple agencies and input from stakeholders. To be effective, the Plan will need to include a detailed list of potential eelgrass restoration projects and activities and monitoring and management plans. Because of these uncertainties, if the City and MBNEP decide to pursue development of the Plan, a schedule and milestones should be developed after the initial agency meetings.

References

- City of Newport Beach, 2015. *Eelgrass Protection and Mitigation Plan for Shallow Waters in Lower Newport Bay: An Ecosystem-Based Management Approach*. October 2015.
- Humboldt Bay Harbor, Recreation, and Conservation District, 2017. *Humboldt Bay Eelgrass Comprehensive Management Plan*. October 2017.
- MBNEP (Morro Bay National Estuary Program), 2017. *State of the Bay 2017 A Report on the Health of the Morro Bay Estuary*.
- NOAA (National Oceanic and Atmospheric Administration), 2014. *California Eelgrass Mitigation Policy and Implementing Guidelines*. October 2014.



AGENDA NO: C-4

MEETING DATE: August 2, 2018

Staff Report

TO: Harbor Advisory Board

DATE: July 24, 2018

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: August 2, 2018

Staff Report

TO: Harbor Advisory Board

DATE: July 24, 2018

FROM: Eric Endersby, Harbor Director

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

RECOMMENDATION

Receive and file.

DISCUSSION

The Working Waterfront 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-6

MEETING DATE: August 2, 2018

Staff Report

TO: Harbor Advisory Board

DATE: July 27, 2018

FROM: Eric Endersby, Harbor Director

SUBJECT: Oral Update on Status of Various Waterfront Lease Site Projects and Negotiations, Lease Site Management Activities and Harbor Department Capital Projects

RECOMMENDATION

Receive and file.

DISCUSSION

The Harbor Director will be presenting an oral update and brief question-answer session on the following items:

Status of Lease Site Projects and Negotiations on:

- Lease Site 34W (The Wharf) – lease expiring 12/31/18
- Lease Site 37W (Meyer's Morro Bay Marina) – lease expired, on holdover.
- Lease Site 62/62W (Kayak Horizons) – lease expiring 9/30/18
- Lease Site 63-64/63W-64W (Gray's Inn) – lease expiring 9/30/18
- Lease Site 69-70/69W-70W (Morro Bay Aquarium) – lease expiring 9/30/18
- Lease Site 86/86W (Libertine Pub) – lease expiring 9/30/18
- Lease Site 87-88/87W-88W (formerly Off the Hook) – on interim lease, pending redevelopment
- Lease Site 89/89W (The Boatyard) – failing seawall
- Lease Site 90/90W (Otter Rock Café) – sale and remodel pending
- Lease Site 102/102W (Giovanni's Central Coast Seafoods) – lease expiring 9/30/18
- Lease Site 140 (US Coast Guard) – Coast Guard building expansion plans

Status of Lease Site Management Activities on:

- Updating the City's Tidelands Trust Lease Management Policy
- 5-Year Lease Site percent gross of sales financial audits
- 5-Year Lease Site maintenance and repair inspections

Status of Harbor Department Capital Projects on:

- Beach Street slips replacement
- Launch Ramp renovation

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____