



CITY OF MORRO BAY CITY COUNCIL AMENDED AGENDA

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.

Regular Meeting Tuesday, January 26, 2021 – 5:30 P.M. Held Via Teleconference

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
RECOGNITION
CLOSED SESSION REPORT
MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS
PRESENTATIONS

- *Vistra Energy Presentation on Lithium Battery Technologies and Potential Battery Project in Morro Bay*
- *CFAC Report on Measure Q Spending by Chairman John Martin*

PUBLIC COMMENT

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this Meeting will be conducted telephonically through Zoom and broadcast live on Cable Channel 20 and streamed on the City website (click [here](#) to view). Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Veterans' Hall will not be open for the meeting.

Public Participation:

In order to prevent and mitigate the effects of the COVID-19 pandemic, and limit potential spread within the City of Morro Bay, in accordance with Executive Order N-29-20, the City will not make available a physical location from which members of the public may observe the meeting and offer public comment. Remote public participation is allowed in the following ways:

- *Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the City Council at council@morrobayca.gov prior to the meeting and will be published on the City website with a final update one hour prior to the meeting start time. Agenda correspondence received less than an hour before the meeting start time may not be posted until after the meeting.*
- *Members of the public may watch the meeting either on cable Channel 20 or as streamed on the City [website](#).*
- *Alternatively, members of the public may watch the meeting and speak during general Public Comment or on a specific agenda item by logging in to the Zoom webinar using the information provided below. Please use the "raise hand" feature to indicate your desire to provide public comment. Each speaker will be allowed three minutes to provide input.*

Please click the link below to join the webinar:

- <https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcwTHIRTK9xaTlmWVNW/RWFUQT09>
Password: 135692
- Or Telephone Attendee: 1 (408) 638-0968 or 1 (669) 900 6833 or 1 (346) 248 7799;
Webinar ID: 827 2274 7698; Password: 135692; Press *9 to “Raise Hand” for
Public Comment

A. CONSENT AGENDA

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 17, 2020, CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 APPROVAL OF MINUTES FOR THE DECEMBER 8, 2020, CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-3 APPROVAL OF MINUTES FOR THE JANUARY 13, 2021, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-4 ADOPTION AND SECOND READING OF ORDINANCE NO. 642, RESTATING AND AMENDING MORRO BAY MUNICIPAL CODE CHAPTER 13.12 TO UPDATE AND EXPAND THE CITY’S SEWER USE ORDINANCE; (PUBLIC WORKS)

RECOMMENDATION: Staff recommends Council consider adopting, by second reading and by title only with further reading waived, Ordinance No. 642 entitled “An Ordinance of the City Council of the City of Morro Bay, California, restating and amending Chapter 13.12 of Morro Bay Municipal Code update and expand the City’s Sewer regulations.”

- A-5 ADOPTION OF RESOLUTION NO. 04-21 AUTHORIZING SUBMISSION OF RURAL TRANSIT FUND GRANT APPLICATION AND EXECUTION OF RELATED DOCUMENTS UPON AWARD; (PUBLIC WORKS)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 04-21 authorizing Submission of Rural Transit Fund Grant Application and Execution of Related Documents Upon Award.

- A-6 ADOPTION OF RESOLUTION NO. 05-21 AUTHORIZING SUBMISSION OF SB 1 STATE OF GOOD REPAIR GRANT APPLICATION AND EXECUTION OF RELATED DOCUMENTS UPON AWARD; (PUBLIC WORKS)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 05-21 authorizing Submission of SB 1 State of Good Repair Grant Application and Execution of Related Documents Upon Award.

- A-7 ADOPTION OF RESOLUTION NO. 06-21 ESTABLISHING THE 2021 CITY COUNCIL MEETING CALENDAR AND BUDGET DEVELOPMENT SCHEDULE; (CITY MANAGER)

RECOMMENDATION: Staff recommends the City Council review the proposed Council meeting calendar and adopt Resolution No. 06-21 approving the 2021 City Council Meeting Calendar and Budget Development Schedule.

- B. PUBLIC HEARINGS - NONE

- C. BUSINESS ITEMS

- C-1 UPDATE ON THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT CONVERSION PROCESS; (CITY MANAGER)

RECOMMENDATION: Staff recommends the City Council receive the Tourism Business Improvement District (“TBID”) conversion process update, approve the draft service plan, and provide input on the new non-profit board makeup.

- D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

- E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, February 9, 2021 at 5:30 p.m.** via teleconference.

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 CITY HALL FOR ANY REVISIONS OR CALL THE CLERK’S OFFICE AT 805-772-6205 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST BY CALLING THE CITY CLERK’S OFFICE AT 805-772-6205.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK’S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

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MINUTES - MORRO BAY CITY COUNCIL
SPECIAL MEETING – NOVEMBER 17, 2020
TELECONFERENCE – 2:00 P.M.

AGENDA NO: A-1
MEETING DATE: January 26, 2021

City Council conducted this meeting in accordance with Section 3 of California Governor Newsom's Executive Order N-29-20 issued on March 17, 2020 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.

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
 Dana Swanson City Clerk
 Katie Lichtig Interim Finance Director
 Scot Graham Community Development Director
 Joe Mueller Acting Public Works Director
 Jody Cox Police Chief
 Eric Endersby Harbor Director
 Matt Vierra Fire Marshal
 Cindy Jacinth Senior Planner
 Eric Casares WRF Program Manager

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding established a quorum and called the meeting to order at 2:00 p.m. with all members present.

There was Council concurrence to hear Item V after Item I.

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

<https://youtu.be/AxAf5QvLRwl?t=164>

Mayor Headding opened public comment.

Catherine Manning, People's Self-Help Housing representative and clinical social worker serving the Morro Bay area, shared information regarding the Supportive Housing Program and appreciated the City's financial support.

The public comment period was closed.

SPECIAL MEETING AGENDA ITEMS:

- I. WATER RECLAMATION FACILITY (WRF) PROJECT REVIEW AND APPROVAL OF CHANGE ORDERS; (PUBLIC WORKS)

<https://youtu.be/AxAf5QvLRwl?t=373>

WRF Program Manager Casares presented the report and responded to Council inquiries.

Council Member Heller stated he opposed the change orders presented but would no longer try to stop the project.

MOTION: Mayor Heading moved the City Council authorize the City Manager to execute Amendment No. 4 with Filanc-Black & Veatch (i.e., design-build team) for a total value not to exceed \$835,097. The motion was seconded by Council Member McPherson and carried 4-1 by roll call vote with Council Member Heller opposed.

With Council concurrence, Item V was heard next.

- V. REVIEW AND PROVIDE INPUT REGARDING PROPOSED SEWER USE ORDINANCE REVISIONS – MORRO BAY MUNICIPAL CODE CHAPTER 13.12; (PUBLIC WORKS)
<https://youtu.be/AxAf5QvLRwl?t=4269>

Mr. Casares introduced the item and turned it over to Penny Carlo of Penny Carlo Engineering, who presented the report and responded to Council inquiries.

No formal action was taken by the City Council on this item.

- II. REVIEW AND ADOPT DRAFT FUNDING RECOMMENDATIONS FOR THE 2021 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM; (COMMUNITY DEVELOPMENT)
<https://youtu.be/AxAf5QvLRwl?t=7726>

Senior Planner Jacinth provided the report and responded to Council inquiries.

MOTION: Council Member Davis moved the Council adopt Resolution No. 99-20 approving Community Development Block Grant funds in the amount of \$89,766 for the Morro Bay Family Apartments, with program administration of \$4,190 for a total funding allocation of \$93,956; and authorize the City Manager to make pro rata adjustments to the allocation based on the final funding amount from San Luis Obispo County based on the approval of the federal budget and HUD's final grant amount to the County. The motion was seconded by Mayor Heading for discussion.

Council Member Heller felt it was important to support services to residents and recommended allocating \$8,637 to Peoples' Self-Help Housing and reduce the contribution to the Morro Bay Family Apartments project accordingly. Council Members Addis and McPherson agreed.

Council Member Davis withdrew his motion and Mayor Heading withdrew the second.

MOTION: Council Member Davis moved the Council adopt Resolution No. 99-20 approving funding recommendations for the CDBG grant funds supporting both the Morro Bay Family Apartment project in the amount of \$81,129, the People's Self-Help Housing request in the amount of \$8,637, and \$4,190 for City program administration, and authorize the City Manager to make pro rata adjustments to the allocation based on the final funding amount from San Luis Obispo County based on the approval of the federal

budget and HUD's final grant amount to the County. The motion was seconded by seconded by Council Member McPherson and carried 5-0 by roll call vote.

- III. ADOPTION OF RESOLUTION NO. 100-20 DECLARING GULLS AT BAYSHORE VILLAGE HAVE BECOME SO NUMEROUS OR DESTRUCTIVE AS TO CONSTITUTE A MENACE AND DANGER TO THE PUBLIC HEALTH, SAFETY OR PROPERTY, AND THEREFORE PROVIDING AN EXEMPTION FROM MORRO BAY MUNICIPAL CODE SECTION 7.16.025 AUTHORIZING THE HOMEOWNERS ASSOCIATION TO HAZE, AND HARASS GULLS, TO REMOVE GULL NESTS FROM THEIR PROPERTY AND TO CARRYOUT ADDLING OF GULL EGGS; (COMMUNITY DEVELOPMENT)

<https://youtu.be/AxAf5QvLRwl?t=9119>

Community Director Graham presented the report and responded to Council inquiries.

