

PRESENT:	Jamie Irons	Mayor
	Robert Davis	Council Member
	John Headding	Council Member
	Matt Makowetski	Council Member
	Marlys McPherson	Council Member
STAFF:	Scott Collins	City Manager
	Joseph Pannone	City Attorney
	Dana Swanson	City Clerk
	Jennifer Callaway	Finance Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Steve Knuckles	Fire Chief
	Eric Endersby	Harbor Director
	Eric Casares	WRF Program Manager (Carollo Engineering)

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 COUNCIL MEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/mmyl1CdL7Fs?t=2m28s>

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/mmyl1CdL7Fs?t=5m26s>

PRESENTATIONS

- Community Choice Energy (CCE) Update by Chris Read, City of San Luis Obispo
<https://youtu.be/mmyl1CdL7Fs?t=6m47s>
- Dynege Presentation Regarding Pipeline Removal by Michael Sandler, Project Manager
<https://youtu.be/mmyl1CdL7Fs?t=14m52s>

PUBLIC COMMENT

<https://youtu.be/mmyl1CdL7Fs?t=25m27s>

Nancy Castle provided an update on Monday Night Meals held weekly at the Veterans Hall, which to date has served 16,270 people. She appreciated the organizations and businesses who contribute their time and resources.

Judy Salamacha, Morro Bay, thanked the City for their support of the SLO County Human Trafficking Summit to be held September 15, 2018, from 8:30am to 2:00pm at the Community Center. For more information visit www.sloagainsthumantrafficking.eventbrite.com.

Bob Swain, Morro Bay, extended thanks to the Council and staff for their work getting City moving into the future and stated his support for the WRF Project.

John Weiss, Morro Bay resident and business owner, announced his candidacy for Mayor and stated his support for public safety, the Maritime Museum, Natural History Museum, waterfront and Historical Society. He also promised to take a thoughtful look at plans and costs for the sewer and reclamation project.

Glenn Silloway, Morro Bay, compared Cayucos rates for an average water user of \$191.80 to Morro Bay projected rates of \$191.00.

Jan Der Garabedian, Los Osos, stated she previously shared concerns about trees that line Main Street and had fallen during the Farmer's Market. She added dogs being allowed at the Farmer's Market presented safety concerns.

Anne Marie Schnetzler, Morro Bay, requested the Council pull Item A-5, a contract with Michael Baker, for further discussion.

Cynthia Hawley read letter from Morro Bay Action Team recommending the Council re-send Prop. 218 notices to all property owners and rate payers announcing the new hearing date.

Renn Strong spoke regarding 5G towers, smart meters, and lymphoma concerns.

Karen Aguilar, Morro Bay resident and Morro Bay Beautiful Board Member, shared information and photos of the projects completed the past year. The group welcomes community support and contributions. Please visit www.morrobaybeautiful.org for more information.

Anthony Tiglio asked for assistance with the permit process to replace his home lost in a recent fire.

Betty Winholtz, Morro Bay, spoke to Item A-5, expressing concern the proposed contract amendment was being approved on the Consent Agenda without further discussion. Regarding Item B-1, she objected to the statement of overriding concerns and didn't believe the EIR was ready to be certified and approved.

Marla Jo Sadowski, Home Front Morro Bay, was concerned with environmental justice issues and policies related to the ESHA maps prepared for the GP/LCP.

Terry Simons, Morro Bay, alerted the harbor master the steel pipe being removed by Dynegy may be of use for harbor pilings.

The Public Comment period was closed.

A. CONSENT AGENDA
<https://youtu.be/mmyl1CdL7Fs?t=1h7m10s>

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 JUNE 13, 2018 CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE JUNE 23, 2018, COMMUNITY WORKSHOP; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE JULY 9, 2018, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF MINUTES FOR THE JULY 26, 2018, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 APPROVAL OF AMENDMENT NO. 5 TO CITY'S CONTRACT WITH MICHAEL BAKER, INTERNATIONAL FOR CONSULTING SERVICES FOR THE GENERAL PLAN/LOCAL COASTAL PROGRAM AND ZONING CODE UPDATE; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Council authorize the City Manager to execute Amendment No. 5 to the agreement with Michael Baker International, in the amount of \$23,053.00 for completion of the comprehensive update of the City's General Plan/Local Coastal Program and Zoning Code.

