

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JANUARY 28, 2020
VETERAN'S MEMORIAL HALL – 5:30 P.M.

AGENDA NO: A-1
MEETING DATE: February 25, 2020

PRESENT: John Headding Mayor
Dawn Addis Council Member
Robert Davis Council Member
Jeff Heller Council Member
Marlys McPherson Council Member

ABSENT: None

STAFF: Scott Collins City Manager
Chris Neumeyer City Attorney
Dana Swanson City Clerk
Jennifer Callaway Finance Director
Rob Livick Public Works Director
Scot Graham Community Development Director
Jody Cox Police Chief
Eric Endersby Harbor Director
Matt Vierra Fire Marshal
Eric Casares WRF Program Manager
Jennifer Little Tourism Manager

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/DYKlckmcp_g?t=88

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

https://youtu.be/DYKlckmcp_g?t=398

PRESENTATIONS

- Presentation of Government Finance Officers Association (GFOA) Distinguished Budget Award and California Society of Municipal Finance Officers (CSFMO) Budget Excellence Award

https://youtu.be/DYKlckmcp_g?t=430

PUBLIC COMMENT

https://youtu.be/DYKlckmcp_g?t=753

Pamela Arsenault from Morro Bay Jewelers, located at 898 Main Street, Suite A, provided the business spot.

Cindy Betonte, Morro Bay resident and volunteer with League of Women Voters, shared non-partisan information regarding ballot issues and candidates for the upcoming election can be found on www.votersedge.org/ca.

Patricia Dale, Morro Bay resident and member of League of Women Voters, announced upcoming events celebrating the 100th anniversary of the League of Women Voters and passage of the 19th Amendment granting women the right to vote.

Erica Crawford, Morro Bay Chamber of Commerce, announced upcoming events.

Linda Winters, Morro Bay, shared her goals for 2020 and continued efforts to assist and support mobile home park residents.

John Weiss, Morro Bay resident and business owner, announced an upcoming Maritime Museum event.

Mimi Goldberg, Morro Bay, addressed the need for a warming center in Morro Bay.

Betty Winholtz, Morro Bay, commented on the 100th anniversary of Women's Right to Vote and read a letter submitted to The Tribune expressing concern about Council Member Addis's run for State legislature.

Dan Sedley, Morro Bay, raised concerns regarding Agenda Item A-7, a revised Memorandum of Understanding involving Chevron property.

Melanie Williams Mahan, Morro Bay, spoke regarding the Water Reclamation Facility.

Jeff Bacon, Morro Bay, shared information regarding a competition featuring self-portraits by San Luis Obispo County high school seniors and encouraged residents to visit SLOMA.org for more information.

Mayor Headding closed public comment.

The Council responded to issues raised during public comment.

A. CONSENT AGENDA
https://youtu.be/DYKlckmgrp_g?t=2444

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 NOVEMBER 12, 2019, CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE DECEMBER 10, 2019, CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE JANUARY 14, 2020, CITY COUNCIL SPECIAL
CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 ADOPTION OF RESOLUTION NO. 05-20 TO ADOPTING THE DISCONTINUATION OF RESIDENTIAL WATER SERVICE FOR NON-PAYMENT POLICY PURSUANT TO SENATE BILL 998; (FINANCE)

RECOMMENDATION Staff recommends Council adopt Resolution No. 05-20, adopting the City of Morro Bay's Discontinuation of Residential Water Service for Non-Payment Policy pursuant to Senate Bill 998.

A-5 ARBOR DAY PROCLAMATION; (PUBLIC WORKS)

RECOMMENDATION: Staff recommends City Council approve the proposed proclamation in support of Arbor Day and being a Tree City USA community.

A-6 ADOPTION OF RESOLUTION NO. 06-20 ADOPTING THE 2020 BAIL SCHEDULE; (FINANCE)

RECOMMENDATION Staff recommends that the City Council Adopt Resolution No. 06-20 Adopting the 2020 Bail Schedule.

A-7 CITY MANAGER AUTHORIZATION TO SIGN A REVISED NON-BINDING MEMORANDUM OF UNDERSTANDING (MOU), BETWEEN THE CAYUCOS SANITARY DISTRICT, TRUST FOR PUBLIC LANDS, CHEVRON AND THE CITY OF MORRO BAY, FOR CONSERVATION OF LOTS 6SW AND 6NW, MORE COMMONLY KNOWN AS "DOG BEACH"; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Council authorize City Manager signature of the revised non-binding MOU between the City of Morro Bay, Cayucos Sanitary District, Trust for Public Lands and Chevron for conservation and City ownership of Lots 6SW and 6NW (Dog Beach) as shown on Attachment A of the MOU.