MOTION: Mayor Headding moved the Council adopt Resolution No. 100-20 declaring the existence of Gulls at the Bayshore Village have become so numerous or destructive as to constitute a menace and danger to the public health, safety or property, authorizing an exemption from Morro Bay Municipal Code Section 07.16.025 authorizing the Homeowners' Association to haze, and harass Gulls, to remove Gull nests from their property and carryout addling of Gull eggs. The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

- IV. STATUS REPORT ON EFFORTS TO REVIEW AND IMPROVE THE PLANNING AND DEVELOPMENT REVIEW PROCESS; (CITY MANAGER)

<https://youtu.be/AxAf5QvLRwl?t=9899>

City Manager Collins and Morro Bay Chamber of Commerce CEO, Erica Crawford, presented the report and responded to Council inquiries.

The Mayor and Council Members expressed their gratitude for the Chamber's input and collaborative effort thus far. Council Member Davis suggested and received Council support to have the following items incorporated into a resolution establishing goals and metrics for permit processing improvements:

1. Complete staff buy-in
2. Clearly defined goals and objectives
3. A vision of what success looks like
4. A plan of actions and outcomes with a timetable
5. Follow up and feedback on measurable outcomes

No formal action was taken by the City Council on this item.

ADJOURNMENT

The meeting adjourned at 5:32 p.m.

Recorded by:

Dana Swanson
City Clerk

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City Council conducted this meeting in accordance with Section 3 of California Governor Newsom's Executive Order N-29-20 issued on March 17, 2020 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.

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
	Katie Lichtig	Interim Finance Director
	Scot Graham	Community Development Director
	Steve Knuckles	Fire Chief
	Jody Cox	Police Chief
	Eric Endersby	Harbor Director

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/u65pOoUAVtc?t=187>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/u65pOoUAVtc?t=957>

PRESENTATIONS

<https://youtu.be/u65pOoUAVtc?t=1072>

- **Service Pin Presentation**

The following employees were recognized for their years of service:

Dale Cullum, 10 years, Police Department
Cindy Jacinth, 10 years, Community Development Department
Clemente Galamay, 15 years, Public Works Department
Angelica Gallardo, 15 years, Recreation Services Division
John Gunderlock, 20 years, Public Works Department
Bonnie Johnson, 20 years, Police Department
Brandon Kato, 20 years, Fire Department

Becka Kelly, 20 years, Harbor Department
Jeff Simpson, 25 years, Fire Department
Steve Aschenbrener, 30 years, Public Works Department

- **Recreation Team “Kids Club” provided a presentation regarding recognition they received from their members.**

PUBLIC COMMENT

<https://youtu.be/u65pOoUAVtc?t=2198>

Betty Winholtz, Morro Bay, expressed concern the City was limiting public participation by scheduling special meetings for budget-related items, rather than addressing them during the regular meeting when more residents are able to watch.

Sean Green, Morro Bay, thanked Council Member McPherson for her volunteer service while on the Council and Mayor Headding for his work as a spokesman regarding COVID-19 issues.

Mayor Headding closed public comment.

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

A. CONSENT AGENDA

<https://youtu.be/u65pOoUAVtc?t=2422>

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 OCTOBER 27, 2020, CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE NOVEMBER 10, 2020, CITY COUNCIL SPECIAL
CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE NOVEMBER 10, 2020, CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF MINUTES FOR THE NOVEMBER 12, 2020, CITY COUNCIL SPECIAL
CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 ADOPTION OF ORDINANCE NO. 641; AMENDING TITLE 14 (BUILDING AND
CONSTRUCTION) OF THE MORRO BAY MUNICIPAL CODE ADDING CHAPTER 14.43
(ELECTRIC VEHICLE CHARGING SYSTEMS), PROVIDING A STREAMLINED
PERMITTING PROCESS FOR ELECTRIC VEHICLE CHARGING SYSTEMS AND
FINDING THE ORDINANCE EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL
QUALITY ACT; (COMMUNITY DEVELOPMENT DEPARTMENT)

RECOMMENDATION: Staff recommends Council consider adopting, by second reading and by title only with further reading waived, Ordinance No. 641 entitled “An Ordinance of the City Council of the City of Morro Bay, California, Amending Title 14 (Building and Construction) to add Chapter 14.43 (Electric Vehicle Charging Systems) to the Morro Bay Municipal Code establishing an expedited permitting process for electric vehicle charging systems.”

- A-6 ADOPT RESOLUTION NO. 102-20 AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION FOR INMATE WORK CREWS; (PUBLIC WORKS DEPARTMENT)

RECOMMENDATION: Staff recommends the Council adopt Resolution No. 102-20 authorizing the City Manager to execute an agreement with the California Department of Corrections and Rehabilitation for inmate work crews.

- A-7 AUTHORIZATION TO SUBMIT A GRANT APPLICATION FOR CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT LOCAL GOVERNMENT PLANNING SUPPORT GRANT PROGRAM FUNDS; REGIONAL EARLY ACTION PLANNING GRANT (REAP); (COMMUNITY DEVELOPMENT DEPARTMENT)

RECOMMENDATION: Adopt Resolution No. 103-20 authorizing staff to submit a grant application to the Association of Monterey Bay Area Governments (AMBAG) for Regional Early Action Planning grant (REAP) Program Funds authorized under provisions stated in the Health and Safety Code Section 50515 to 50515.05. The grant funding is available to use for technical assistance, preparation and adoption of planning documents and process improvements to accelerate housing production and facilitate compliance to implement the sixth cycle of the regional housing needs allocation. Funding in the amount of \$78,643 is available to the City of Morro Bay.

- A-8 PROCLAMATION COMMENDING THE GRADUATES OF THE 2020 SLO MULTI-CRAFT CORE CURRICULUM (MC3) PROGRAM AND RECOGNIZING APPRENTICESHIP WEEK IN THE CITY OF MORRO BAY; (CITY CLERK)

RECOMMENDATION: Approved as submitted

Mayor Headding opened public comment for the Consent Agenda.
<https://youtu.be/u65pOoUAVtc?t=2462>

Mike Specchierla, Executive Director of the San Luis Obispo County Department of Education, acknowledged and thanked the City for recognizing the MC3 apprenticeship program and opportunity to get local residents into the building trade.

David Baldwin, San Luis Obispo Plumbers and Steamfitters Union Business Manager, thanked the Council for recognizing the MC3 apprenticeship program, adding some who recently completed the program had been hired for local work.

Joshua Mendrano, Tri-County Building Trades Executive Secretary, thanked the Council for bringing forward a resolution in support for the MC3 apprenticeship program, noting the next cohort is scheduled to begin February 2021.

The public comment period was closed.

Council Member Addis pulled Item A-6 and A-8.

MOTION: Council Member Davis moved approval of all items on Consent except Items A-6 and A-8. The motion was seconded by Council Member Mayor Heading and carried 5-0 by roll call vote.

A-8 PROCLAMATION COMMENDING THE GRADUATES OF THE 2020 SLO MULTI-CRAFT CORE CURRICULUM (MC3) PROGRAM AND RECOGNIZING APPRENTICESHIP WEEK IN THE CITY OF MORRO BAY; (CITY CLERK)

<https://youtu.be/u65pOoUAVtc?t=2807>

Council Member Addis thanked the Mayor, Council, and staff for bringing this item forward, noting the importance of acknowledging and supporting our future workforce.

MOTION: Council Member Addis moved approval of Item A-8. The motion was seconded by Mayor Heading and carried 5-0 by roll call vote.

A-6 ADOPT RESOLUTION NO. 102-20 AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION FOR INMATE WORK CREWS; (PUBLIC WORKS DEPARTMENT)

<https://youtu.be/u65pOoUAVtc?t=2902>

Council Member Addis expressed concern about using City funds to pay for prison labor given the very low wage paid to inmates and other issues with our prison system.

Staff responded to questions raised by the Council.

MOTION: Council Member McPherson moved to approve Item A-6. The motion was seconded by Council Member Davis and carried 4-1 with Council Member Addis opposed.

B. PUBLIC HEARINGS - None

C. BUSINESS ITEMS

C-1 RESOLUTION DECLARING RESULTS OF THE NOVEMBER 3, 2020 GENERAL MUNICIPAL ELECTION; AND, THE SECOND READING AND ADOPTION OF ORDINANCE NO. 635, REPEALING CHAPTER 3.22 AND ADOPTING CHAPTER 3.26 OF THE MORRO BAY MUNICIPAL CODE TO INCREASE THE CITY'S TRANSACTIONS AND USE TAX RATE FROM .5% TO 1.5%; (CITY CLERK)

<https://youtu.be/u65pOoUAVtc?t=3788>

City Clerk Swanson provided the report and responded to Council inquires.

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

MOTION: Council Member Addis moved adopt Resolution No. 104-20 declaring the results of the November 3, 2020 General Municipal Election, and adopt, by second reading and by title only with further reading waived, Ordinance No. 635, entitled "An Ordinance of the City Council of the City of Morro Bay, California, Repealing Chapter 3.22 And Adopting Chapter 3.26 of The Morro Bay Municipal Code to Increase the City's Transactions and Use Tax Rate from .5% To 1.5%". The motion was seconded by Council Member McPherson for discussion.

