

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – MARCH 26, 2019  
VETERAN'S MEMORIAL HALL – 5:30 P.M.

AGENDA NO: A-2  
MEETING DATE: April 23, 2019

PRESENT:	John Headding Dawn Addis Robert Davis Jeff Heller Marlys McPherson	Mayor Council Member Council Member Council Member Council Member
STAFF:	Scott Collins Chris Neumeyer Dana Swanson Jennifer Callaway Rob Livick Scot Graham Steve Knuckles Jody Cox Eric Endersby Eric Casares	City Manager City Attorney City Clerk Finance Director Public Works Director Community Development Director Fire Chief Police Chief Harbor Director WRF Program Manager, Carollo Engineering

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding called the meeting to order at 5:30 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

CLOSED SESSION REPORT – City Attorney Neumeyer stated no reportable action was taken by the City Council in accordance with the Brown Act.

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/zxdjU0DPV4A?t=142>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/zxdjU0DPV4A?t=548>

Lee Ann Vermeulen, The Creatives Coach, provided the business spot. She assists entrepreneurs in creative professions, and those who “think” they’re not creative, with challenges in their life and business. For more information, visit [www.thecreativescoach.com](http://www.thecreativescoach.com).

<https://youtu.be/zxdjU0DPV4A?t=598>

PRESENTATIONS

- Climate Change Presentation, by Scot Graham, Community Development Director  
<https://youtu.be/zxdjU0DPV4A?t=838>

PUBLIC COMMENT

<https://youtu.be/zxdjU0DPV4A?t=2188>

Wendy Wendt, Executive Director of First 5 SLO County, shared information and events planned during April, which is Month of the Child and Child Abuse Prevention Month.

Bob Kerwin, SCORE San Luis Obispo County Chapter, described the services they offer to help businesses grow and prosper.

Aaron Ochs, Save Morro Bay, shared his appreciation for the Morro Bay Police Department and importance of adequate funding for police officer salaries and mental health services.

Nicole Dorfman, Morro Bay, supported the direction the Council was taking on the WRF Coastal Development Permit.

Erica Crawford, Morro Bay Chamber of Commerce, announced upcoming events and provided an update on the RFP for the Farmers' Market.

Ed Boies, Morro Bay, urged the Council to move forward on the water reclamation project.

John DeNunzio, SLOCOG, encouraged the public to review and provide input on the 2019 Regional Transportation Plan and Environmental Impact Report which are available at [www.slocog.org](http://www.slocog.org). Comments are due by 5:00 pm on April 22, 2019.

Dianne Bianco, Morro Bay, stated her support for Council's efforts to build a wastewater treatment plant.

Paula Radke, Morro Bay resident and business owner, spoke regarding due process rights and requested the Council bring back public hearings.

Vivian Levy, Morro Bay, urged the City to explore alternatives to fund construction of the Surf Street stairs.

Dr. Leola Dublin Macmillan, Morro Bay, suggested rebuilding Surf Street stairs may be a possible capstone or senior project for Cal Poly students.

Linda Winters, Morro Bay, spoke regarding the importance of mobile home park rent stabilization to protect that alternative for affordable living.

Marla Jo Sadowski, Morro Bay, expressed concern the WRF project will increase greenhouse gas emissions and sea level rise.

David Nelson, Morro Bay, opposed the WRF project and spoke to the importance of repairing existing infrastructure.

Richard Sadowski, Morro Bay, opposed the WRF, stating the project was based on fraudulent studies, and shared concerns regarding existing infrastructure.

Dan Sedley, Morro Bay, spoke in support of the Police and Fire Department and importance of paying fair wages.

Dead Air Dave, Estero Bay Radio, urged the public to visit [www.centralcoastraid.org](http://www.centralcoastraid.org) to make a donation and help this non-profit radio station remain on air.

Mayor Heading closed public comment.

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

A. CONSENT AGENDA  
<https://youtu.be/zxdjUODPV4A?t=5164>

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion. The public will also be provided an opportunity to comment on consent agenda items.

