

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 25, 2019
VETERAN'S MEMORIAL HALL – 5:30 P.M.

AGENDA NO: A-2
MEETING DATE: August 13, 2019

PRESENT:	John Headding Dawn Addis Robert Davis Marlys McPherson	Mayor Council Member Council Member Council Member
ABSENT:	Jeff Heller	Council Member
STAFF:	Scott Collins Chris Neumeyer Dana Swanson Jennifer Callaway Rob Livick Scot Graham Steve Knuckles Tony Mosqueda	City Manager City Attorney City Clerk Finance Director Public Works Director Community Development Director Fire Chief Police Sergeant

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding called the meeting to order at 5:32 p.m., with all but Council Member Heller present.

MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
RECOGNITION – None

PRESENTATIONS

- o Cookie Crock Proclamation presented to Carla Wiley.
<https://youtu.be/K7ki7RE7aHs?t=150>

CLOSED SESSION REPORT – None.

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/K7ki7RE7aHs?t=317>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/K7ki7RE7aHs?t=711>

PUBLIC COMMENT

<https://youtu.be/K7ki7RE7aHs?t=823>

Robert Swain, Morro Bay Maritime Museum, announced tours of a P-520 Crash Rescue Boat will be available for four months beginning July 1.

Linda Winters, Morro Bay, shared appreciation for presentations provided by Council Member Addis and other keynote speakers at the Women Making Waves event and announced a letter writing campaign to preserve mobile homes as an affordable living alternative.

David Baldwin spoke in favor of a community workforce or project labor agreement for the lift station and conveyance project.

Brett Anderson encouraged the Council to support local labor agreements.

Autumn Brown spoke in support of community workforce agreements.

Tyler Scheidt spoke regarding local pre-apprenticeship programs and supported community workforce agreements as a path to bring young adults into the workforce.

Carol Swain, Morro Bay, spoke in support of project labor agreements and congratulated the City on the approval of funding for the WRF project.

Erica Crawford, Morro Bay Chamber of Commerce, provided an update on the Women Making Waves event and announced upcoming events and learning opportunities.

Bob Keller, Morro Bay, announced a fundraising event for Project Surf Camp, to be held Friday, June 28th at San Luis Sports Therapy at 890 Shasta Avenue.

Betty Winholtz, Morro Bay, requested trash cans be replaced near Morro Rock, expressed concern about construction at the corner of Radcliffe and Main, and encouraged the community to attend the Coastal Commission hearing on July 11th at Embassy Suites in San Luis Obispo.

Barry Branin, Morro Bay, repeated his request for the City to issue requests for proposals to maintain existing sewer pipes.

Mayor Headding closed public comment.

- A. CONSENT AGENDA
<https://youtu.be/K7ki7RE7aHs?t=2211>

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 MAY 28, 2019, CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 APPROVAL OF MINUTES FOR THE JUNE 11, 2019, CITY COUNCIL SPECIAL
CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-3 PROCLAMATION RECOGNIZING THE COOKIE CROCK FOR THEIR GENEROUS
CONTRIBUTIONS TO THE MORRO BAY COMMUNITY; (ADMINISTRATION)

RECOMMENDATION: Approved as submitted.

- A-4 RECERTIFICATION OF THE UPDATED SEWER SYSTEM MANAGEMENT PLAN;
(PUBLIC WORKS)

RECOMMENDATION: Council recertify the proposed Sewer System Management Plan (SSMP).

- A-5 ADOPT RESOLUTION NO. 49-19 ESTABLISHING THE ANNUAL PROPOSITION 4
APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2019/20; (FINANCE)

RECOMMENDATION: City Council adopt Resolution No. 49-19, which sets the FY 2019/20 appropriations limit at \$28,065,499.

- A-6 ADOPT RESOLUTION NO. 50-19 APPROVING A NEW TEMPORARY LICENSE AGREEMENT FOR OPERATION OF BAITING SERVICES WITH MORRO BAY COMMERCIAL FISHERMEN OWEN HACKLEMAN, ROGER CULLEN AND WILLIAM DILLER; (HARBOR)

RECOMMENDATION: City Council adopt Resolution No. 50-19 approving a new two-year Temporary License Agreement with Morro Bay commercial fishermen Owen Hackleman, Roger Cullen and William Diller for commercial baiting services in a portion of the Harbor Department storage yard, that includes an option to extend for one two-year period.