A-6 RECEIPT OF THIRD QUARTER INVESTMENT REPORT (PERIOD ENDING MARCH 31, 2018) FOR FISCAL YEAR 2017/18; (FINANCE)

RECOMMENDATION: Receive the attached Third Quarter Investment Report (period ending March 31, 2018) for Fiscal Year 2017/18.

A-7 AUTHORIZATION FOR SOLE SOURCE PURCHASE OF A FIRE ENGINE PUMPER FROM PIERCE MANUFACTURING AND RECOMMENDED BUDGET ADJUSTMENTS; (FIRE)

**RECOMMENDATION:
Council**

- 1. Authorize the sole source purchase of an Arrow XT 1,500 GPM Fire Engine Pumper, from Pierce Manufacturing, in an amount not to exceed \$678,874, since it is the only fire engine manufacturer that can service all of Morro Bay's needs; and**
- 2. Authorize budget adjustments as detailed in Resolution No. 59-18 to support purchase of the fire engine with available cash.**

A-8 DESIGNATION OF VOTING DELEGATE AND ALTERNATE AT LEAGUE OF CALIFORNIA CITIES 2018 ANNUAL CONFERENCE BUSINESS MEETING AND AUTHORIZE THE VOTING DELEGATE TO APPROVE THE PROPOSED RESOLUTIONS; (CITY CLERK)

**RECOMMENDATION:
City Council:**

- 1. Select Mayor Pro Tem McPherson, as the voting delegate, and Council Member Heading, as the alternate voting delegate, for the upcoming annual business meeting to be held at the League of California Cities Annual Conference ; and**
- 2. Authorize the Voting Delegate(s) to approve the proposed Resolutions provided as Attachment B.**

- A-9 ADOPTION OF RESOLUTION NO. 60-18 ADVISORY BODIES HANDBOOK AND BY-LAWS AMENDING THE CITIZENS FINANCE ADVISORY COMMITTEE BY-LAWS; (CITY CLERK)

RECOMMENDATION: City Council adopt Resolution No. 60-18 amending the Advisory Bodies Handbook and By-Laws to reduce the term length for the Citizens Oversight Committee Acting in the Capacity of a Citizens Finance Advisory Committee (“Committee”) from six years to four, in accordance with Ordinance No. 614, and modify the Committee’s duties and responsibilities to include review of routine quarterly financial reports.

- A-10 AMENDMENT NO. 1 TO THE CURRENT AGREEMENT FOR JOINT CONSTRUCTION AND FINANCING COSTS FOR AN ANIMAL SERVICES SHELTER; (CITY MANAGER)

RECOMMENDATION: Council authorize the City Manager to approve Amendment No. 1 to the Agreement for Allocation of Construction and Financing Costs for an Animal Services Shelter.

- A-11 APPROVAL OF AMENDMENT NO. 3 TO CITY’S CONTRACT WITH MIKE BRANNAGAN (TERRA SOLUTIONS) FOR CONSULTING SERVICES FOR ARCGIS SERVER MAINTENANCE AND FOR OVERALL GIS DATA MANAGEMENT; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Council authorize the City Manager to execute Amendment No. 3 to the agreement with Mike Brannagan (Terra Solutions), in the amount of \$60,000, for maintenance of the City’s ArcGIS server and management of City Geographic Information System (GIS) data.

The public comment period for the Consent Agenda was opened.

Barry Branin, Morro Bay, thanked staff for additional information provided in the addendum for Item A-5 and asked if the City would be able to meet its contract requirements with Tri-W.

Nancy Bast, Morro Bay, spoke regarding A-5 stating she was unable to find the MOU in past agendas and the item should not have been placed on Consent.

Cynthia Hawley opposed Item A-5 as taking action to expand City limits without public input.

Steve Stevens, Morro Bay, spoke regarding Item A-5 and suggested it should be a public hearing item to minimize concern.

The public comment period for the Consent Agenda was closed.

Mayor Irons pulled Items A-5 and A-9. Council Members Heading and McPherson pulled Item A-7.

MOTION: Council Member McPherson moved the Council approve all items on the Consent Agenda with the exception of Items A-5, A-9 and A-7. The motion was seconded by Council Member Heading and carried unanimously, 5-0.

