



# 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, April 4, 2019  
Veteran's Memorial Building – 5:30 P.M.  
209 Surf Street, Morro Bay, CA**

Ron Reisner, Chair	Marine Oriented Business
Lynn Meissen, Vice Chair	Member at Large
Mark Blackford	Member at Large
Gene Doughty	South Bay/Los Osos
Cherise Hansson	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 not on the agenda may do so at this time. For those desiring to speak on items on the agenda, but unable to stay for the item, may also address the Board at this time.

Public comment is an opportunity for members of the public to provide input to the advisory body. To increase the effectiveness of the Public Comment Period, the City respectfully requests the following guidelines and expectations be followed:

- When recognized by the Chair, please come forward to the podium to speak. Though not required, it is helpful if you state your name, city of residence and whether you represent a business or group. Unless otherwise established by the Chair, comments are to be limited to three minutes.
- All remarks should be addressed to 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, commission 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.
- The Board in turn agrees to abide by its best practices of civility and civil discourse according to Resolution No. 07-19.

**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 February 7, 2019.

B. REPORTS AND APPEARANCES

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

B-2 Update on the Status of Castle Wind LLC and the Offshore Wind Energy Generation Proposal Process off the Central California Coast  
**Staff Recommendation: Receive and file update.**

C. BUSINESS ITEMS

C-1 Update from the Boatyard/Marine Services Facility Ad-Hoc Committee, and Next Steps in the Boatyard/Marine Services Facility Planning Process  
**Staff Recommendation: Receive and file committee report, if any, and consider next steps, if any, in the boatyard planning process.**

C-2 Update from the Finance & Budget Ad-Hoc Committee on Committee's Recent Activities; and, Harbor Director Report and Discussion on Status of Department's Capital Planning and Budgeting for FY 19/20  
**Staff Recommendation: Receive and file ad-hoc committee report, and receive and discuss Harbor Director's update.**

C-3 Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities, Including New Input from Environmental/Permitting Consultant Anchor QEA and Possible Next Steps in a Morro Bay Eelgrass Mitigation Program  
**Staff Recommendation: Receive and file committee report, if any, review input from Anchor QEA and provide input and recommendation on possible next steps in the Morro Bay eelgrass mitigation plan project.**

C-4 Update on Harbor Department Lease Management Policy Update Process  
**Staff Recommendation: Receive and file report.**

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
- Identify/review responsible parties for cleanliness of water front ground lease sites, public restrooms, light posts, and concern for public safety

## 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](http://www.morrobayca.gov). Materials related to an item on this Agenda submitted to the Board after publication of the Agenda packet are available for inspection at the Harbor Department during normal business hours or at the scheduled meeting.

MINUTES-MORRO BAY HARBOR ADVISORY BOARD  
MEETING – February 7, 2019  
VETERAN'S MEMORIAL HALL - 6:00 P.M.

AGENDA NO: A-1

MEETING DATE: April 4, 2019

PRESENT: Ron Reisner HAB Chair  
Gene Doughty HAB Member  
Lynn Meissen HAB Vice-Chair  
Jeremiah O'Brien HAB Member  
Cherise Hansson HAB Member  
Mark Blackford HAB Member  
Dana McClish 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 6:00 p.m., with a quorum present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/JgBTpCSy5qM?t=93>

Chair Reisner introduced Council Member McPherson as the HAB's new Council liaison.

PUBLIC COMMENT

<https://youtu.be/JgBTpCSy5qM?t=1020>

The public comment period was opened.

George Leage, business owner on the Embarcadero, spoke to the need of public parking in Triangle Lot and 4-hour parking signs.

The public comment period was closed.

A. CONSENT AGENDA

<https://youtu.be/JgBTpCSy5qM?t=1330>

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

MOTION: Board Member Blackford moved the November 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, DECEMBER 6, 2018

MOTION: Board Member Doughty moved the December 6, 2018 Harbor Advisory Board minutes be approved. The Motion was seconded by Board Member Blackford and carried unanimously, 7-0.

B. REPORTS AND APPEARANCES

<https://youtu.be/JgBTpCSy5qM?t=1392>

B-1 HARBOR DEPARTMENT STATUS REPORT

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

C. BUSINESS ITEMS

C-1 ELECTION OF HARBOR ADVISORY BOARD CHAIR AND VICE CHAIR

<https://youtu.be/JgBTpCSy5qM?t=3349>

MOTION: Board Member O'Brien moved to nominate Ron Reisner as Chair for 2019. The Motion was seconded by Board Member Blackford and carried unanimously, 6-0, with Chair Reisner abstaining.

MOTION: Board Member Doughty moved to nominate Mark Blackford as Vice-Chair for 2019. The Motion was seconded by Board Member Meissen and carried unanimously, 6-0, with Member Blackford abstaining.

C-2 REVIEW OF SUBMISSIONS AND RECOMMENDED NEXT STEPS FOR THE MORRO BAY BOATYARD AND MARINE SERVICES FACILITY FINANCIAL FEASIBILITY STUDY REQUEST FOR PROPOSALS PROCESS, AND UPDATE FROM THE BOATYARD/MARINE SERVICES FACILITY AD-HOC COMMITTEE

<https://youtu.be/JgBTpCSy5qM?t=3501>

Harbor Director Endersby presented the staff report for C-2.