- A-7 REVIEW AND RECEIVE WATER RECLAMATION FACILITY (WRF) CAPITAL PROJECT MONTHLY UPDATE REPORT; (PUBLIC WORKS)

RECOMMENDATION: Council receive WRF Capital Project Monthly Update Report.

- A-8 AGREEMENT BETWEEN THE CITY AND MORRO BAY CHAMBER OF COMMERCE FOR ECONOMIC DEVELOPMENT FACILITATION SUPPORT SERVICES; (CITY MANAGER)

RECOMMENDATION: Approve the proposed agreement with the Morro Bay Chamber of Commerce to provide economic development services for the City and approve the City Manager executing in substance the proposed agreement.

- A-9 ADOPTION OF RESOLUTIONS APPROVING THE CITY OF MORRO BAY ACCOUNTING AND FINANCIAL REPORTING POLICIES RELATED TO COMPUTER DISASTER RECOVERY PLAN, CAPITAL ASSETS, CITY CREDIT CARDS, TRAVEL, REIMBURSEMENT, CASH ADVANCE, DONATIONS, GRANT MANAGEMENT, UTILITY PAYMENT ARRANGEMENT, LEAK REVIEW, APPROVED PAYMENT TYPES, AND CHANGE OF PRIMARY ACCOUNT HOLDER; (FINANCE)

RECOMMENDATION: City Council adopt Resolution Nos. 58-19 through 62-19 approving the City of Morro Bay's Accounting and Financial Reporting Policies related to Computer Disaster Recovery Plan, Capital Assets, City Credit Cards, Travel, Reimbursement, Cash Advance, Donations, Grant Management, Utility Payment Arrangement, Leak Review, Approved Payment Types, and Change of Primary Account Holder.

Council Member Davis pulled Items A-7 and A-9. Council Member McPherson pulled Item A-4. Mayor Heading also wished to pull Item A-7.

Mayor Heading opened public comment for the Consent Agenda.

Betty Winholtz, Morro Bay, spoke to Item A-4, spoke regarding sanitary sewer overflow and asked about the timing of sewer pipeline repairs.

The public comment period was closed.

- A-4 RECERTIFICATION OF THE UPDATED SEWER SYSTEM MANAGEMENT PLAN; (PUBLIC WORKS)
<https://youtu.be/K7ki7RE7aHs?t=2374>

Council Member McPherson asked staff to respond to questions raised during public comment. Utilities Division Manager Mueller explained the Sewer System Management Plan was an operational plan, not a master plan for repairing and replacing those pipes. Public Works Director Livick added design work was needed prior to issuing the request for proposals and the anticipated timeline was identified in the capital improvement project section of the adopted budget.

- A-7 REVIEW AND RECEIVE WATER RECLAMATION FACILITY (WRF) CAPITAL PROJECT MONTHLY UPDATE REPORT; (PUBLIC WORKS)
<https://youtu.be/K7ki7RE7aHs?t=2564>

Council Member Davis discussed the appearance of the pump station near Lemos be as attractive as possible as it is a gateway route to the City. Mayor Headding announced the Coastal Commission public hearing to be held Thursday, July 11th at the Embassy Suites in San Luis Obispo and congratulated staff for excellent work on the State Revolving Fund funding application.

- A-9 ADOPTION OF RESOLUTIONS APPROVING THE CITY OF MORRO BAY ACCOUNTING AND FINANCIAL REPORTING POLICIES RELATED TO COMPUTER DISASTER RECOVERY PLAN, CAPITAL ASSETS, CITY CREDIT CARDS, TRAVEL, REIMBURSEMENT, CASH ADVANCE, DONATIONS, GRANT MANAGEMENT, UTILITY PAYMENT ARRANGEMENT, LEAK REVIEW, APPROVED PAYMENT TYPES, AND CHANGE OF PRIMARY ACCOUNT HOLDER; (FINANCE)
<https://youtu.be/K7ki7RE7aHs?t=2918>

Council Member Davis appreciated the work that had been done and encouraged staff to develop a ransomware recovery plan.

MOTION: Council Member Davis moved for approval of all items on the Consent Agenda. The motion was seconded by Council Member McPherson and carried 4-0-1 by roll call vote with Council Member Heller absent.