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

- C-2 ADOPTION OF RESOLUTION NO. 105-20 AUTHORIZING CITY MANAGER TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION FOR IMPLEMENTATION OF A LOCAL TRANSACTIONS AND USE TAX; ADOPTION OF RESOLUTION NO. 106-20 AUTHORIZING THE EXAMINATION OF TRANSACTIONS (SALES) AND USE TAX RECORDS; AND, AUTHORIZE CITY MANAGER TO EXECUTE AND FILE ADDITIONAL AGREEMENTS, LETTERS AND FORMS WITH CDFTA AND OTHER APPROPRIATE STATE AGENCIES AS REQUIRED FOR IMPLEMENTATION OF THE LOCAL TRANSACTIONS AND USE TAX; (CITY ATTORNEY)
<https://youtu.be/u65pOoUAVtc?t=4287>

City Attorney Neumeyer provided the report and 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 Heller moved to Adopt Resolution No. 105-20 authorizing the City Manager to execute agreements with the California Department of Tax and Fee Administration (CDFTA) for implementation of a local transactions and use tax; and 2) Adopt Resolution No. 106-20 authorizing the examination of transactions (sales) and use tax records; and 3) Authorize the City Manager to execute and file additional agreements, letters and forms with CDFTA and other appropriate state agencies as required for implementation of the local transactions and use tax. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

- C-3 COMMENTS BY CURRENT MAYOR AND COUNCIL MEMBERS
<https://youtu.be/u65pOoUAVtc?t=4560>
- C-4 OATH OF OFFICE FOR MAYOR-ELECT, JOHN HEADING, AND COUNCIL MEMBERS-ELECT, LAUREL BARTON AND ROBERT DAVIS
<https://youtu.be/u65pOoUAVtc?t=5638>
- C-5 COMMENTS BY NEWLY ELECTED MAYOR AND COUNCIL MEMBERS
<https://youtu.be/u65pOoUAVtc?t=5930>
- D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
None
- E. ADJOURNMENT

The meeting adjourned at 7:22 p.m.

Recorded by:

Dana Swanson
City Clerk

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MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
JANUARY 13, 2021 – 3:30 P.M.
TELECONFERENCE

AGENDA NO: A-3
MEETING DATE: January 26, 2021

City Council conducted this meeting in accordance with Section 3 of California Governor Newsom's Executive Order N-29-20 issued on March 17, 2020 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.

PRESENT: John Headding Mayor
Dawn Addis Council Member
Laurel Barton Council Member
Robert Davis Council Member
Jeff Heller Council Member

ABSENT: None

STAFF: Scott Collins City Manager
Chris Neumeyer City Attorney
Dana Swanson City Clerk/Human Resources Manager
Colin Tanner Special Labor Counsel
June Ailin Special Counsel
Katie Lichtig Interim Finance Director
Scot Graham Community Development Director
Rob Livick City Engineer

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding called the meeting to order at 3:30 p.m. with all but Council Members Addis & Heller present. Council Member Addis joined the meeting at 3:31 p.m. Council Member Heller joined the meeting at 3:49 p.m.

SUMMARY OF CLOSED SESSION ITEMS – The Mayor read a summary of Closed Session items.

CLOSED SESSION PUBLIC COMMENT – Mayor Headding opened public comment for items on the agenda; seeing none, the public comment period was closed.

The City Council moved to Closed Session and heard the following items:

CS-1 CONFERENCE WITH REAL PROPERTY NEGOTIATOR – GOVERNMENT CODE SECTION 54956.8

Property: Assessor Parcel No. 066-331-046
Property Negotiators: Vistra Energy
Agency Negotiators: Scott Collins, City Manager; Rob Livick, City Engineer; Scot Graham, Community Development Director and Chris Neumeyer, City Attorney
Under Negotiation: Price and Terms of Payment – Easement Acquisition

CS-2 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

- Paragraph (1) of subdivision (d) Government Code Section 54956.9
- Name of Case: City of Morro Bay vs. Vistra Energy Corp., Case No. 20CV-0127, San Luis Obispo County Superior Court

CS-3 CONFERENCE WITH LABOR NEGOTIATORS

A closed session will be held, pursuant to Government Code § 54957.6, with City negotiator and designated labor representative Colin Tanner, special labor counsel, regarding labor negotiations with employee organizations: 1) Morro Bay Firefighters' Association, 2) Service Employee's International Union - SEIU Local 620, and 3) Morro Bay Peace Officers' Association.

RECONVENE IN OPEN SESSION – The City Council reconvened in Open Session. The Council did not take any reportable action in accordance with the Brown Act.

ADJOURNMENT - The meeting adjourned at 6:12 p.m.

Recorded by:

Dana Swanson
City Clerk



AGENDA NO: A-4

MEETING DATE: January 26, 2021

Staff Report

TO: Honorable Mayor and City Council

DATE: January 19, 2021

FROM: Rob Livick, PE/PLS – City Engineer

SUBJECT: Adoption and Second Reading of Ordinance No. 642, Restating and Amending Morro Bay Municipal Code Chapter 13.12 to Update and Expand the City’s Sewer Use Ordinance

RECOMMENDATION

Staff recommends Council consider adopting, by second reading and by title only with further reading waived, Ordinance No. 642 entitled “An Ordinance of the City Council of the City of Morro Bay, California, restating and amending Chapter 13.12 of Morro Bay Municipal Code update and expand the City’s Sewer regulations.”

ALTERNATIVES

No alternatives are being recommended.

FISCAL IMPACT

The Sewer Use Ordinance (SUO) gives the City the legal authority to implement and enforce the new [Enhanced Source Control Program \(ESCP\)](#). The annual operational costs for the ESCP for the first year and subsequent years is \$245,000 and \$161,000, respectively. These operational costs will be partially offset by inspection fees paid by permitted businesses. Fats, Oil, and Grease inspection fees were adopted by City Council in 2020 and are included in the Master Fee Schedule. Additional fees to fund sampling, testing and program administration will need to be developed then adopted by Council and included in the Master Fee Schedule. These fees are proposed to be collected through the City’s “Business License” program. The remaining revenue for operational costs will come from user rates.

BACKGROUND/DISCUSSION

City staff and the WRF Program Manager conducted a workshop with City Council at the November 17, 2020 City Council meeting. Next steps were introduction for a first reading at the January 12, 2021 City Council Meeting. The last step in this process is adoption of changes to the SUO.

The City’s new Water Reclamation Facility (WRF) Project will include advanced treatment to produce purified water for Indirect Potable Reuse (IPR) via subsurface groundwater replenishment to augment the City’s water supply. Per Title 22 of the California Code of Regulations (22 CCR) §60320.206,

Prepared By: HG/RL Dept Review: _____
City Manager Review: SC City Attorney Review: CFN

potable water reuse systems must administer and maintain an industrial pretreatment program (IPP) and pollutant source control program. The combined effort is referred to as ESCP, which is [linked](#) to this staff report (Attachment 1). The purpose of an ESCP is both 1) to prevent interference and pass-through of pollutants at the wastewater treatment plant (WWTP), thus protecting the effluent, biosolids, and environment; and 2) to protect drinking water quality by controlling the discharge of constituents of concern (COC) to the WWTP and WRF.

An ESCP is a guidance document that is typically developed to supplement an existing IPP. The United States Environmental Protection Agency (USEPA) developed the National Pretreatment Program to protect water quality by controlling and limiting the discharge of pollutants by industry and other non-domestic wastewater sources into publicly owned treatment works (POTWs). By preventing the introduction of pollutants into the POTW, an IPP can improve opportunities to recycle and reclaim wastewaters and biosolids and prevent worker health and safety problems.

The Code of Federal Regulations, Title 40, Part 403 (40 CFR 403) requires POTWs to implement an IPP if the design capacity is greater than 5.0 million gallons per day (mgd) or if other circumstances warrant one for smaller POTWs (such as the presence of industries that must be controlled or prior pollution incidents impacting the POTW). In California, the Regional Water Quality Control Board (RWQCB) is the designated Approval Authority for the National Pretreatment Program and is responsible for administering the program. If the RWQCB determines a POTW needs a formal IPP, then the program must contain the following six elements: 1) Legal Authority, 2) Procedures, 3) Funding, 4) Local Limits, 5) Enforcement Response Plan (ERP), and 6) a List of Significant Industrial Users (SIUs). For information purposes, a [link](#) to the draft ERP has been provided as Attachment 3. The ERP will be established administratively by the City Manager and Public Works Director for on-going implementation of the SUO.

Because of the City's small size (less than 1 mgd) and scarce industrial base, the City has not been required to establish an IPP in the past. Implementation of a formal program exceeds what is reasonably needed to protect the WWTP and WRF and would impose an unnecessary and substantial burden on the City. Short of obtaining formal RWQCB approval under the National Pretreatment Program, we have developed an ESCP that includes the relevant pretreatment program elements.

As part of the ESCP development, the SUO, contained in Chapter 13.12 of the Morro Bay Municipal Code (MBMC), has been updated to give the City legal authority to implement and enforce all elements of the ESCP. The SUO is included as Appendix B of the ESCP. Discharge prohibitions have been expanded and policies for IU permitting and monitoring requirements have been established in the updated SUO.

Major changes to the SUO include:

- Authorizes the City to issue wastewater discharge permits
- Provides monitoring, reporting and compliance requirements for industrial users
- Establishes the City's enforcement policies
- Establishes discharge limits for industrial users
- Incorporates the City's Fats, Oils and Grease program (FOG)

CONCLUSION

Staff recommends that the City Council consider adopting Ordinance No. 642 by second reading and by title only, with further reading waived.