There was Board discussion regarding no submitted proposals to the RFP and the next steps going forward.

There was Board consensus to contact interested parties for input, amend the original RFP omitting the phased approach and republish.

C-3 UPDATE FROM THE FINANCE & BUDGET AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES

<https://youtu.be/JgBTpCSy5qM?t=4587>

Ad-Hoc Chair Blackford spoke to goal #1 (d), evaluate opportunities for new or expanded revenue sources, to acquire funding to satisfy necessary repairs, capital improvements and equipment, which is not currently funded.

Committee member Reisner stated he had spoke with the City Manager regarding the possibly of paid parking on the Embarcadero and confirmed the City Council would consider it sometime in 2019.

Director Endersby summarized the Council goals, work plan and budget timeline.

Discussion by the Board on possible new funding and enhancement ideas.

Committee member Reisner reviewed the Ad-Hoc committees 4 potential revenues sources presented at the December HAB meeting.

Discussion by the Board on becoming a port district.

C-4 UPDATE FROM THE EELGRASS AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES, INCLUDING NEW DEVELOPMENTS IN POSSIBLE EELGRASS IN-LIEU MITIGATION FEE PROGRAMS

<https://youtu.be/JgBTpCSy5qM?t=5808>

Ad-Hoc Chair Meissen provided background on past eelgrass discussions and updated the Board on the most recent committee meeting with NEP and Anchor QEA with the focus on the possibility of a donation based in-lieu eelgrass mitigation program instead of the banking plan.

Director Endersby expanded on the in-lieu program process, reported on the latest from the NEP Board of Directors and suggested the next step should be to get a quote from Anchor QEA to go to the regulators for their input on the new modified in-lieu concept.

Discussion by the Board.

C-5 UPDATE ON HARBOR DEPARTMENT LEASE MANAGEMENT POLICY UPDATE PROCESS, INCLUDING INPUT AND DIRECTION TO HARBOR ADVISORY BOARD LEASE MANAGEMENT POLICY UPDATE GROUP MEMBERS

<https://youtu.be/JqBTpCSy5qM?t=6978>

Board member Hansson summarized the community make-up of the Lease Management Policy Update group, accomplishments to date and the current assigned tasks for the two teams that have been formed to research and recommend updates.

Director Endersby present the staff report and responded to Board member inquires.

C-6 HARBOR ADVISORY BOARD SCHEDULE FOR THE 2019 CALENDAR YEAR, INCLUDING CANCELATION OF THE REGULAR MARCH AND JULY MEETINGS, AND RESCHEDULING A SPECIAL MARCH MEETING

<https://youtu.be/JqBTpCSy5qM?t=7669>

MOTION: Board Member McClish moved to cancel the regular March 7, 2019 and July 4, 2019 Harbor Advisory Board Meeting. The Motion was seconded by Board Member O'Brien and carried unanimously, 7-0.

MOTION: Board Member Hansson moved to schedule a special March 14, 2019 Harbor Advisory Board Meeting. The Motion was seconded by Board Member McClish and carried unanimously, 7-0.

D. DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/JqBTpCSy5qM?t=7915>

Chair Reisner requested to add changing the HAB meeting time from 6PM to 5:30 PM as an future agenda item.

There was Board consensus to add the item.

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
- Identify/review responsible parties for cleanliness of waterfront ground lease sites, public restrooms, light posts, and concerns to public safety

E. ADJOURNMENT

This meeting was adjourned at 8:13 p.m. The next Regular Meeting will be held on Thursday, April 4, 2019 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: April 4, 2019

## Staff Report

**TO:** Harbor Advisory Board

**DATE:** March 27, 2019

**FROM:** Eric Endersby, Harbor Director

**SUBJECT:** Harbor Department Status Report

### RECOMMENDATION

Receive and file.

### DISCUSSION

#### **Recent Department Activity:**

Harbor Patrol statistics for the month of March 2019 were 19 emergency responses, 92 calls for service, 38 assists of other agencies, 16 enforcement contacts, and 12 weather warnings including 3 days Hazardous Bar Warnings.

The Harbor Department has been working on cleaning up and prepping the Aquarium lease site to allow for a business to rent out the front space while we wait for Central Coast Aquarium's next steps. Staff has secured dock space to rent out as well.

Harbor patrol participated in the "RescueCon" Water Craft Training and Rescue Conference March 9-15. Water rescue groups from around the world came to collaborate on training standards, practice new techniques with extended physical activity to test skills in an emergency environment including night operations.

Beach Lifeguard tryouts were held on March 17 included a swim, run swim run and paddle in nice offshore conditions and solid waves. Several great candidates were chosen to participate in the 2019 USLA academy this May and with successful competition of it, they will be hired.

Harbor Patrol made some adjustments in part time staffing this month. With many thanks for solid work over the last few years, Dave Muff and Matt Ponder were removed from Reserve Harbor Patrol ranks. We would like to welcome Dax Theis, Joel Craighead and Kevin McCall as new Reserve Harbor Patrol Officers. They each bring new talent to our staff and we look forward to training them to our standards.