- A-5 APPROVAL OF AMENDMENT NO. 5 TO CITY’S CONTRACT WITH MICHAEL BAKER, INTERNATIONAL FOR CONSULTING SERVICES FOR THE GENERAL PLAN/LOCAL COASTAL PROGRAM AND ZONING CODE UPDATE; (COMMUNITY DEVELOPMENT)
<https://youtu.be/mmyl1CdL7Fs?t=1h16m44s>

Community Development Director Graham provided a brief report and responded to Council inquiries.

MOTION: Council Member Headding moved the Council approve Item A-5, and that's the approval of Amendment No. 5 to the City's contract with Michael Baker International for consulting services for the General Plan/Local Coastal Program and Zoning Code update. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

A-7 AUTHORIZATION FOR SOLE SOURCE PURCHASE OF A FIRE ENGINE PUMPER FROM PIERCE MANUFACTURING AND RECOMMENDED BUDGET ADJUSTMENTS; (FIRE)
<https://youtu.be/mmyl1CdL7Fs?t=1h35m7s>

Council Member Headding complimented the procurement process and noted the Citizens Finance Advisory Committee supported this sole source purchase.

MOTION: Council Member Headding moved for approval of Item A-7. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

A-9 ADOPTION OF RESOLUTION NO. 60-18 ADVISORY BODIES HANDBOOK AND BY-LAWS AMENDING THE CITIZENS FINANCE ADVISORY COMMITTEE BY-LAWS; (CITY CLERK)
<https://youtu.be/mmyl1CdL7Fs?t=1h36m58s>

Mayor Irons supported reducing the term from six years to four, but suggested the Council further discuss the roles of the Citizens Finance Advisory Committee (CFAC) and Council in an effort to streamline the amount of work CFAC does and reduce staff workload.

MOTION: Council Member Headding moved for approval of Item A-9. The motion was seconded by Council Member Davis.

Council Member McPherson commented when she served on the CFAC, the Committee was mindful to not accept responsibilities they couldn't take on, adding the policy says, "when possible" which allows that flexibility. The motion carried unanimously, 5-0.

The Council took a brief recess at 7:40 p.m. The meeting reconvened at 7:54 p.m. with all members present.

B. PUBLIC HEARINGS

B-1 CERTIFICATION OF THE FINAL ENVIRONMENTAL IMPACT REPORT (FEIR) PROJECT APPROVAL OF THE MORRO BAY WATER RECLAMATION FACILITY (WRF); ADOPTION OF RESOLUTION NO. 61-18; AND PROVIDE OTHER DIRECTION AS DEEMED APPROPRIATE; (COMMUNITY DEVELOPMENT/PUBLIC WORKS)
<https://youtu.be/mmyl1CdL7Fs?t=1h41m>

City Manager Collins introduced the item and turned it over to WRF Program Manager, Eric Casares, and Jennifer Jacobus from ESA, who provided the report and responded to Council inquiries.

Mayor Irons opened the public hearing.

Clerk Swanson confirmed notice of the public hearing was published in the SLO Tribune on August 3, 2018, as required by law.

The public comment period was opened.

Terry Simons, Morro Bay, stated he was fine with FEIR and staff report but felt the statement of overriding considerations impacts didn't address economic impacts to citizens of Morro Bay. He did not support approving the WRF project and directing staff to pursue necessary permits.

Aaron Ochs, Save Morro Bay, echoed support for Mr. Simons' comments, adding the FEIR didn't addresses project alternatives with same breadth and scope as the South Bay Blvd. site.

Dawn Addis, Morro Bay, thanked the City for its work with the Northern Chumash Tribal Council and asked Council to move forward with approval of Resolution No. 61-18.

Dan Sedley, Morro Bay, did not believe economic issues were adequately addressed.

Dawn Beattie, Morro Bay, expressed her support for the Council direction.

John Weiss, Morro Bay resident and business owner, stated closing one lane on Quintana could be catastrophic to businesses and less expensive projects should be considered.

Steve Stevens, Morro Bay, would have liked more information relative to the viability and feasibility of water recycling. He also was concerned tenants in the area will be impacted by rent increases.

Bob Keller, Morro Bay, recommended the City Council and staff move forward with WRF by adopting Resolution No 61-18.

Mayor Irons closed public comment and closed the public hearing.

The Council and staff responded to concerns raised during public comment.

City Attorney Pannone stated for the record he did not believe the comments that were made raised any new information, discussed any impacts that were not analyzed, or raised any issues that caused the FEIR to not be complete and sound as it is.