ATTACHMENT/LINKS

1. Link to [Enhanced Source Control Program \("ESCP"\)](#)
2. Ordinance No. 642
3. [Link](#) to Draft Enforcement Response Plan ("ERP")

ORDINANCE NO. 642

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, RESTATING AND AMENDING CHAPTER 13.12 OF THE MORRO BAY MUNICIPAL CODE UPDATE AND EXPAND THE CITY'S SEWER REGULATIONS

WHEREAS, the City of Morro Bay (City) provides infrastructure and facilities for the collection and treatment of wastewater to promote the health and safety and convenience of its residents, businesses and visitors and for the safeguarding of water resources common to all (Sewer System); and

WHEREAS, the Environmental Protection Agency (EPA) established the National Pretreatment Program as a core part of the Clean Water Act's National Pollutant Discharge Elimination System (NPDES) regulations, which mandate stringent and continuous control of the quality of wastewater discharged to Publicly Owned Treatment Works (POTWs); and

WHEREAS, the City is constructing the new Morro Bay Water Reclamation Facility (WRF) which will produce purified water through indirect potable reuse to supplement the City's water supply; and

WHEREAS, the State Water Resources Control Board requires agencies implementing indirect potable reuse to administer an industrial pretreatment and pollutant source control program (enhanced source control program); and

WHEREAS, the City does not currently have and has not heretofore been required to have an industrial pretreatment program; and

WHEREAS, the City is developing an industrial pretreatment and enhanced source control program to prevent the introduction of pollutants into the Sewer System and the WRF, and hence to protect the quality of finished water and drinking water supply produced by the WRF.

THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA DOES HEREBY FIND AND ORDAIN AS FOLLOWS:

SECTION 1. Chapter 13.12 of the Morro Bay Municipal Code is hereby restated and amended, in its entirety, to read as set forth in Exhibit A, attached hereto and made a part hereof.

SECTION 2. This ordinance shall be in full force and effect thirty (30) days after its passage.

SECTION 3. The consideration, introduction and adoption of this ordinance are exempt from environmental analysis pursuant to 14 CCR § 15061(b)(3). A Notice of Exemption shall be filed within five days after the adoption of this ordinance.

SECTION 4. The City Clerk shall certify to the adoption of this ordinance, and shall cause the same to be posted and codified in the manner required by law.

INTRODUCED at a regular meeting of the City Council held on the 12th day of January 2021, by motion of Mayor Pro Tem Heller and seconded by Council Member Addis.

PASSED AND ADOPTED on the ____ day of _____ 2021, by the following vote:

AYES:
NOES:
ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

APPROVED AS TO FORM:

CHRIS F. NEUMEYER, City Attorney

STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO)
CITY OF MORRO BAY)

I, Dana Swanson, CITY CLERK OF THE CITY OF MORRO BAY, DO HEREBY CERTIFY Ordinance No. 642 was duly adopted by the City Council of the City of Morro Bay at a regular meeting of the Council on the ___ day of _____, 2020; and it was so adopted by the following vote:

AYES:
NOES:
ABSENT:

IN WITNESS WHEREOF I have hereunto set my hand and affixed the official seal of the City of Morro Bay, California, this _____ day of _____, 2021.

City Clerk of the City of Morro Bay

**EXHIBIT A
TO
ORDINANCE NO. 642**

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**EXHIBIT A
TO
ORDINANCE NO. 642**

Chapter 13.12 - SEWERS

Article I. General Provisions

13.12.100 – Purpose and policy.

This chapter sets forth uniform requirements for Users of the POTW for the City and enables the City to comply with all applicable State and Federal laws, including the Clean Water Act (33 U.S.C. section 1251 et seq.) and the General Pretreatment Regulations (Title 40 of the CFR Part 403). The objectives of this chapter are:

- A. To prevent the introduction of pollutants into the POTW that will interfere with its operation;
- B. To prevent the introduction of pollutants into the POTW that will pass through the POTW, inadequately treated, into receiving waters, or otherwise be incompatible with the POTW;
- C. To protect the quality of the finished water and drinking water supply produced by the City's WRF.
- D. To protect both POTW personnel who may be affected by wastewater and sludge in the course of their employment and the general public;
- E. To promote reuse and recycling of industrial wastewater and sludge from the POTW;
- F. To enable the City to comply with its NPDES permit conditions, sludge use and disposal requirements, and any other Federal or State laws to which the POTW is subject.
- G. This chapter shall apply to all Users of the POTW. The chapter authorizes the issuance of industrial wastewater discharge permits ; provides for monitoring, compliance, and enforcement activities; establishes administrative review procedures; requires User reporting;

13.12.110 – Administration.

Except as otherwise provided herein, the Utilities Division/Department Manager shall administer, implement, and enforce the provisions of this chapter and, pursuant to Sections 1.16.050 and 060 of the MBMC, shall be designated as a Code Enforcement Officer for purposes of enforcing this chapter. Any powers granted to or duties imposed upon the Utilities Division/Department Manager may be delegated by the Utilities Division/Department Manager, in writing, to so duly authorized City employee.

13.12.120 – Abbreviations.

The following abbreviations, when used in this chapter, shall have the following designated meanings:

- BOD – Five Day Biochemical Oxygen Demand
- BMPs – Best Management Practices
- BMR – Baseline Monitoring Report
- CFR – Code of Federal Regulations
- CIU – Categorical Industrial User
- COD – Chemical Oxygen Demand

- EPA – U.S. Environmental Protection Agency
- FOG – fats, oils, and grease
- FF – food facility
- gpd – gallons per day
- H&SC – Health and Safety Code
- IU – Industrial User
- MBMC Morro Bay Municipal Code
- mg/l – milligrams per liter
- NPDES – National Pollutant Discharge Elimination System
- NSCIU – Non-Significant Categorical Industrial User
- POTW – Publicly Owned Treatment Works
- RCRA – Resource Conservation and Recovery Act
- SIU – Significant Industrial User
- TSS – Total Suspended Solids
- U.S.C. – United States Code
- WRF – Water Recycling Facility

13.12.130 – Definitions.

Unless a provision explicitly states otherwise, the following terms and phrases, as used in this chapter, shall mean, as follows.

- A. **Act or “the Act.”** The Federal Water Pollution Control Act, also known as the Clean Water Act, as amended, 33 U.S.C. section 1251 *et seq.*
- B. **Approval Authority.** California Regional Water Quality Control Board Central Coast Region, or any successor agency.
- C. **Authorized or Duly Authorized Representative of the User.**
 1. If the User is a corporation, then:
 - a. the president, secretary, treasurer, or a vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation; or
 - b. the manager of one or more manufacturing, production, or operating facilities, provided the manager: (i) is authorized to make management decisions that govern the operation of the regulated facility, including having the explicit or implicit duty of making major capital investment recommendations, and to initiate and direct other comprehensive measures to assure long-term environmental compliance with environmental laws and regulations; (ii) can ensure the necessary systems are established or actions taken to gather complete and accurate information for industrial wastewater discharge permit requirements; and (iii) has been given authority to sign documents, in accordance with corporate procedures.
 2. If the User is a general or limited partnership, limited liability company or sole proprietorship, then a general partner, managing member or owner, respectively.
 3. If the User is a Federal, State, or local governmental facility, then a director or highest official appointed or designated to oversee the operation and performance of the activities of the government facility, or their designee.
 4. The individuals described in parts 1. through 3., above, may designate a Duly Authorized Representative if the authorization is in writing, the authorization specifies the individual or

position responsible for the overall operation of the facility from which the discharge originates or for having overall responsibility for environmental matters for the entity, and the written authorization is submitted to the City.

- D. **Best Management Practices or BMPs** means schedules of activities, prohibitions of activities, maintenance procedures, and other management methods to implement the prohibitions listed in subdivisions 13.12.050.A. and B of this chapter. BMPs include treatment requirements, operating procedures, and methods to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw materials storage.
- E. **Biochemical Oxygen Demand or BOD.** The quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedures for five days at 20 degrees centigrade, usually expressed as a concentration (e.g., mg/L).
- F. **Categorical Pretreatment Standard or Categorical Standard.** Any regulation containing pollutant discharge limits promulgated by EPA in accordance with sections 307(b) and (c) of the Act (33 U.S.C. section 1317) that apply to a specific category of Users and that appear in 40 CFR Chapter I, Subchapter N, Parts 405-471.
- G. **Categorical Industrial User (CIU).** An Industrial User subject to a Categorical Pretreatment Standard or Categorical Standard.
- H. **Chemical Oxygen Demand or COD.** A measure of the oxygen required to oxidize all compounds, both organic and inorganic, in water.
- I. **Control Authority.** The City.
- J. **Daily Maximum.** The arithmetic average of all effluent samples for a pollutant collected during a calendar day.
- K. **Daily Maximum Limit.** The maximum allowable discharge limit of a pollutant during a calendar day. Where Daily Maximum Limits are expressed in units of mass, the daily discharge is the total mass discharged over the course of the day. Where Daily Maximum Limits are expressed in terms of a concentration, the daily discharge is the arithmetic average measurement of the pollutant concentration derived from all measurements taken that day.
- L. **Environmental Protection Agency or EPA.** The U.S. Environmental Protection Agency or, where appropriate, the Regional Water Management Division Director, the Regional Administrator, or other duly authorized official of said agency.
- M. **Existing Food Facility or Existing FF.** Any Food Facility that has been in continuous operation since before the [date certain, which will be the effective date of this ordinance] under the same ownership or control.
- N. **Existing Source.** Any source of discharge that is not a "New Source."
- O. **FOG.** Fats, oils, and grease.
- P. **Food Facility FF.** Any facility defined in California Retail Food Code , H&SC Section 113789, and any commercial entity discharging into the City sewer system, operating in a permanently constructed structure such as a room, building, or place, or portion thereof, maintained, used, or operated for the purpose of storing, preparing, serving, or manufacturing, packaging, or otherwise handling food for sale to other entities, or for consumption by the public, its members or employees, and which has any process or device that uses or produces FOG, or grease vapors, steam, fumes, smoke or odors that are required to be removed by a mechanical exhaust ventilation system, as required in H&SC Section 114149. A limited food preparation establishment is not considered a Food Facility when engaged only in reheating, hot holding or assembly of ready to eat food products and as a result, there is no wastewater discharge containing a significant amount of FOG. A limited

food preparation establishment does not include any operation that changes the form, flavor, or consistency of food.