A-1 APPROVAL OF MINUTES FOR THE FEBRUARY 26, 2019, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL OF MINUTES FOR THE FEBRUARY 26, 2019, CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-3 APPROVAL OF MINUTES FOR THE MARCH 11, 2019, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-4 SECOND QUARTER INVESTMENT REPORT (JULY THROUGH DECEMBER 2018) FOR FISCAL YEAR 2018/19; (FINANCE)

**RECOMMENDATION: Receive and file.**

A-5 ADOPTION OF 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; (HARBOR)

**RECOMMENDATION: City Council adopt Resolution No. 20-19 approving Amendment #1 to the Master Lease Agreement for Lease Site 82-85/82W-85W, as proposed.**

Mayor Headding opened public comment for the Consent Agenda; seeing none, the public comment period was closed.

Council Member Heller pulled Items A-4 and A-5.

MOTION: Council Member McPherson moved for approval of items A-1 through A-3 on the Consent Agenda. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

A-4 SECOND QUARTER INVESTMENT REPORT (JULY THROUGH DECEMBER 2018) FOR FISCAL YEAR 2018/19; (FINANCE)  
<https://youtu.be/zxdjUODPV4A?t=5244>

Council Member Heller pulled this item to daylight the City's investments policies and practices.

MOTION: Council Member McPherson moved for approval of Item A-4. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

A-5 ADOPTION OF 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;  
(HARBOR)

<https://youtu.be/zxdjU0DPV4A?t=5620>

Council Member Heller expressed concern the project did not require on-site parking. Staff explained this item was brought forward to correct language previously agreed to and included in the lease agreement.

MOTION: Council Member McPherson moved for approval of Item A-5. The motion was seconded by Council Member Davis and carried 4-1 by roll call vote with Council Member Heller opposed.

B. PUBLIC HEARINGS - None

C. BUSINESS ITEMS

C-1 PROVIDE INPUT FOR DEVELOPMENT OF THE COASTAL DEVELOPMENT PERMIT FOR THE WATER RECLAMATION FACILITY; (PUBLIC WORKS)

<https://youtu.be/zxdjU0DPV4A?t=5620>

City Manager Collins introduced the item and turned it over to WRF Program Manager Casares who presented the report and, along with Public Works Director Livick, responded to Council inquiries.

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

Doug Rogers, Morro Bay, was pleased with the pursuit of a Coastal Development permit and encouraged the Council to continue work on the project.

Glenn Silloway, Morro Bay, expressed concern project delays would increase the cost of the project and encouraged the Council to stay the course.

Dawn Beattie, Morro Bay, supported moving forward with the WRF project at the South Bay Blvd. site.

Homer Alexander, Morro Bay, shared information gleaned from his participation on the Blue-Ribbon Commission and assured the public there is not a less expensive alternative when the cost of time is considered.

David Betonte, Morro Bay, spoke in support of City's water reclamation facility at South Bay Blvd. and the consolidated permitting process. He encouraged all agencies to work cooperatively to keep the project moving without delay.

Cindy Betonte, Morro Bay, expressed support for the consolidated permit process and moving the project forward as quickly and efficiently as possible.

Betty Winholtz spoke on behalf of Citizens for Affordable Living, stating they choose not to make substantive comments during this non-hearing.

Natalia Merzoian concurred with Ms. Winholtz's comments.

Dan Sedley, Lorie Noble, Carole Truesdale, Pauline Stansbury, Cynthia Hawley, Kristen Headland, David Nelson, and an un-named resident stated they have the statutory right to participate in the permitting process and choose not to participate in this fictitious substitute for a legal and lawful hearing.

Marla Jo Bruton Sadowski, speaking on behalf of Homefront Environmental Justice Morro Bay, concurred with previous speakers.

Lee Johnson, Morro Bay, urged the Council to move forward with the consolidated permit.

Bob Keller, Morro Bay, spoke in favor of moving forward with the consolidated permit process so the City can meet all timelines and save money in the long-term.

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

Council took a brief recess at 8:06 p.m. The meeting reconvened at 8:15 p.m. with all members present.

Mayor Heading and Council Members Addis, Davis and McPherson supported the consolidated permit approach and spoke to the importance of avoiding delays that would put low-interest financing at risk. They recalled points in the process where the Council paused to consider public input regarding plant siting and project costs and noted a rate review policy was in place that would require annual review and potentially lower, but not raise customer rates. They urged the Coastal Commission to positively receive the City's application as soon as possible to allow the City to remain on this critical path.

Council Member Heller hoped we could find an appropriate use for the highly treated water.

The Council did not take any formal action on this item.