Spring winds have begun and winter storms have not let up. We saw water temperatures drop significantly and faced wind gusts up to 70 knots. During a two hour period on March 12, Harbor Patrol responded to 2 boats that broke free from their moorings, one person stranded on the sandspit and another individual was rescued from the harbor entrance after a failed suicide attempt at sundown. Other recent Harbor Patrol responses have included a sinking commercial fishing vessel (successfully assisted), a bay tour boat requiring quick assistance after losing steering in the harbor and multiple medical aid calls for fall victims down the rocks along the waterfront and beach area.

Prepared By: EE

Dept Review: EE

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

**Recent City Council Activity:**

At the March 26 meeting, Council adopted Resolution No. 20-19 Approving Amendment #1 to the Master Lease Agreement Between the City of Morro Bay and 725 Embarcadero, LLC for lease site 82-85/82W-85W, located at 725 Embarcadero, and Commonly Known as “Rose’s Landing, “to provide for parking replacement if City displaces lease-provided parking.

Also at the March 26 meeting, staff reported to Council on Washington D.C. Meetings both for C-MANC’s Annual “Washington Week” Conferences well as concerning the Water Reclamation Facility Project (WRF).

**Upcoming Events:**

- April 1- Opening day of Recreational Rockfish fishing
- April 6- Opening day of Recreational Salmon fishing
- April 4-7 – 16<sup>th</sup> Annual City-Wide Yard Sale
- April 7 – Blessing of the Fleet North T-Pier
- April 20- Coast Guard Open House and Thanks to Morro Bay
- April 26-28 – Soar into Morro Bay Kite Festival <http://www.morrobaykitefestival.org/>
- May 2-5 – Cruisin Morro Bay Car Show <http://www.morrobaycarshow.org/>
- May 11 – Miracle Miles for Kids [http://give.fcni.org/site/TR?fr\\_id=1040&pg=entry](http://give.fcni.org/site/TR?fr_id=1040&pg=entry)
- May 18 – Safe Boating Day and Open House at the Harbor Dept
- May 27 – Lost at Sea Memorial Ceremony 3PM Cayucos Pier
- June 29 – SAVE THE DATE - 2nd Annual Marine Swap Meet

**Status of Pending HAB Recommendations:**

	<b>HAB Recommendation</b>	<b>Date</b>	<b>Status</b>
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 Parks to begin talks anew, and are acting accordingly before taking anything back to the Council. 11/1/17. Staff have reached out to Parks to renew discussions. 12/20/17. Spoke with office of Director for State Parks; tentative meeting set for week of January 8-12. 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. 4/23/18. Harbor Director email sent to Parks. 4/27/18. Contacted Parks staff, discussions underway. 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

			<p>management of the marina.</p> <p>Staff was recently informed by the district superintendent that State Parks in Sacramento is potentially bringing this item off the back burner.</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 &amp; Regs/MBMC updating project. 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. 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> <p>8/28/18. Council approved issuance of a financial feasibility RFP. RFP to be issues asap.</p> <p>Request for Proposals issued for financial feasibility study services for the proposed boatyard. RFP due February 1, 2019.</p> <p>No proposal submissions received. HAB to consider next steps 3/13/19.</p>
4	City to use a consultant to update the cost allocation plan, if feasible, if not, then direct staff to do an internal check.	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 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 &amp; Cost Allocation Plan – closes 5/11/18.</p> <p>Multiple proposals received; have gone through initial staff review and evaluation. Interviews of top</p>

			<p>candidates pending in first half of June.  Tentatively on 8/14/18 City Council agenda to award contract for comprehensive fee study.  8/14/18 Council authorized the City Manager to execute an agreement with Consultant to update the City's user fees, cost allocation, and development impact fee study's.  <b>Consultant currently working with staff on studies. Studies are well underway.</b></p>
5	<p>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.</p>	6/1/17	<p>Pending until a new Finance Director and City Manager are in place.  10/30/17. Per the SLC it is normal for these taxes to go into the City's General municipal funds.  4/5/18. Chair Reisner requesting City Manager to provide a memorandum on this item.  Chair Reisner met with the City Manager.  <b>No new updates.</b></p>
6	<p>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.</p>	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.  11/1/17. Staff engaged with Anchor on eelgrass proposal.  12/1/17. Update to HAB on 12/7/17 on revised consultant contract scope of work.  12/18/17. Draft eelgrass consultant agreement submitted to legal for review and approval.  1/18/18. executed contract with Anchor QEA.  4/27/18. Anchor QEA beginning project.  4/25/18. Eelgrass Ad-Hoc committee met with Anchor QEA reps in Morro Bay  Draft Anchor QEA eelgrass mitigation report on HAB agenda for consideration 8/2/18.  8/18 final Morro Bay Conceptual Eelgrass Plan report issued by Anchor QEA for ad-hoc and HAB consideration.  Next step of hiring Anchor QEA to approach pertinent regulators with Morro Bay eelgrass mitigation plan concept pending Council consideration on January 8, 2019.  <b>2/19/19. staff, eelgrass committee and MBNEP exploring new possible in-lieu mitigation path, as Morro Bay Eelgrass Plan as currently outlined by Anchor QEA is likely not viable.</b>  <b>No new updates.</b></p>
7	<p>Incorporate Working Waterfront land area and uses into General Plan/Local Coastal Plan updates.   In General Plan/Local Coastal Plan updates, consideration be given to a</p>	6/1/17	<p>Tentatively on the July 11, 2017 City Council agenda for consideration with Measure D recommendation above.  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</p>