- Q. **Grab Sample.** A sample that is taken from a wastestream without regard to the flow in the wastestream and over a period of time not to exceed fifteen minutes.
- R. **Grease Interceptor.** A multi-compartment device that is constructed in different sizes and is generally required to be located, according to the California Plumbing Code, underground between a FF and the connection to the sewer system. This device primarily uses gravity to separate FOG from the wastewater as it moves from one compartment to the next. This device must be cleaned, maintained, and have the FOG removed and disposed of in a proper manner at regular intervals to be effective.
- S. **Grease Removal Device.** Any grease interceptor, grease trap or other mechanism, device, or process, which attaches to, or is applied to, wastewater plumbing fixtures and lines, the purpose of which is to trap or collect or treat FOG prior to it being discharged into the sewer system. Grease Removal Device may also include any other proven method to reduce FOG subject to approval of the Utilities Division/Department Manager. A Grease Removal Device is a form of pretreatment and as such is subject to all regulations pertaining to the installation and maintenance of pretreatment systems as recognized in this Chapter and in the General Pretreatment Regulations (40 C.F.R.§403).
- T. **Grease Trap.** A grease control device that is used to serve individual fixtures and have limited effect and should only be used in those cases where the use of a grease interceptor or other grease removal device is determined to be impossible or impracticable.
- U. **Holding Tank.** Any container of wastewater, such as those from chemical toilets, vessels, boats, campers, or trailers, but excluding septic tanks.
- V. **Hot Spots.** Areas in sewer lines that have experienced Sanitary Sewer Overflows (SSOs) or that must be cleaned or maintained frequently to avoid blockages of the sewer system.
- W. **Indirect Discharge or Discharge.** The introduction of pollutants into the POTW from any nondomestic source.
- X. **Instantaneous Limit.** The maximum concentration of a pollutant allowed to be discharged at any time, determined from the analysis of any discrete or composited sample collected, independent of the industrial flow rate and the duration of the sampling event.
- Y. **Interference.** A discharge that, alone or in conjunction with a discharge or discharges from other sources, inhibits or disrupts the POTW, its treatment processes or operations or its sludge processes, use or disposal; and therefore, is a cause of a violation of the City's NPDES permit or of the prevention of sewage sludge use or disposal in compliance with any of the following statutory/regulatory provisions or permits issued thereunder, or any more stringent State or local regulations, including, but not limited to, section 405 of the Act; the Solid Waste Disposal Act, including Title II commonly referred to as the Resource Conservation and Recovery Act (RCRA); any State regulations contained in any State sludge management plan prepared pursuant to Subtitle D of the Solid Waste Disposal Act; the Clean Air Act; the Toxic Substances Control Act; and the Marine Protection, Research, and Sanctuaries Act.
- Z. **Local Limit.** Specific discharge limits developed and enforced by the City upon industrial or commercial facilities to implement the general and specific discharge prohibitions listed in subdivisions 13.12.050.A. and B of this chapter.
- AA. **Medical Waste.** Isolation wastes, infectious agents, human blood and blood products, pathological wastes, sharps, body parts, contaminated bedding, surgical wastes, potentially contaminated laboratory wastes, and dialysis wastes.

- BB. **Monthly Average.** The sum of all “daily discharges” measured during a calendar month divided by the number of “daily discharges” measured during that month.
- CC. **Monthly Average Limit.** The highest allowable average of “daily discharges” over a calendar month, calculated as the sum of all “daily discharges” measured during a calendar month divided by the number of “daily discharges” measured during that month.
- DD. **Narrative Standard or Narrative Limit.** Any statement of prohibition or condition on a discharge established in this chapter that is not a local limit. Narrative standards include, but are not limited to, prohibited discharge standards and BMPs.
- EE. **New Food Facility or New FF.** Any Food Facility that starts operations after [date certain, which would be the effective date of this ordinance] regardless whether in a newly constructed building, a remodeled building or using an existing building or space.
- FF. **New Source.**
1. Any building, structure, facility, or installation from which there is (or may be) a discharge of pollutants, the construction of which commenced after the publication of proposed Pretreatment Standards under Subdivision 307(c) of the Act that will be applicable to such source if such Standards are thereafter promulgated in accordance with that section, provided that:
 - a. The building, structure, facility, or installation is constructed at a site at which no other source is located; or
 - b. The building, structure, facility, or installation totally replaces the process or production equipment that causes the discharge of pollutants at an Existing Source; or
 - c. The production or wastewater generating processes of the building, structure, facility, or installation are substantially independent of an Existing Source at the same site. In determining whether these are substantially independent, factors such as the extent to which the new facility is integrated with the existing plant, and the extent to which the new facility is engaged in the same general type of activity as the Existing Source, should be considered.
 2. Construction on a site at which an Existing Source is located results in a modification rather than a New Source if the construction does not create a new building, structure, facility, or installation meeting the criteria of 1.b. or c., above, but otherwise alters, replaces, or adds to existing process or production equipment.
 3. Construction of a New Source as defined under this paragraph has commenced if the owner or operator has:
 - a. Begun, or caused to begin, as part of a continuous onsite construction program
 - (i) any placement, assembly, or installation of facilities or equipment; or
 - (ii) significant site preparation work including clearing, excavation, or removal of existing buildings, structures, or facilities which is necessary for the placement, assembly, or installation of new source facilities or equipment; or
 - b. Entered into a binding contractual obligation for the purchase of facilities or equipment which are intended to be used in its operation within a reasonable time. Options to purchase or contracts which can be terminated or modified without substantial loss, and contracts for feasibility, engineering, and design studies do not constitute a contractual obligation under this paragraph.
- GG. **Noncontact Cooling Water.** Water used for cooling that does not come into direct contact with any raw material, intermediate product, waste product, or finished product.

- HH. **Oil Interceptor.** A device for retaining oil by gravity-differential separation from waste effluent, and of a design and capacity approved by the Utilities Division/Department Manager.
- II. **Pass Through.** A discharge which exits the POTW into waters of the United States in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the City's NPDES permit, including an increase in the magnitude or duration of a violation.
- JJ. **Person.** Any individual, partnership, co-partnership, firm, company, corporation, association, joint stock company, trust, estate, governmental entity, or any other legal entity; or their legal representatives, agents, or assigns. This definition includes all Federal, State, and local governmental entities.
- KK. **pH.** A measure of the acidity or alkalinity of a solution, expressed in standard units.
- LL. **Pollutant.** Dredged spoil, solid waste, incinerator residue, filter backwash, sewage, garbage, sewage sludge, munitions, Medical Wastes, chemical wastes, biological materials, radioactive materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt, municipal, agricultural and industrial wastes, and certain characteristics of wastewater (e.g., pH, temperature, TSS, turbidity, color, BOD, COD, toxicity, or odor).
- MM. **Pretreatment.** The reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of pollutant properties in wastewater prior to, or in lieu of, introducing such pollutants into the POTW. This reduction or alteration can be obtained by physical, chemical, or biological processes; by process changes; or by other means, except by diluting the concentration of the pollutants unless allowed by an applicable Pretreatment Standard.
- NN. **Pretreatment Requirements.** Any substantive or procedural requirement related to pretreatment imposed on a User, other than a Pretreatment Standard.
- OO. **Pretreatment Standards, National Pretreatment Standards, or Standards.** Pretreatment Standards shall mean prohibited discharge standards, categorical Pretreatment Standards, and Local Limits.
- PP. **Prohibited Discharge Standards or Prohibited Discharges.** Absolute prohibitions against the discharge of certain substances; these prohibitions appear in 13.12.200 of this chapter.
- QQ. **Publicly Owned Treatment Works or POTW.** A treatment works, as defined by Section 212 of the Act (33 U.S.C. section 1292), which is owned by the City. This definition includes any devices or systems used in the collection, storage, treatment, recycling, and reclamation of sewage or industrial wastes of a liquid nature and any conveyances, which convey wastewater to a treatment plant.
- RR. **Sanitary Sewer Overflow or SSO.** An overflow from the sanitary sewer system of domestic wastewater, as well as industrial and commercial wastewater.
- SS. **Septic Tank.** Any container used for holding and treating waste in a septic system.
- TT. **Sewage.** Human excrement and gray water, including, but not limited to, commercial, governmental or household showers and dishwashing operations.
- UU. **Significant Industrial User (SIU).** Except as provided in parts 3. and 4. of this definition, a Significant Industrial User is:
1. An Industrial User subject to categorical Pretreatment Standards; or
 2. An Industrial User that:
 - a. Discharges an average of 25,000 gpd or more of process wastewater to the POTW (excluding sanitary, noncontact cooling and boiler blowdown wastewater);