A-8 CITIZEN'S FINANCE ADVISORY COMMITTEE MEETING SCHEDULE; (FINANCE)

RECOMMENDATION: Staff recommends that the City Council adopt Resolution No. 07-20 approving the Citizen's Finance Advisory Committee's request to meet seven times per year.

Mayor Headding opened public comment for the Consent Agenda.

Betty Winholtz, Morro Bay, raised questions and concerns regarding Items A-4, A-5 & A-7.

The public comment period was closed.

Mayor Headding pulled Items A-4 and A-7.

MOTION: Council Member McPherson moved approval of Items A-1, A-2, A-3, A-5, A-6 and A-8 on the Consent Agenda. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

A-4 ADOPTION OF RESOLUTION NO. 05-20 TO ADOPTING THE DISCONTINUATION OF RESIDENTIAL WATER SERVICE FOR NON-PAYMENT POLICY PURSUANT TO SENATE BILL 998; (FINANCE)
https://youtu.be/DYKlckmcp_g?t=2684

Finance Director Callaway responded to questions raised during public comment, noting a timeline will be provided with mailed notices.

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

- A-7 CITY MANAGER AUTHORIZATION TO SIGN A REVISED NON-BINDING MEMORANDUM OF UNDERSTANDING (MOU), BETWEEN THE CAYUCOS SANITARY DISTRICT, TRUST FOR PUBLIC LANDS, CHEVRON AND THE CITY OF MORRO BAY, FOR CONSERVATION OF LOTS 6SW AND 6NW, MORE COMMONLY KNOWN AS “DOG BEACH”; (COMMUNITY DEVELOPMENT)

https://youtu.be/DYKlckmqp_g?t=2877

Community Development Director Graham responded to questions raised during public comment, noting the City is not paying any monies for the property and that other agenda items will come before the Council at a future meeting.

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

- B. PUBLIC HEARINGS - NONE

- C. BUSINESS ITEMS

- C-1 REVIEW WRF CAPITAL PROJECT QUARTERLY UPDATE REPORT AND POTENTIAL MODIFICATION TO THE REPORT, REVIEW ROLES OF THE PUBLIC WORKS ADVISORY BOARD (PWAB) AND CITIZENS FINANCE ADVISORY COMMITTEE (CFAC) REGARDING THE WRF, AND ADOPT RESOLUTION NO. 08-20 AUTHORIZING A BUDGET ADJUSTMENT FOR TEMPORARY PART-TIME STAFFING TO ASSIST WITH RECORDS MANAGEMENT FOR THE PROJECT; (PUBLIC WORKS)

https://youtu.be/DYKlckmqp_g?t=3140

Water Reclamation Facility Program Manager Casares and City Manager Collins provided the report and responded to Council inquires.

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

John Weiss, Morro Bay, posed several questions including whether the past Proposition 218 procedures provide sufficient funding for the project being discussed, and if funds had been budgeted for demolition of the existing plant.

Betty Winholtz, Morro Bay, raised several questions regarding the report and was concerned PWAB may not be able to fulfill WRFAC responsibilities.

Dan Sedley, Morro Bay, expressed concern about deep well infusion testing.

Linda Donnelly, Morro Bay, questioned differences between November – December reporting and raised concern the City failed to meet timelines established by the Regional Water Quality Control Board.

An unnamed individual stated his support for Council Member Heller and urged the Council to stay on top of this project.

Melanie Williams Mahan, Morro Bay, opposed the request for additional staffing.

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

Staff responded to questions raised during public comment.

MOTION: Council Member Addis moved to receive and file the WRF Quarterly Update Report. The motion was seconded by Council Member Davis for discussion.

Following discussion, the motion carried 5-0 by roll call vote.

MOTION: Council Member Addis moved to approve modifying the WRF Quarterly report by adding the table shown on page 93 of the agenda packet. The motion was seconded by Council Member Davis for discussion.

Council Member McPherson requested a simple graphic that showed how each decision affects user rates. Following individual comments, the motion carried 5-0 by roll call vote.

Following discussion, there was Council consensus regarding the role of the CFAC with regard to review of financial aspects of the WRF project and recommendations to Council be revised to include the following:

- review of global project expenditures vs. budget variances,
- review of debt service recommendations from staff, including use of cash or other funding sources, such as WIFIA or SRF, and the impacts on rate payers (appropriate use of funds review),
- review cash flow performance to maximize use of funds available vs. the time use of money,
- monitor compliance with drawdown requirements of WIFIA and SRF, or other funding sources, as appropriate.