	<p>list of uses provided, and that the Measure D area and its uses be incorporated into Morro Bay's Working Waterfront.</p>		<p>Waterfront policy language for consideration of incorporation into GP/LCP update process.  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.  9/8/17. First joint subcommittee meeting held. General discussion and public input. Second meeting TBD, likely late October or early November.  12/18/17.  1/11/18. PC/HAB joint meeting, recommendations made to GPAC.  4/27/18. Pending GPAC action. Currently at Coastal for comments.  Document link on City's Website:  <a href="https://www.morrobayca.gov/943/PlanMB">https://www.morrobayca.gov/943/PlanMB</a>  <b>No new updates.</b></p>
8	<p>Paid parking be established on and around the Embarcadero, and recommended list of issues to be addressed when considering establishment of same.</p>	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.  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.  11/7/17. Discussed at the Planning Commission Meeting.  12/1/17. Per CD Director also discussed with PWAB and tentatively going to Council in Jan or Feb 2018 for direction.  12/19/17. Per CD Director PC and Council will be provided with HABs recommendations.  4/27/18. Pending consideration by PC and Council.  <b>No new updates.</b></p>



AGENDA NO: B-2

MEETING DATE: April 4, 2019

## Staff Report

**TO:** Harbor Advisory Board

**DATE:** March 27, 2019

**FROM:** Eric Endersby, Harbor Director

**SUBJECT:** Update on the Status of Castle Wind LLC and the Offshore Wind Energy Generation Proposal Process off the Central California Coast

### **RECOMMENDATION**

Receive and file update.

### **DISCUSSION**

The Harbor Director will be providing an oral update on the status to-date of the Bureau of Ocean Energy Management (BOEM) floating offshore wind energy generation project leasing process and the status of Castle Wind LLC's activities relative to that leasing process.

Prepared By: EE

Dept Review: EE

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_



AGENDA NO: C-1

MEETING DATE: April 4, 2019

## Staff Report

**TO:** Harbor Advisory Board

**DATE:** March 27, 2019

**FROM:** Eric Endersby, Harbor Director

**SUBJECT:** Update from the Boatyard/Marine Services Facility Ad-Hoc Committee, and Next Steps in the Boatyard/Marine Services Facility Planning Process

### **RECOMMENDATION**

Receive and file committee report, if any, and consider next steps, if any, in the boatyard planning process.

### **BACKGROUND**

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

The Request for Proposals (RFP) for boatyard financial feasibility study services issued last October and due February 1, 2019 received no submissions, as reported at the February 7, 2019 Harbor Advisory Board (HAB) meeting. At the March 13, 2019 Special HAB meeting, the HAB was presented with a version of the RFP document updated by the Boatyard Ad-Hoc committee, in the hope a revised, simplified RFP would attract proposers. That version of the RFP was endorsed by the HAB on March 13, and a recommendation made by the HAB it be reissued.

### **DISCUSSION & CONCLUSION**

Given the state of the Harbor Accumulation Fund balance, as reported in more detail in item C-3 on this agenda, absent a new funding source or modifications to the FY 19/20 Capital Project list proposed by the Harbor Director, staff see no alternative but to drop the boatyard financial feasibility study RFP from the capital project list for the foreseeable future.

Prepared By: EE

Dept Review: EE

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_



AGENDA NO: C-2

MEETING DATE: April 4, 2019

# Staff Report

**TO:** Harbor Advisory Board

**DATE:** March 27, 2019

**FROM:** Eric Endersby, Harbor Director

**SUBJECT:** Update from the Finance & Budget Ad-Hoc Committee on Committee's Recent Activities; and, Harbor Director Report and Discussion on Status of Department's Capital Planning and Budgeting for FY 19/20

## RECOMMENDATION

Receive and file ad-hoc committee report, and receive and discuss Harbor Director's update.

## 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.

Several years ago, the Harbor Department developed capital planning and budgeting spreadsheets for the department's numerous and varied capital assets. These spreadsheets were created, and have been annually updated, with the assistance of the Finance & Budget Ad-Hoc Committee, and used in the City budgeting process to set priorities for projects. Although still a work in progress, the most current spreadsheets are included with this report as Attachment 1.

## DISCUSSION

In this year's update of the Capital Planning spreadsheets, new cost numbers were developed for slip and dock replacement, based on actuals from some of the most recent waterfront construction projects. As such, and not surprisingly, costs have escalated, and the spreadsheets are adjusted accordingly.

There exists currently approximately \$479,000 in the Harbor Accumulation Fund for reserves and capital projects. In setting the current list of urgent capital needs against the available funding, the Harbor Director is proposing the following to the Finance Department for Council consideration in the upcoming fiscal year's capital projects:

1. Beach Street Slips: adding \$155,000 to the \$215,000 already in the budget and carrying-over for this slip replacement project, for a total of \$370,000 to complete the north-only section of slips, which are in the most need. \$75,000 has already been spent on design and engineering for this project, bringing the total estimated cost to replace the north Beach Street Slips as \$445,000.