- b. Contributes a process wastestream, which makes up five percent or more of the average dry weather hydraulic or organic capacity of the POTW treatment plant; or
 - c. Is designated as such by the City on the basis that it has a reasonable potential for adversely affecting the POTW's operation or for violating any Pretreatment Standard or Requirement.
- 3. The City may determine that an Industrial User subject to categorical Pretreatment Standards is a Non-Significant Categorical Industrial User rather than a Significant Industrial User on a finding that the Industrial User never discharges more than 100 gallons per day (gpd) of total categorical wastewater (excluding sanitary, non-contact cooling and boiler blowdown wastewater, unless specifically included in the Pretreatment Standard) and the following conditions are met:
 - a. The Industrial User, prior to City's finding, has consistently complied with all applicable categorical Pretreatment Standards and Requirements;
 - b. The Industrial User annually submits the certification statement required by Subdivision 13.12.695.B. of this chapter together with any additional information necessary to support the certification statement; and
 - c. The Industrial User never discharges any untreated concentrated wastewater.
- 4. Upon a finding that a User meeting the criteria in 2., above has no reasonable potential for adversely affecting the POTW's operation or for violating any Pretreatment Standard or Requirement, the City may at any time, on its own initiative or in response to a petition received from an Industrial User, and in accordance with procedures in 40 CFR 403.8(f)(6), determine that such User should not be considered a Significant Industrial User.
- VV. **Slug Load or Slug Discharge.** Any discharge at a flow rate or concentration, which could cause a violation of the prohibited discharge standards in Section 13.12.200 of this chapter. A Slug Discharge is any Discharge of a non-routine, episodic nature, including but not limited to an accidental spill or a non-customary batch Discharge, which has a reasonable potential to cause Interference or Pass Through, or in any other way violate the POTW's regulations, Local Limits or Permit conditions.
- WW. **Storm Water.** Any flow occurring during or following any form of natural precipitation, and resulting from such precipitation, including snowmelt.
- XX. **Total Suspended Solids or Suspended Solids.** The total suspended matter that floats on the surface of, or is suspended in, water, wastewater, or other liquid, and that is removable by laboratory filtering.
- YY. **Twenty-five Percent Rule.** A requirement for grease interceptors to be maintained such that the combined FOG and solids accumulation does not exceed 25 percent of the design hydraulic depth of the grease interceptor.
- ZZ. **User or Industrial User.** A source of indirect discharge.
- AAA. **Utilities Division/Department Manager.** The person designated by the City to supervise the operation of the POTW, and who is charged with certain duties and responsibilities by this chapter. The term also means a duly authorized representative, as designated in writing by the Utilities Division/Department Manager.
- BBB. **Wastewater.** Liquid and water-carried industrial wastes and sewage from residential dwellings, commercial buildings, industrial and manufacturing facilities, and institutions, whether treated or untreated, which are contributed to the POTW.
- CCC. **Wastewater Treatment Plant or Treatment Plant.** That portion of the POTW which is designed to provide treatment of municipal sewage and industrial waste.

Article II. General Sewer Use Requirements

13.12.200 – Prohibited discharge standards.

- A. General Prohibitions. No User shall introduce or cause to be introduced into the POTW any pollutant or wastewater which causes Pass Through or Interference. These general prohibitions apply to all Users of the POTW whether or not they are subject to categorical Pretreatment Standards or any other National, State, or local Pretreatment Standards or Requirements.
- B. Specific Prohibitions. No User shall introduce or cause to be introduced into the POTW the following pollutants, substances, or wastewater:
 - 1. Solid or viscous substances in amounts which will cause obstruction of the flow in the POTW resulting in Interference but in no case solids greater than one-half inch or one and two-seven hundredths centimeters in any dimension;
 - 2. Pollutants, including oxygen-demanding pollutants (BOD, etc.), released in a discharge at a flow rate and/or pollutant concentration which, either singly or by interaction with other pollutants, will cause Interference with the POTW;
 - 3. Petroleum oil, nonbiodegradable cutting oil, or products of mineral oil origin, in amounts that will cause Interference or Pass Through;
 - 4. Pollutants which result in the presence of toxic gases, vapors, or fumes within the POTW in a quantity that may cause acute worker health and safety problems;
 - 5. Trucked or hauled pollutants except at discharge points designated by the Utilities Division/Department Manager in accordance with this chapter.
 - 6. Septic tank cleanings or any raw or chemically treated sewage from septic tanks.
 - 7. Noxious or malodorous liquids, gases, solids, or other wastewater which, either singly or by interaction with other wastes, are sufficient to create a public nuisance or a hazard to life, or to prevent entry into the sewers for maintenance or repair;
 - 8. Wastewater which imparts color which cannot be removed by the treatment process, such as, but not limited to, dye wastes and vegetable tanning solutions, which consequently imparts color to the treatment plant's effluent, thereby violating the City's NPDES permit;
 - 9. Wastewater containing any radioactive wastes or isotopes except in compliance with applicable State or Federal regulations;
 - 10. Storm Water, surface water, ground water, artesian well water, roof runoff, subsurface drainage, swimming pool drainage, condensate, deionized water, Noncontact Cooling Water, and unpolluted wastewater, unless specifically authorized by the Utilities Division/Department Manager;
 - 11. Sludges, screenings, or other residues from the pretreatment of industrial wastes;
 - 12. Medical Wastes, except as specifically authorized by the Utilities Division/Department Manager in an industrial wastewater discharge permit;
 - 13. Wastewater causing, alone or in conjunction with other sources, the treatment plant's effluent to fail toxicity test;
 - 14. Detergents, surface-active agents, or other substances which that might cause excessive foaming in the POTW;
 - 15. Pollutants, substances, or wastewater prohibited by this Section shall not be processed or stored in such a manner that they could be discharged to the POTW.
 - 16. Any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid, or gas.
- C. Narrative and Numerical Limits.

1. Pollutants which create a fire or explosive hazard in the POTW, including, but not limited to, wastestreams with a closed-cup flashpoint of less than 140 degrees F (60 degrees C) using the test methods specified in 40 CFR 261.21;
2. Wastewater having a pH less than 5.5 or more than 9.0, or otherwise causing corrosive structural damage to the POTW or equipment;
3. Wastewater having a temperature greater than 150 degrees F (66 degrees C), or which will inhibit biological activity in the treatment plant resulting in Interference, but in no case wastewater which causes the temperature at the introduction into the treatment plant to exceed 104 degrees F (40 degrees C);
4. Fats, oils, or greases of animal or vegetable origin in concentrations greater than 100 mg/L;
5. Total petroleum hydrocarbons in concentrations greater than 100 mg/L;
6. Wastewater causing two readings on an explosion hazard meter at the point of discharge into the POTW, or at any point in the POTW, of more than 10 percent or any single reading over five percent of the Lower Explosive Limit of the meter.
7. Wastewater exceeding the five-day biochemical oxygen demand of 300 mg/L shall be subject to the requirements of Section 13.12.300 of this chapter.
8. Wastewater exceeding the total suspended solids of 350 mg/L shall be subject to the requirements of Section 13.12.300 of this chapter.
9. Discharges having an average daily flow greater than two percent of the average daily flow of the City shall be subject to the requirements of Section 13.12.300 of this chapter.
10. Wastewater exceeding the following concentrations:
 - a. Ammonia-N, 50 mg/L
 - b. Boron, 8 mg/L
 - c. Copper, 1 mg/L
 - d. 1,4-Dioxane, 0.0013 mg/L
 - e. Mercury, 0.2 mg/L
 - f. N-Nitrosodimethylamine (NDMA), 0.000065 mg/L
 - g. Sodium, 900 mg/L
 - h. Strontium, 1.55 mg/L
 - i. Total Dissolved Solids (TDS), 8,500 mg/L

13.12.210 – National categorical pretreatment standards.

Users must comply with the categorical Pretreatment Standards found at 40 CFR Chapter I, Subchapter N, Parts 405–471.

- A. When wastewater subject to a categorical Pretreatment Standard is mixed with wastewater not regulated by the same Standard, the Utilities Division/Department Manager shall impose an alternate limit in accordance with 40 CFR 403.6(e) (combined wastestream formula).

13.12.220 – Best management practices.

The Utilities Division/Department Manager may develop BMPs in industrial wastewater discharge permits, to implement the requirements of this chapter.

13.12.230 – RESERVED

13.12.240 – City’s right of revision.

The City reserves the right to establish, by ordinance, by resolution or in each industrial wastewater discharge permit, more stringent Standards or Requirements on discharges to the POTW consistent with the purpose of this chapter, when the Utilities Division/Department Manager determines that necessary for public safety.

13.12.250 – Dilution.

No User shall ever increase the use of process water, or in any way attempt to dilute a discharge, as a partial or complete substitute for adequate treatment to achieve compliance with a discharge limitation unless expressly authorized by an applicable Pretreatment Standard or Requirement. The Utilities Division/Department Manager may impose mass limitations on Users who are using dilution to meet applicable Pretreatment Standards or Requirements, or in other cases when the imposition of mass limitations is appropriate.

13.12.260 – Dental amalgam wastes.

No person shall discharge or cause to be discharged, any mercury or amalgam waste into the sewer system. All dental dischargers that place or remove amalgam must operate and maintain an amalgam separator that complies with ANSI/ADA Specifications 108 (2009) with Technical Addendum (2011) or ISO 11143 Dentistry-Amalgam Separators. The dental discharger shall comply with the most recent Best Management Practices for Dental Amalgam Waste as recommended by the American Dental Association, and specified in 40 CFR 441 (Effluent Limitations Guidelines and Standards for the Dental Category) June 14, 2017.