Council Member Headding suggested the following language be added as a bullet point on page 278 of the agenda packet (Exhibit C – Benefits of the Project), "Compliance with effluent water quality criteria and with SWRCB/CCRWQCB order."

Council Members expressed some concern regarding the statement of overriding considerations and potential impacts on cultural resources. They appreciated staff's efforts to work with the Northern Chumash Tribal Council and Caltrans to potentially relocate the pipeline to avoid the potentially impacted area.

Mayor Irons acknowledged the FEIR being certified has a route specified that could go through culturally sensitive areas and there are mitigation measures to address that, but the City will do everything it can to re-route that. Also, the City wants to work with Mr. Collins to select an archeological consultant but that is staff's final decision in making that selection. The rest of Council concurred with those comments.

Regarding all those statements relating to the potential impact on cultural resources, the Council concurred with Mr. Pannone's clarification the City was not saying it was committed to move forward with the WRF only if there are no impacts on those cultural resources, but was

recognizing, because there may be those impacts, the statement of overriding considerations was required and being adopted.

MOTION: Mayor Irons moved to certify the Final Environmental Impact Report for the Morro Bay Water Reclamation Facility, adopt Resolution No. 61-18, including the comments by Mr. Headding on page 278 of the staff report read into the record by the City Clerk, adding bullet point 7 that states, "Compliance with effluent water quality criteria and with SWRCB/CCRWQCB order." There was no second.

MOTION: Mayor Irons moved to adopt Resolution No. 61-18 and certify the final EIR, including the statements that were just read into the record. The motion was seconded by Council Member Davis.

RESTATED MOTION: Mayor Irons moved to adopt Resolution 61-18 with the statement that was read into the record, and that includes all a, b, c, and d of the recommendations that are in the staff report, which would be certifying the Final EIR, adopting the Findings of Fact, approving the WRF Project and directing the staff to obtain all necessary governmental permits. The motion carried 5-0 by roll call vote.

MOTION: Mayor Irons moved to direct the Public Works Director to sign and have filed a Notice of Determination with the San Luis Obispo County Clerk. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

C. BUSINESS ITEMS

C-1 RATIFICATION OF THE ADMINISTRATIVE ACTION TAKEN TO EXTEND THE PROPOSITION 218 PUBLIC HEARING DATE FOR THE PROPOSED WATER RECLAMATION FACILITY (WRF) SURCHARGE TO SEPTEMBER 11, 2018, OR LATER AS DEEMED APPROPRIATE BY THE COUNCIL; (CITY MANAGER/CITY ATTORNEY)
<https://youtu.be/mmyl1CdL7Fs?t=3h33m26s>

City Manager Collins presented the staff report and responded to Council inquiries.

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

Terry Simons, Morro Bay, disagreed Proposition 218 allows for administrative action to notice a hearing and asked staff to provide the number of protests needed.

Public Works Director Livick stated there are 5,610 parcels.

Dan Sedley, Morro Bay, stated many homeowners and ratepayers had not received ballots and the Prop. 218 process was not compliant.

Aaron Ochs, Save Morro Bay, addressed the comments by Mr. Headding and stood by his Bay News editorial as being factually accurate. He suggested the Prop 218 notice was not compliant.

Barry Branin, Morro Bay, thanked staff for their work getting new notices sent out but believed the hearing date should be established by the Council, not a decision made in its absence.

Jim Warner, Morro Bay, expressed concern about the process and stated he had not received a notice.

Steve Stevens, Morro Bay, discussed rate comparisons and asked for clarification on APN versus a. buildable lot.

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

Staff confirmed there are 5,610 parcels so 50% + 1 is 2,806. Mr. Pannone clarified only one protest will be counted for each parcel.

MOTION: Council Member Headding moved to approve staff recommendation for City Council to ratify the extension of the public hearing to the WRF surcharge, pursuant to Prop 218, to September 11, 2018. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/mmyl1CdL7Fs?t=4h10m54s>

Mayor Irons requested discussion of an ordinance prohibiting plastic straws. There was full Council support for this item.

Mayor Irons requested review of the strategic plan process to define public outreach efforts related to that process. There was full Council support for this item.

Council Member McPherson requested Council discussion of the Morro Bay Historical Society's plan to relocate the Thai Boat / Tognazzini's 3 for potential use as a Visitors Center. There was full Council support for this item.

E. ADJOURNMENT

The meeting adjourned at 10:28 p.m. The next Regular Meeting will be held on Tuesday, August 28, 2018, 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