Prepared By: EE

Dept Review: EE

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

2. Ice Machine: spending \$34,000 of the \$35,000 in this year's budget on the ice machine and paving the alleyway near the ice machine between Tognazzini's restaurant and the commercial fish dock this fiscal year, then budgeting another \$20,000 toward next year's ice machine maintenance in next fiscal year.
3. North and South T-Piers: budgeting \$50,000 toward needed repairs on both piers, and allocating to the most urgent issues identified.

The total for these projects comes to \$474,000; just under the \$479,000 available and leaving scant little reserve.

Unfortunately, given the urgency of the few capital projects listed, funding for the boatyard financial feasibility study project does not look possible without either dropping something on the capital project list, revenues this year coming in significantly greater than expenses or a new revenue source being identified.

It is possible that revenues in this year's budget will come in over expenses, thus creating the potential for additional project funding opportunities. That information, however, will not be known until all lease percent gross revenues are submitted in the month of July, and thus, cannot be relied upon at this time.

## **ATTACHMENT**

1. Harbor Department Capital Planning Spreadsheets

**CITY OF MORRO BAY - HARBOR DEPT.**  
**SCHEDULE OF 5-YEAR CAPITAL EQUIPMENT REQ'MTS**  
**AS OF THE 2018/19 FISCAL YEAR**

DESCRIPTION	YEAR ACQ'RD OR PLACED IN SVC	LIFE IN YEARS	Priority <sup>5</sup>	Est. Repl. Cost (rounded)	FISCAL YEAR REQUIREMENTS <sup>1,2,3,4</sup>					NOTES	
					\$ Approved	19/20	20/21	21/22	22/23		23/24
<b>Harbor</b>											
VEHICLES - REPLACEMENT (see Note 3):											
Truck, 2013 Ford F150 Pickup	09/01/13	10	3	\$ 40,000		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000		Replacement 2023.
Truck, 2006 Ford Ranger Pickup	10/01/06	15	2	\$ 20,000		\$ 10,000	\$ 10,000				Replacement 2021.
Vehicle, 2006 Ford Escape 4x4 Hybrid	10/16/06	20	2	\$ 25,000		\$ 4,170	\$ 4,170	\$ 4,170	\$ 4,170	\$ 4,170	Replacement 2026
Truck, 2013 Ford F250 Pickup	07/01/13	10	3	\$ 40,000		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000		Replacement 2023.
Truck, 2010 Ford F350 Flatbed	02/01/10	20	4	\$ 50,000		\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$50k replacement 2030.
VESSELS - MAINT. & REPAIR - Major (see Note 3):											
Boat, Rescue #64	03/01/14		2			\$ 8,300	\$ 8,300	\$ 8,300	\$ 8,300		\$25k refit at 5-year mark.
Boat, Rescue #68	06/30/84		n/a					Retire			Standard maint. & repair for ~two more years service.
Boat, Rescue #66	01/01/95		1			\$ 10,000		Retire			Major maint. & repair for ~two more years service.
VESSELS - REPLACEMENT:											
Boat, Rescue #64	03/01/14	30	5	\$ 500,000		\$ 20,800	\$ 20,800	\$ 20,800	\$ 20,800	\$ 20,800	Replacement 2044.
Boat, Rescue #68	06/30/84	30	1	\$ 500,000		\$ 150,000	\$ 150,000	\$ 200,000			Replacement 2022; seek partial grant funding.
Boat, Rescue #66	01/01/95	20	n/a						Retire		Not to be replaced; going to a two dual-engine vessel fleet.
Honda Personal Watercraft 1	08/01/12	5 to 7	2			\$ 12,000					Replace w/grant funding.
Honda Personal Watercraft 2	08/01/12	5 to 7	2			\$ 12,000					Replace w/grant funding.
EQUIPMENT - MAINT. & REPAIR - Major (see Note 3):											
Parking Kiosk at Launch Ramp	05/01/10		3								
Sandspit Emergency Telephone	08/21/03		n/a								Phone controller recently replaced.
Tidelands Vessel Sewage Pumpout	01/01/11		2			\$ 3,000					Rebuild pump at 5-year mark, grant funding secured.
EQUIPMENT - REPLACEMENT:											
Parking Kiosk at Launch Ramp	05/01/10	Indef.	5								
Sandspit Emergency Telephone	08/21/03	15	1			\$ 7,500	\$ 7,500				\$15k replacement FY2018/19 of entire unit.
Tidelands Vessel Sewage Pumpout	01/01/11	10	3						\$ 15,000		Replace 2021 w/grant funding, \$15k.
TOTAL					\$ -	\$ 238,770	\$ 249,770	\$ 258,270	\$ 73,270		
GRANT-FUNDED						\$ 3,000	\$ 24,000		\$ 15,000		