Article III. Pretreatment of Wastewater

13.12.300 – Pretreatment facilities.

Users shall provide wastewater treatment as necessary to comply with this chapter and shall achieve compliance with all categorical Pretreatment Standards, Local Limits, and the prohibitions set out in Section 13.12.200 of this chapter within the time limitations specified by EPA, the State, or the Utilities Division/Department Manager, whichever is more stringent. Any facilities necessary for compliance shall be provided, operated, and maintained at the User’s expense. Detailed plans describing such facilities and operating procedures shall be submitted to the Utilities Division/Department Manager for review, and shall be acceptable to the Utilities Division/Department Manager before such facilities are constructed. The review of such plans and operating procedures shall in no way relieve the User from the responsibility of modifying such facilities as necessary to produce a discharge acceptable to the City under the provisions of this chapter.

- A. The admission into the public sewers of any waters or wastes having characteristics exceeding the narrative limits established in Section 13.12.200 of this chapter shall be subject to the review and approval by the Utilities Division/Department Manager.
- B. Where necessary in the opinion of the Utilities Division/Department Manager, the owner shall provide, at his expense, such preliminary treatment as may be necessary to:
 1. Reduce the biochemical oxygen demand to 300 mg/L and the suspended solids to 350 mg/L;
or

2. Reduce objectionable characteristics or constituents to within the maximum limits provided for in Section 13.12.200 of this chapter; or
 3. Control the quantities and rates of discharge of such waters or wastes. Plans, specifications, and any other pertinent information relating to proposed preliminary treatment facilities shall be submitted for the approval of the Utilities Division/Department Manager and of the Water Pollution Control Board of the state, and no construction of such facilities shall be commenced until said approvals are obtained in writing.
- C. Where preliminary treatment facilities are provided for any wastewater, they shall be maintained continuously in satisfactory and effective operation, by the owner at his expense.

13.12.310 – Additional pretreatment measures.

- A. Whenever deemed necessary, the Utilities Division/Department Manager may require Users to restrict their discharge during peak flow periods, designate that certain wastewater be discharged only into specific sewers, relocate and/or consolidate points of discharge, separate sewage wastestreams from industrial wastestreams, and such other conditions as may be necessary to protect the POTW and determine the User's compliance with the requirements of this chapter.
- B. The Utilities Division/Department Manager may require any person discharging into the POTW to install and maintain, on their property and at their expense, a suitable storage and flow-control facility to ensure equalization of flow. An industrial wastewater discharge permit may be issued solely for flow equalization.
- C. Users with the potential to discharge flammable substances may be required to install and maintain an approved combustible gas detection meter.

13.12.320 – Control utility hole installation.

When required by the Utilities Division/Department Manager, the owner of any property served by a building sewer carrying industrial wastes shall install a suitable control utility hole in the building sewer to facilitate observation, sampling and measurements of the wastes. Such utility hole, when required, shall be accessible and safely located, and shall be constructed in accordance with plans approved by the Utilities Division/Department Manager. The utility hole shall be installed by the owner at his expense, and shall be maintained by him so as to be safe and accessible at all times.

13.12.330 – Grease, oil, and sand interceptors.

- A. Grease, oil and sand interceptors shall be provided when, in the opinion of the Utilities Division/Department Manager, they are necessary for the proper handling of liquid wastes containing grease in excessive amounts, or any flammable wastes, sand, and other harmful ingredients; except that such interceptors shall not be required for private living quarters or dwelling units. All interceptors shall be of a type and capacity approved by the Utilities Division/Department Manager, and shall be located as to be readily and easily accessible for cleaning and inspection.
- B. Grease and oil interceptors shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. They shall be of substantial construction, watertight, and equipped with easily removable covers which, when bolted in place, shall be gastight and watertight.
- C. Where installed, all grease, oil and sand interceptors shall be maintained by the owner, at his expense, in continuously efficient operation at all times.

- D. Wastewater discharge permits may be issued to users of grease, oil, and sand interceptors. Permits shall establish minimum requirements for the design, maintenance and performance of the equipment. Permits may include other information as described in Section VII of this chapter.
- E. The discharge of waste to a grease, oil, and sand interceptor is subject to all sections of this chapter.
- F. Purchase and installation of the interceptor shall be at the User's expense. No exceptions shall be made to the requirements of this section due to expense, size of the installation or difficulties in locating the interceptor within the site boundary.

13.12.340 – Accidental discharge/slug discharge control plans.

The Utilities Division/Department Manager shall evaluate whether each SIU needs an accidental discharge/slug discharge control plan or other action to control Slug Discharges. The Utilities Division/Department Manager may require any User to develop, submit for approval, and implement such a plan or take such other action that may be necessary to control Slug Discharges. Alternatively, the Utilities Division/Department Manager may develop such a plan for any User. An accidental discharge/slug discharge control plan shall address, at a minimum, the following:

- A. Description of discharge practices, including nonroutine batch discharges;
- B. Description of stored chemicals;
- C. Procedures for immediately notifying the Utilities Division/Department Manager of any accidental or Slug Discharge, as required by Section 13.12.630 of this chapter; and
- D. Procedures to prevent adverse impact from any accidental or Slug Discharge. Such procedures include, but are not limited to, inspection and maintenance of storage areas, handling and transfer of materials, loading and unloading operations, control of plant site runoff, worker training, building of containment structures or equipment, measures for containing toxic organic pollutants, including solvents, and/or measures and equipment for emergency response.

Article IV. – Industrial Wastewater Discharge Permits

13.12.400 – Wastewater discharge permit categories.

Industrial wastewater discharge permits shall be issued under the following categories as determined by the Utilities Division/Department Manager after review of the permit application as described in Section 13.12.440 of this chapter. The Utilities Division/Department Manager may determine, upon review of the permit application, that no permit is required for certain small industries and commercial Users.

- A. **General industrial/commercial User permits (Class "G" dischargers).** General industrial/commercial User permits may be issued to certain small industries and some commercial Users whose industrial discharges do not significantly impact the POTW, degrade wastewater quality or contaminate sludge. Industries that have the potential to discharge a non-domestic or process waste stream, but at the present time discharge only sanitary waste, may also be included in this group.
- B. **Significant Industrial User (SIU) permits (Class "S" dischargers).** SIU permits shall be issued to those industries which are determined by the Utilities Division/Department Manager to be Significant Industrial Users (SIUs) as defined in Subdivision 13.12.130.UU of this chapter. The

Utilities Division/Department Manager may require other Users to obtain an SIU permit as necessary to carry out the purposes of this chapter.

- C. **Food Facility (FF) permits (Class “F” dischargers).** All food facilities will be classified as Class “F” dischargers.

13.12.410 – Industrial wastewater discharge permit requirement.

- A. No Significant Industrial User shall discharge wastewater into the POTW without first obtaining an industrial wastewater discharge permit from the Utilities Division/Department Manager, except that a Significant Industrial User that has filed a timely application pursuant to Section 13.12.420 of this chapter may continue to discharge for the time period specified therein.
- B. The Utilities Division/Department Manager may require other Users to obtain industrial wastewater discharge permits as necessary to carry out the purposes of this chapter.
- C. Obtaining an industrial wastewater discharge permit does not relieve a permittee of its obligation to comply with all Federal and State Pretreatment Standards or Requirements or with any other requirements of Federal, State, and local law.

13.12.420 – Industrial wastewater discharge permitting: existing connections.

Any User required to obtain an industrial wastewater discharge permit who was discharging wastewater into the POTW prior to [date certain, which would be the effective date of the ordinance] and who wishes to continue such discharges in the future, shall, within 60 days after [see previous note], apply to the Utilities Division/Department Manager for an industrial wastewater discharge permit in accordance with Section 13.12.440 of this chapter, and shall not cause or allow discharges to the POTW to continue after 180 days after the [see previous note], except in accordance with an industrial wastewater discharge permit issued by the Utilities Division/Department Manager.

13.12.430 – Industrial wastewater discharge permitting: new connections.

Any User required to obtain an industrial wastewater discharge permit who proposes to begin or recommence discharging into the POTW must obtain such permit prior to the beginning or recommencing of such discharge. An application for this industrial wastewater discharge permit, in accordance with Section 13.12.440 of this chapter, must be filed at least 60 days prior to the date upon which any discharge will begin or recommence.

13.12.440 – Industrial wastewater discharge permit application contents.