Staff responded to issues raised during public comment.

B. PUBLIC HEARINGS

- B-1 ADOPTION OF RESOLUTION NO. 51-19 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT (PUBLIC WORKS)
<https://youtu.be/K7ki7RE7aHs?t=3305>

Public Works Director Livick provided the report and responded to Council inquires.

Mayor Headding opened the Public Hearing.

Dawn Beattie, Morro Bay, pointed out the Cloisters Park and surrounding open space is public but maintenance is paid for entirely by Cloisters homeowners and requested the City begin paying for something that benefits more than just the homeowners.

Mayor Headding opened Public Comment; seeing none, the public comment period was closed.

The Public Hearing was closed.

MOTION: Council Member Davis moved the Council adopt Resolution No. 51-19 approving the levy of the annual assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District for FY 2019/20. The motion was seconded by Council Member McPherson and carried 4-0-1 by roll call vote with Council Member Heller absent.

B-2 ADOPTION OF RESOLUTION NO. 52-19 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)

<https://youtu.be/K7ki7RE7aHs?t=3716>

Public Works Director Livick provided the report.

Mayor Heading opened the Public Hearing and Public Comment.

Betty Winholtz, Morro Bay, asked for clarification on the proposed lighting.

Staff clarified security lighting for parking area.

The Public Hearing was closed.

MOTION: Council Member McPherson moved the Council adopt Resolution No. 52-19 directing the levy of the annual assessment for the North Point Natural Area Landscaping and Lighting Maintenance District. The motion was seconded by Council Member Davis and carried 4-0-1 by roll call vote with Council Member Heller absent.

B-3 PUBLIC HEARING TO REPORT ON DELINQUENT SOLID WASTE COLLECTION ACCOUNTS AND ADOPT RESOLUTION NO. 53-19 AUTHORIZING SAN LUIS OBISPO COUNTY ASSESSOR TO ASSESS AMOUNTS DUE ON DELINQUENT SOLID WASTE COLLECTION ACCOUNTS AS TAX LIENS AGAINST THE PROPERTIES (PUBLIC WORKS)

<https://youtu.be/K7ki7RE7aHs?t=3974>

Management Analyst Burlingame provided the report and responded to Council inquires.

Mayor Heading opened the Public Hearing and Public Comment; seeing none, the Public Hearing was closed.

MOTION: Council Member Davis moved the Council adopt Resolution No. 53-19 to confirm the report, so as to authorize the delinquent fees as assessments due as tax liens against the respective properties. The motion was seconded by Council Member McPherson and carried 4-0-1 by roll call vote with Council Member Heller absent.

C. BUSINESS ITEMS

C-1 REVIEW PROGRESS UPDATE FROM CENTRAL COAST AQUARIUM FOR POTENTIAL FUTURE MORRO BAY AQUARIUM; (CITY MANAGER)

<https://youtu.be/K7ki7RE7aHs?t=4424>

City Manager Collins provided a brief report. Subcommittee members Mayor Heading and Council Member Addis shared comments based on their involvement and meetings with Aquarium representatives.

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

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

The Council took a brief recess at 6:54 p.m. The meeting reconvened at 7:04 p.m. with all members present.

C-2 ADOPTION OF RESOLUTION NOS. 54-19 AND 55-19 AUTHORIZING THE FILING OF TWO SEPARATE APPLICATIONS WITH THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) TO COMMENCE PROCEEDINGS FOR (I) A SPHERE OF INFLUENCE DESIGNATION AND ANNEXATION OF THE 27.6-ACRE PROPERTY THE CITY WILL BE PURCHASING FROM TRI-W, INC. (TRI-W) FOR THE CONSTRUCTION AND OPERATION OF THE WATER RECLAMATION FACILITY (WRF) AND (II) A SPHERE OF INFLUENCE DESIGNATION FOR THE REMAINING PORTION OF THE TRI-W PROPERTY THE CITY IS NOT PURCHASING; (PUBLIC WORKS)
<https://youtu.be/K7ki7RE7aHs?t=5243>

Water Reclamation Facility Program Manager Casares provided the report and, along with Public Works Director Livick, responded to Council inquires.

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

Betty Winholtz, Morro Bay, asked if the proposed action had been reviewed by the Planning Commission and raised various questions.