**CITY OF MORRO BAY - HARBOR DEPT.  
SCHEDULE OF 5-YEAR CAPITAL EQUIPMENT REQ'MTS  
AS OF THE 2018/19 FISCAL YEAR**

DESCRIPTION	YEAR ACQ'RD OR PLACED IN SVC	LIFE IN YEARS	Priority <sup>5</sup>	Est. Repl. Cost (rounded)	FISCAL YEAR REQUIREMENTS <sup>1,2,3,4</sup>				23/24	NOTES
					\$ Approved	19/20	20/21	21/22		
<p><u>Note 1:</u> dollar figures in <i>italics</i> are earmark set-aside requirements toward a total amortized cost as-noted.</p> <p><u>Note 2:</u> dollar figures in <b>green bold</b> are Department budget recommendations.</p> <p><u>Note 3:</u> routine and standard maintenance and repair funded in annual Operating budget.</p> <p><u>Note 4:</u> grant-funding is listed in <b>blue</b>.</p> <p><u>Note 5:</u> Prioritization Categories  1 - Has reached or exceeded its useful life.  2 - End of useful life in 2-3 years.  3 - End of useful life in 4-6 years.  4 - End of useful life in 7-10 years.  5 - End of useful life is beyond 10 years.</p>										
<b>Sorted by Priority</b>										
<u>VEHICLE, VESSEL &amp; EQUIPMENT REPLACEMENT:</u>										
Boat, Rescue #68	06/30/84	30	1		<i>\$ 100,000</i>	<i>\$ 200,000</i>	<i>Retire</i>			\$300k replacement 2018/19, seek partial grant funding.
Sandspit Emergency Telephone	08/21/03	15	1		<i>\$ 7,500</i>	<i>\$ 7,500</i>				\$15k replacement FY2018/19 of entire unit.
<b>Priority 1 Subtotals</b>					<b>#####</b>	<b>#####</b>				<b>\$315,000</b>
Truck, 2006 Ford Ranger Pickup	10/01/06	15	2		\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000		\$20k replacement 2021.
Vehicle, 2006 Ford Escape 4x4 Hybrid	10/16/06	~15	2							
Honda Personal Watercraft 1	08/01/12	5 to 7	2			<b>\$ 12,000</b>				Replace w/grant funding.
Honda Personal Watercraft 2	08/01/12	5 to 7	2			<b>\$ 12,000</b>				Replace w/grant funding.
<b>Priority 2 Subtotals</b>					<b>\$ 4,000</b>	<b>\$28,000</b>	<b>\$ 4,000</b>	<b>\$ 4,000</b>		<b>\$40,000</b>
Truck, 2013 Ford F150 Pickup	09/01/13	10	3		\$ 5,700	\$ 5,700	\$ 5,700	\$ 5,700		2023, \$40k replacement 2023.
Truck, 2013 Ford F250 Pickup	07/01/13	10	3		\$ 5,700	\$ 5,700	\$ 5,700	\$ 5,700		\$40k replacement 2023.
Tidelands Vessel Sewage Pumpout	01/01/11	10	3					<b>\$ 15,000</b>		Replace 2021 w/grant funding, \$15k.
<b>Priority 3 Subtotals</b>					<b>\$11,400</b>	<b>\$11,400</b>	<b>\$11,400</b>	<b>\$ 26,400</b>		<b>\$60,600</b>
Truck, 2010 Ford F350 Flatbed	02/01/10	20	4		\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800		\$50k replacement 2030.