C-2 CONSIDERATION OF A REGULAR ORDINANCE AND URGENCY ORDINANCE TO ALLOW AND REGULATE WIRELESS TELECOMMUNICATION FACILITIES IN THE PUBLIC RIGHT-OF-WAY; CONSIDERATION OF A RESOLUTION ADOPTING ADDITIONAL REGULATIONS FOR WIRELESS TELECOMMUNICATIONS FACILITIES; (COMMUNITY DEVELOPMENT)  
<https://youtu.be/zxdjUODPV4A?t=10990>

Community Development Director Graham presented the report, including the proposed amendments to Section 12.12.030(C)(4) as requested by Charter provided below, and responded to Council inquiries.

*"Any entity legally entitled to an exemption pursuant to state or federal law or governing franchise agreement, including without limitation the holder of a state-issued franchise under the Digital Infrastructure & Video Competition Act of 2006, as amended, excepting that to the extent such the terms of state or federal law, or franchise agreement, are preemptive of the terms of this chapter; then the terms of this chapter shall be severable to the extent of such preemption and all remaining regulations shall remain in full force and effect. Nothing in the exemption shall apply so as to preempt the city's valid exercise of police powers that do not substantially impair franchise contract rights."*

The public comment period for Item C-2 was opened; seeing none, the public comment period was closed.

MOTION: Council Member Davis moved the Council introduce for first reading by title only, and waive further reading, Ordinance No. 621, as amended, to add Chapter 12.12 to the Municipal Code, to regulate wireless telecommunication facilities in the public right-of-way, and determine the project is not subject to the California Environmental Quality Act; and adopt, by title only and waive further reading, the attached urgency Ordinance No. 620, as amended, to add Chapter 12.12 to the

Municipal Code, to regulate wireless telecommunication facilities in the public right-of-way, and determine the project is not subject to the California Environmental Quality Act; and that the Council adopt Resolution No. 21-19 to approve the corresponding City Council Policy for additional regulations applicable to small wireless facilities in the public right-of-way and direct staff to promptly publish the Policy on the City's webpage; and direct Public Works staff to bring back an amendment to the master fee schedule to establish application fees and penalty fees. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

C-3 REPORT ON WASHINGTON D.C. MEETINGS BOTH FOR C-MANC'S ANNUAL "WASHINGTON WEEK" CONFERENCE AS WELL AS CONCERNING THE WATER RECLAMATION FACILITY PROJECT (WRF); (HARBOR/PUBLIC WORKS)

<https://youtu.be/zxdjUODPV4A?t=11969>

Harbor Director Endersby, Public Works Director Livick, and City Manager Collins provided the report. Mayor Heading also commented on the valuable meetings he attended.

The public comment period for Item C-3 was opened.

Dan Sedley, Morro Bay, restated his position the City sent too many people and acted in a wasteful manner.

The public comment period for Item C-3 was closed.

As a receive and file item, no formal action was taken by the City Council.

C-4 ADOPT RESOLUTION NO. 19-19 APPROVING THE CITY OF MORRO BAY'S REVENUE AND EXPENDITURE POLICIES; (FINANCE)

<https://youtu.be/zxdjUODPV4A?t=13406>

Finance Director Callaway provided the report and responded to Council inquiries.

The public comment period for Item C-4 was opened; seeing none, the public comment period was closed.

The Council discussed the paragraph under Use of New Discretionary Revenues that dedicated 10% of new (ongoing) revenue be devoted to capital projects, including deferred maintenance and infrastructure needs but agreed to approve the policy as presented.

MOTION: Council Member McPherson moved the City Council adopt Resolution No. 19-19 approving the City of Morro Bay's Revenue and Expenditure Policies. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/zxdjUODPV4A?t=14509>

Council Member Davis requested discussion of the discretionary General Fund contribution to the Tourism Business Improvement District in advance of the formal budget discussions. There was full support for this item.

Council Member Davis suggested the Council consider a policy amendment setting 9:30 as the meeting adjournment time. Council Members Addis and Heller supported the request.

Council Member Addis requested future discussion of agreement to use as much local labor as possible on future aspects of Water Reclamation Facility. There was full support for this item.

E. ADJOURNMENT

The meeting adjourned at 9:43 p.m.

Recorded by:

Dana Swanson  
City Clerk