Bob Keller, Morro Bay, urged the Council to move forward and avoid project delays.

Nancy Bast, Morro Bay, asked why the City had not simply purchased the property rather than agree to conditions in the MOU.

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

MOTION: Council Member McPherson moved to adopt Resolutions No. 54-19 and 55-19 authorizing the filing of two separate applications with the Local Agency Formation Commission (LAFCO) to commence proceedings for (I) a sphere of influence designation and annexation of the 27.6-acre property the City will be purchasing from Tri-W, Inc. for the construction and operation of the Water Reclamation Facility and (II) a sphere of influence designation for the remaining portion of the Tri-W property the City is not purchasing, and that of course rescinds the prior resolution. The motion was seconded by Council Member Davis and carried 4-0-1 by roll call vote with Council Member Heller absent.

C-3 ADOPTION OF RESOLUTION NO. 56-19 CREATING THE MORRO BAY PUBLIC FACILITIES CORPORATION NEEDED TO FACILITATE FINANCING OF THE WATER RECLAMATION FACILITIES AND OTHER FUTURE CAPITAL PROJECTS; (PUBLIC WORKS)
<https://youtu.be/K7ki7RE7aHs?t=6284>

Water Reclamation Facility Program Manager Casares provided the report and, along with City Attorney Neumeyer, responded to Council inquires.

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

Betty Winholtz, Morro Bay, expressed concern there was no sunset clause and that establishing a corporation created a firewall between residents and the Council.

Barry Branin, Morro Bay, reiterated Ms. Winholtz's comments and was concerned by the transfer of funds.

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

Council Member Davis suggested the following amendments for clarification:

- Resolution No. 56-19, Section 6 - list the Finance Director shall serve as Treasurer and the City Clerk shall serve as Secretary of the Corporation.
- Bylaws Article II, Section 10 - remove the last half of the final sentence.
- Bylaws Article III, Sections 1 & 2 – list all officers, including Secretary & Treasurer.
- Bylaws Article III, Section 3 – remove “and the officers” in the second sentence.
- Bylaws Article III, Section 9 – provide gender clarification “his/her”
- No changes were suggested for the Articles of Incorporation

City Attorney Neumeyer provided clarification in response to issues raised during public comment.

MOTION: Council Member Davis moved to adopt Resolution No. 56-19, as amended, authorizing the creation of the Morro Bay Public Facilities Corporation. The motion was seconded by Council Member McPherson and carried 4-0-1 by roll call vote with Council Member Heller absent.

C-4 ADOPTION OF RESOLUTION NO. 57-19 APPROVING REQUEST FOR CONSOLIDATED COASTAL DEVELOPMENT PERMIT PROCESSING FOR CAYUCOS SANITARY DISTRICT SEWER INFRASTRUCTURE & PUBLIC LOT CREATION; (COMMUNITY DEVELOPMENT)
<https://youtu.be/K7ki7RE7aHs?t=7669>

Community Development Director Graham provided the report and responded to Council inquires.

The public comment period for Item C-4 was opened.

Betty Winholtz, Morro Bay, suggested approval of the request could have been used as leverage for future negotiations with Cayucos regarding the existing WWTP.

The public comment period for Item C-4 was closed.

The Mayor & Council Members commented on the importance of preserving open space, positive relations with the Cayucos Sanitary District, and a regional approach on water resiliency.

MOTION: Mayor Heading moved to adopt Resolution No. 57-19, approving request for consolidated Coastal Development Permit processing for Cayucos Sanitary District and public lot creation. The motion was seconded by Council Member Davis and carried 4-0-1 by roll call vote with Council Member Heller absent.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/K7ki7RE7aHs?t=8852>

In light of affordable housing items being heard at the State level, Council Member Addis requested discussion of a policy that allowed Council Members to submit letters of support on legislative items of interest. Mayor Heading suggested reviewing the existing Council Policies

& Procedures and potentially crafting language that would be helpful. Council Member McPherson suggested this could be considered during the Advisory Board Bylaws/Council Policy review planned for an upcoming meeting.

Council Member Davis requested the Council consider a position on House Resolution 763 which levies carbon tax on carbon dioxide producers and encourages clean energy. There was full Council support for this item.

E. ADJOURNMENT

The meeting adjourned at 8:14 p.m.

Recorded by:

Dana Swanson
City Clerk