A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<b>CITY OF MORRO BAY - HARBOR DEPT.</b>												
2	<b>SCHEDULE OF 5-YEAR CAPITAL MAJOR MAINTENANCE REQ'MTS</b>												
3	<b>AS OF THE 2018/19 FISCAL YEAR</b>												
4		<b>YEAR</b>											
5		<b>ACQ'RD</b>			<b>Est. Repl.</b>								
6		<b>OR PLACED</b>	<b>LIFE IN</b>		<b>Cost</b>	<b>FISCAL YEAR REQUIREMENTS<sup>1</sup></b>					<b>Cost/year</b>		
7	<b>DESCRIPTION</b>	<b>IN SVC</b>	<b>YEARS</b>	<b>Priority<sup>2</sup></b>	<b>(rounded)</b>	<b>\$ Approved</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>NOTES</b>	<b>over life</b>
8													
9	<b>Harbor</b>												
10													
11													
12	<b>BUILDINGS:</b>												
13	Harbor Maint. Bldg, Front St. (Oil Yard)	01/01/15	25	3									
14	Harbor Maint/Storage Bldg. (Gear Storage)	01/01/93	30	2								Leased to Coast Guard.	
15	Harbor Maint/Storage Bldg. (Boat Shed)	01/01/93	30	2								Budgeted for elec & restroom improvements; replace roof instead?	
16	Harbor Office	06/01/64	40	n/a			(Replace)					Depending on Coast Guard building project.	
17													
18	<b>FACILITIES:</b>												
19	North T-Pier <sup>3</sup>	06/01/64	Indef.	1	\$3.7M		\$ 200,000	\$ 200,000			\$ 15,000	2024.	\$500K/20y
20	North T-Pier HP Slips	06/01/93	30+	3									
21	Ice Machine	06/01/07	30+ ?	1		\$ 35,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	Annual maintenance requirements. \$100K Cable grant acquired to replace reefer system. Project currently u/w.	
22	South T-Pier <sup>3</sup>	06/30/92	Indef.	1	\$3.7M	\$ 55,000	\$ 20,000	\$ 15,000				Major maint/repair identified in 2016 structural inspection. Structural inspection in 2021.	\$500K/20y
23	Beach Street Slips - North	01/01/83	30	n/a			(Replace)					Const. contracting u/w.	\$ 500
24	Beach Street Slips - South	06/01/80	30	n/a			(Replace)					Const. contracting u/w.	\$ 500
25	Dune Street Slips	01/01/95	30	1			\$ 15,000					General major maintenance/repair requirements. Replace 2030.	\$ 500
26	Anchor Memorial Park Pier	01/01/85	Ind.	3A			\$ 5,000					Pier structural inspection. Major maint/repair completed 2013.	
27	Floating Dock	?	25-30	n/a								Sea lion dock. Replaced 2018.	
28	Harbor Street End Dock (Galley Rest.)	?	25	n/a								Replace 2022.	
29	Harbor Street End Pier		Indef.	1A			\$ 5,000					Pier structural inspection.	
30	MBB Street End Dock (Rose's)	?	25	n/a								Replace 2022.	
31	MBB Street End Pier		Indef.	1A			\$ 5,000					Pier structural inspection.	
32	Marina Street End Pier (Marina Square)	?	Indef.	1A			\$ 5,000					Pier structural inspection.	
33	Mariner Park Dock (Estero Inn)	?	25	n/a								Replace 2022.	
34	Mariner Park Pier		Indef.	1A			\$ 5,000					Pier structural inspection.	
35	Tidelands Park Side Tie Dock	06/01/97	30	2					\$ 10,000			General major maintenance/repair requirements. Replace 2027.	\$ 350
36	Tidelands Park Fish Cleaning Station			1								Enclose station, dumpster.	
37	Launch Ramp Slips North	06/01/95	30	1			\$ 15,000					General major maintenance/repair requirements. Replace 2030.	\$ 500
38	Launch Ramp Slips South	~01/01/00	25	1			\$ 5,000					General major maintenance/repair requirements. Replace 2030.	\$ 500

A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<b>CITY OF MORRO BAY - HARBOR DEPT.</b>												
2	<b>SCHEDULE OF 5-YEAR CAPITAL MAJOR MAINTENANCE REQ'MTS</b>												
3	<b>AS OF THE 2018/19 FISCAL YEAR</b>												
4		YEAR											
5		ACQ'RD			Est. Repl.								
6		OR PLACED	LIFE IN		Cost	FISCAL YEAR REQUIREMENTS <sup>1</sup>						Cost/year	
7	DESCRIPTION	IN SVC	YEARS	Priority <sup>2</sup>	(rounded)	\$ Approved	19/20	20/21	21/22	22/23	23/24	NOTES	over life
39	Boat Launch Boarding Floats (N & S) & L/R Facility	01/01/93	20	1		\$ 250,000						Complete upgrade to entire L/R facility including concrete ramp, floats, parking lot, restroom, fish cleaning station. 100% DBW grant funds applied for; \$250k approved in FY 16/17. Remainder in follow-on years. \$1,900,000 total estimated project cost.	
40													
41	TOTALS					\$ 340,000	\$ 290,000	\$ 225,000	\$ 20,000	\$ 10,000	\$ 25,000		
42													
43	Note 1: dollar figures in <b>green bold</b> are Department budget recommendations..												
44													
45	Note 2: Prioritization Categories												
46	1 - Requires immediate attention.												
47	2 - Requires attention in 2-3 years.												
48	3 - Requires attention in 4-10 years.												
49	4 - Attention required beyond 10 years.												
50	A - Structural/Condition Assessment required.												
51													
52	Note 3: Blended costs for the two piers are												
53	approximately \$500K every 20 years per pier.												







AGENDA NO: C-3

MEETING DATE: April 4, 2019

# Staff Report

**TO:** Harbor Advisory Board

**DATE:** March 27, 2019

**FROM:** Eric Endersby, Harbor Director

**SUBJECT:** Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities, Including New Input from Environmental/Permitting Consultant Anchor QEA and Possible Next Steps in a Morro Bay Eelgrass Mitigation Program

## **RECOMMENDATION**

Receive and file committee report, if any, review input from Anchor QEA and provide input and recommendation on possible next steps in the Morro Bay eelgrass mitigation plan project.

## **BACKGROUND**

At the March 13, 2019 Special Harbor Advisory Board (HAB) meeting, the HAB received a report on the status of the Morro Bay National Estuary Program (NEP) board's position on participating in a Morro Bay-specific eelgrass mitigation plan or effort. While the NEP continues to be a willing partner, due to their priorities, charter and need to remain a non-regulatory agency, their participation is essentially limited to a support role.