With regard to PWAB review, a majority of the Council agreed with staff recommendation the Board should receive general project updates at each meeting and review major technical decisions that necessitate a recommendation to the City Council. Council Member Heller restated his position the WRFCAC had the knowledge and expertise for financial and technical review of the project.

MOTION: Mayor Headding moved that the direction regarding CFAC role include: 1) review of global project expenditures vs. budget, 2) review debt service recommendations from staff including use of cash vs. other funding sources and analysis of impacts on rates, 3) review cash flow performance to ensure we maximize the use of funds (time use of money), 4) monitor compliance with drawdown requirements for WIFIA / SRF funding; and that the PWAB responsibilities include those recommended by staff on page 48 of the agenda packet. The motion was seconded by Council Member Addis and carried 4-1 by roll call vote with Council Member Heller opposed.

MOTION: Council Member Davis moved adoption of Resolution No. 08-20 authorizing a budget adjustment for temporary part-time staffing to assist with records management for the Project. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

The Council agreed Council Member Heller's request regarding the cost of the WRF Quarterly Report and consideration of a graphic showing rate payer impacts would be vetted through the WRF Council sub-committee.

The Council took a brief recess at 8:17 p.m. The meeting reconvened at 8:26 p.m. with all members present.

- C-2 APPROVAL OF AMENDMENT NO. 2 TO FAR WESTERN'S CONTRACT AND AUTHORIZATION FOR THE PUBLIC WORKS DIRECTOR TO SIGN THE AGREEMENT; (PUBLIC WORKS)
https://youtu.be/DYKlckmcp_g?t=10063

Public Works Director Livick provided the report and, along with Mr. Casares, responded to Council inquires.

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

MOTION: Council Member McPherson moved approve, and authorize the Public Works Director to sign, Amendment No. 2 to the existing amended agreement with Far Western Anthropological Research Group, Inc. (Far Western), dated December 1, 2019, for continued archeological support of the Water Reclamation Facility (WRF) Project in an increased amount of \$130,809 and for an extended term through April 30, 2020. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

- C-3 VISITOR CENTER RELOCATION OPPORTUNITY; (CITY MANAGER)
https://youtu.be/DYKlckmcp_g?t=10328

City Manager Collins provided the report and, along with Tourism Manager Little, responded to Council inquires.

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

Erica Crawford, Morro Bay Chamber of Commerce, stated the Chamber was generally supportive of pursuing the opportunity and has a small group studying the matter in order to make a recommendation to the Board of Directors.

John Weiss, Morro Bay, spoke in support of staff recommendation, stating the proposed location is better than current.

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

The Council was supportive of staff recommendation to review the opportunity in more detail and bring back additional information in late February.

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

- C-4 ADOPTION OF RESOLUTION NO. 09-20 AUTHORIZING SUBMITTAL OF AN APPLICATION FOR, AND RECEIPT OF, ALTERNATIVE FUEL AND ELECTRIC VEHICLE INFRASTRUCTURE GRANT (AB 617) THROUGH THE SAN LUIS OBISPO (SLO) COUNTY AIR POLLUTION CONTROL DISTRICT (APCD) FOR THE INSTALLATION OF SIX ELECTRIC VEHICLE CHARGING PORTS, AND RESOLUTION NO. 10-20 AUTHORIZING SUBMITTAL OF AN APPLICATION FOR, AND RECEIPT OF, A LOCAL ROAD SAFETY PLAN (LRSP) GRANT THROUGH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS), DISTRICT 5; (PUBLIC WORKS)
https://youtu.be/DYKlckmcp_g?t=11505

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

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

MOTION: Council Member Heller moved to adopt Resolution No. 09-20 authorizing staff to submit a completed grant application(s) for the amounts of \$13,000 and \$8,200, for Alternative Fuel and Electric Vehicle Infrastructure improvements, administered through the San Luis Obispo (SLO) County Air Pollution Control District (APCD), and authorizing staff to implement installation of such infrastructure through the grant funding; and adopt Resolution No. 10-20 authorizing staff to submit a completed grant application(s) for an amount up to \$72,000 (or 90 percent of the total cost) for the preparation of a Local Road Safety Plan (LRSP) through the California Department of Transportation (CalTrans), District 5, upon funding implement preparation of an LRSP, and expend \$8,000 in City matching funds. 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/DYKlckm9p_g?t=11505

None

E. ADJOURNMENT

The meeting adjourned at 9:07 p.m.

Recorded by:

Dana Swanson
City Clerk