## **DISCUSSION**

While the support role proposed by the NEP is still an important and valuable one, it changes the landscape in terms of possible next steps in pursuing a Morro Bay-specific eelgrass mitigation program. In recent discussions with Anchor QEA, the City's consultant on this and other projects, the possible paths forward are:

1. Establishing a full eelgrass in-lieu fee (ILF) program per existing federal regulation and oversight. Such a process would reportedly take up to three years and several hundred thousand dollars to execute, according to Anchor. An ILF program summary for Morro Bay, as devised by Anchor, is included with this report as Attachment 1.
2. Establishing a standing eelgrass mitigation bank program. Such a program would also likely cost hundreds of thousands of dollars to establish, and according to Anchor the effort and cost to do so would likely not be in scale with the gain or returns of having such a program.
3. Approaching Army Corps regulatory with other creative solutions to explore, and see if they are receptive. Anchor stated they are willing to facilitate such meetings, which would likely be in the Corps regulatory field office in Ventura.

Prepared By: EE

Dept Review: EE

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

**CONCLUSION**

Staff are seeking HAB discussion and input on recommended next steps in the Morro Bay eelgrass mitigation plan project, in light of the new information received from Anchor QEA.

**ATTACHMENT**

1. Anchor QEA Draft Morro Bay Eelgrass In-Lieu Fee Program Summary

## Draft Morro Bay Eelgrass In-lieu Fee Program Summary

Program Element	Responsibility	Notes
In-lieu Fee (ILF) Program Sponsor	City of Morro Bay (City)	The City is responsible for establishment, use, operation, and management of the program.
Potential Signatory Agencies	U.S. Army Corps of Engineers U.S. Environmental Protection Agency National Marine Fisheries Service U.S. Fish and Wildlife Service California Coastal Commission Regional Water Quality Control Board	These agencies could form the Interagency Review Team that would participate in development of the ILF program and could be signatories to the ILF program. The California Department of Fish and Wildlife may be interested in participating but it has its own mitigation program process and may not be willing to participate in the federal process outline here.
ILF Program Development and Approval	The City would lead development of the ILF program, including the ILF program instrument, with technical input from the Morro Bay National Estuary Program (NEP). The NEP would provide input on the Compensation Planning Framework required for the ILF program instrument.	Developing the ILF program would be a collaborative effort between the City and NEP, including initial regulatory and resource agency consultation on the program. The NEP would lead development of the Compensation Planning Framework that describes the threats to eelgrass, current conditions, and restoration goals and objectives in Morro Bay. The Framework would also describe a restoration prioritization strategy.
ILF Program Implementation	The City would implement the ILF program and coordinate with the applicants, agencies, and NEP. The NEP would work directly with the City to develop and implement compensation projects using funds from the ILF program.	The City would perform the administrative duties to manage the ILF program including managing the fees paid into the program. The NEP would develop Project Development Plans describing how proposed projects would be implemented to compensate for eelgrass impacts resulting from permitted impacts.
Annual Monitoring	If monitoring is required for specific compensation projects, the NEP would perform the monitoring and submit reports to the City. The City would submit the reports to the agencies as part of annual reporting requirements for the ILF program.	Annual monitoring would be funded through fees collected by the ILF program and set aside in sub-accounts for individual compensation projects for which monitoring is required.
Annual Reporting	The NEP would prepare any required monitoring reports for compensation projects, and the City would coordinate submittal of the annual reports to the agencies as part of annual reporting requirements for the ILF program.	Annual reporting would be funded through fees collected by the ILF program and set aside in sub-accounts for individual compensation projects for which monitoring is required.

Program Element	Responsibility	Notes
Adaptive Management	The City would coordinate with the agencies through the annual reporting process to ensure that compensation projects are implemented successfully. If the agencies and the City determine that remedial actions are required to meet the objectives of specific compensation projects, the NEP would develop and implement adaptive management measures and would describe them in annual monitoring reports.	Funding for adaptive management of compensation projects would be provided by fees collected through the ILF program and set aside for this purpose.
ILF Program Oversight and Management	The City would provide oversight and management of the ILF program.	As the ILF program sponsor, the City would communicate with the regulatory and resource agencies and the NEP to ensure that the administrative requirements of the ILF program are fulfilled.

33 CFR Part 332.2 of the 2008 Mitigation Rule defines in-lieu programs as follows:

A program involving the restoration, establishment, enhancement, and/or preservation of aquatic resources through funds paid to a government or non-profit natural resources management entity to satisfy compensatory mitigation requirements for Department of the Army permits. Similar to a mitigation bank, an in-lieu fee program sells compensatory mitigation credits to permittees whose obligation to provide compensatory mitigation is then transferred to the in-lieu fee program sponsor. The operation and use of an in-lieu fee program are governed by an in-lieu fee program instrument.



AGENDA NO: C-4

MEETING DATE: April 4, 2019

# Staff Report

**TO:** Harbor Advisory Board

**DATE:** March 27, 2019

**FROM:** Eric Endersby, Harbor Director

**SUBJECT:** Update on Harbor Department Lease Management Policy Update Process

## **RECOMMENDATION**

Receive and file report.

## **BACKGROUND & DISCUSSION**

The Lease Management Policy Update Group continues its work on various sections of the policy. Currently, however, there are no updated materials to present the Harbor Advisory Board. This item, therefore, is an informational one only from the policy update group members and staff.

Prepared By: EE

Dept Review: EE

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_