- A. All Users required to obtain an industrial wastewater discharge permit must submit a permit application. The Utilities Division/Department Manager may require Users to submit all or some of the following information as part of a permit application:
 - 1. Identifying Information.
 - a. The name and address of the facility, including the name of the operator and owner.
 - b. Contact information, description of activities, facilities, and plant production processes on the premises;
 - 2. Environmental Permits. A list of any environmental control permits held by or for the facility.
 - 3. Description of Operations.
 - a. A brief description of the nature, average rate of production (including each product produced by type, amount, processes, and rate of production), and standard industrial classifications of the operation(s) carried out by such User. This description should

- include a schematic process diagram, which indicates points of discharge to the POTW from the regulated processes.
- b. Types of wastes generated, and a list of all raw materials and chemicals used or stored at the facility which are, or could accidentally or intentionally be, discharged to the POTW;
 - c. Number and type of employees, hours of operation, and proposed or actual hours of operation;
 - d. Type and amount of raw materials processed (average and maximum per day);
 - e. Site plans, floor plans, mechanical and plumbing plans, and details to show all sewers, floor drains, and appurtenances by size, location, and elevation, and all points of discharge;
4. Time and duration of discharges;
 5. The location for monitoring all wastes covered by the permit;
 6. Flow Measurement. Information showing the measured average daily and maximum daily flow, in gallons per day, to the POTW from regulated process streams and other streams, as necessary, to allow use of the combined wastestream formula set out in Subdivision 13.12.210.A. of this chapter.
 7. Measurement of Pollutants.
 - a. The Categorical Pretreatment Standards applicable to each regulated process and any new categorically regulated processes for Existing Sources.
 - b. The results of sampling and analysis identifying the nature and concentration, and/or mass, where required by the Standard or by the Utilities Division/Department Manager, of regulated pollutants in the discharge from each regulated process.
 - c. Instantaneous, Daily Maximum, and long-term average concentrations, or mass, where required, shall be reported.
 - d. The sample shall be representative of daily operations and shall be analyzed in accordance with procedures set out in Section 13.12.670 of this chapter. Where the Standard requires compliance with any BMPs or pollution prevention alternative, the User shall submit documentation as required by the Utilities Division/Department Manager or the applicable Standards to determine compliance with the Standard.
 - e. Sampling must be performed in accordance with procedures set out in Section 13.12.680 of this chapter.
 8. Any other information as may be deemed necessary by the Utilities Division/Department Manager to evaluate the permit application.
- B. Incomplete or inaccurate applications will not be processed and will be returned to the User for revision.

13.12.450 – Application signatories and certifications.

- A. All wastewater discharge permit applications, User reports and certification statements must be signed by an Authorized Representative of the User and contain the certification statement in Subdivision 13.12.695.A of this chapter.
- B. If the designation of an Authorized Representative is no longer accurate because a different individual or position has responsibility for the overall operation of the facility or overall responsibility for environmental matters for the company, a new written authorization satisfying the requirements of this Section must be submitted to the Utilities

Division/Department Manager prior to or together with any reports to be signed by an Authorized Representative.

- C. A facility determined to be a Non-Significant Categorical Industrial User by the Utilities Division/Department Manager pursuant to Subdivision 13.12.130.UU.3. of this chapter must annually submit the signed certification statement in Subdivision 13.12.695.B. of this chapter

13.12.460 – Industrial wastewater discharge permit decisions.

The Utilities Division/Department Manager will evaluate the data furnished by the User and may require additional information. Within 60 days of receipt of a complete permit application, the Utilities Division/Department Manager will determine whether to issue an industrial wastewater discharge permit. The Utilities Division/Department Manager may deny any application for an industrial wastewater discharge permit.

Article V. – Industrial Wastewater Discharge Permit Issuance

13.12.500 – Industrial wastewater discharge permit duration.

An industrial wastewater discharge permit shall be issued for a specified time period, not to exceed five years from the effective date of the permit. An industrial wastewater discharge permit may be issued for a period less than five years, at the discretion of the Utilities Division/Department Manager. Each industrial wastewater discharge permit will indicate a specific date upon which it will expire.

13.12.510 – Industrial wastewater discharge permit contents.

An industrial wastewater discharge permit shall include such conditions as are deemed reasonably necessary by the Utilities Division/Department Manager to prevent Pass Through or Interference, protect the quality of the water body receiving the treatment plant's effluent, protect worker health and safety, facilitate sludge management and disposal, and protect against damage to the POTW and any drinking water supplies produced by WRF.

- A. Industrial wastewater discharge permits must contain:
 - 1. A statement that indicates the wastewater discharge permit issuance date, expiration date and effective date.
 - 2. A statement that the wastewater discharge permit is nontransferable without prior notification to the City in accordance with Section 13.12.540 of this chapter, and provisions for furnishing the new owner or operator with a copy of the existing wastewater discharge permit;
 - 3. Effluent limits, including Best Management Practices, based on applicable Pretreatment Standards;
 - 4. Self-monitoring, sampling, reporting, notification, and record-keeping requirements. These requirements shall include an identification of pollutants (or best management practice) to be monitored, sampling location, sampling frequency, and sample type based on Federal, State, and local law.
 - 5. A statement of applicable civil and criminal penalties for violation of Pretreatment Standards and Requirements, and any applicable compliance schedule. Such schedule may not extend the time for compliance beyond that required by applicable Federal, State, or local law.

6. Requirements to control Slug Discharge, if determined by the Utilities Division/Department Manager to be necessary.
- B. Industrial wastewater discharge permits may contain, but need not be limited to, the following conditions:
1. Limits on the average and/or maximum rate of discharge, time of discharge, and/or requirements for flow regulation and equalization;
 2. Requirements for the installation of pretreatment technology, pollution control, or construction of appropriate containment devices, designed to reduce, eliminate, or prevent the introduction of pollutants into the treatment works;
 3. Requirements for the development and implementation of spill control plans or other special conditions including management practices necessary to adequately prevent accidental, unanticipated, or nonroutine discharges;
 4. Development and implementation of waste minimization plans to reduce the amount of pollutants discharged to the POTW;
 5. Requirements for installation and maintenance of inspection and sampling facilities and equipment, including flow measurement devices;
 6. A statement that compliance with the industrial wastewater discharge permit does not relieve the permittee of responsibility for compliance with all applicable Federal and State Pretreatment Standards, including those which become effective during the term of the industrial wastewater discharge permit; and
 7. Other conditions as deemed appropriate by the Utilities Division/Department Manager to ensure compliance with this chapter, and State and Federal laws, rules, and regulations.

13.12.520 – Permit issuance and appeals process.

- A. The User may petition the Utilities Division/Department Manager to reconsider the terms of an industrial wastewater discharge permit within 15 working days of notice of its issuance.
1. Failure to submit a timely petition for review shall be deemed to be a waiver of the administrative appeal.
 2. In its petition, the appealing party must indicate the industrial wastewater discharge permit provisions objected to, the reasons for this objection, and the alternative condition, if any, it seeks to place in the industrial wastewater discharge permit.
 3. The effectiveness of the industrial wastewater discharge permit shall not be stayed pending the appeal.
 4. If the Utilities Division/Department Manager fails to act within 60 days, a request for reconsideration shall be deemed to be denied. Decisions not to reconsider an industrial wastewater discharge permit, not to issue an industrial wastewater discharge permit, or not to modify an industrial wastewater discharge permit shall be considered final administrative actions for purposes of judicial review.
 5. Aggrieved parties seeking judicial review of the final administrative industrial wastewater discharge permit decision must do so by filing a complaint with the Superior Court of San Luis Obispo County.

13.12.530 – Permit modification.

- A. The Utilities Division/Department Manager may modify an industrial wastewater discharge permit for good cause, including, but not limited to, the following reasons:

1. To incorporate any new or revised Federal, State, or local Pretreatment Standards or Requirements;
2. To address significant alterations or additions to the User's operation, processes, or wastewater volume or character since the time of the industrial wastewater discharge permit issuance;
3. A change in the POTW that requires either a temporary or permanent reduction or elimination of the authorized discharge;
4. Information indicating that the permitted discharge poses a threat to the City's POTW, City personnel, or the receiving waters;
5. Violation of any terms or conditions of the industrial wastewater discharge permit;
6. Misrepresentations or failure to fully disclose all relevant facts in the wastewater discharge permit application or in any required reporting;
7. To correct typographical or other errors in the industrial wastewater discharge permit; or
8. To reflect a transfer of the facility ownership or operation to a new owner or operator where requested in accordance with Section 13.12.540 of this chapter.

13.12.540 – Industrial wastewater discharge permit transfer.

Industrial wastewater discharge permits may be transferred to a new owner or operator only if the permittee gives at least 60-days' advance notice to the Utilities Division/Department Manager and the Utilities Division/Department Manager approves the industrial wastewater discharge permit transfer. The notice to the Utilities Division/Department Manager must include a written certification by the new owner or operator which:

- A. States that the new owner and/or operator has no immediate intent to change the facility's operations and processes;
- B. Identifies the specific date on which the transfer is to occur; and
- C. Acknowledges full responsibility for complying with the existing industrial wastewater discharge permit.

Failure to provide advance notice of a transfer renders the industrial wastewater discharge permit void as of the date of facility transfer.

13.12.550 – Industrial wastewater discharge permit revocation or suspension.

The Utilities Division/Department Manager may revoke or suspend an industrial wastewater discharge permit for good cause, including, but not limited to, the following reasons:

- A. Failure to notify the Utilities Division/Department Manager of significant changes to the wastewater prior to the changed discharge;
- B. Failure to provide prior notification to the Utilities Division/Department Manager of changed conditions pursuant to 13.12.620 of this chapter;
- C. Misrepresentation or failure to fully disclose all relevant facts in the wastewater discharge permit application;
- D. Falsifying self-monitoring reports and certification statements;
- E. Tampering with monitoring equipment;
- F. Refusing to allow the Utilities Division/Department Manager timely access to the facility premises and records;
- G. Failure to meet effluent limitations;
- H. Failure to pay fines;

- I. Failure to pay sewer charges;
- J. Failure to meet compliance schedules;
- K. Failure to complete a wastewater survey or the wastewater discharge permit application;
- L. Failure to provide advance notice of the transfer of business ownership of a permitted facility; or
- M. Violation of any Pretreatment Standard or Requirement, or any terms of the wastewater discharge permit or this chapter.

Industrial wastewater discharge permits shall be voidable upon cessation of operations or transfer of business ownership. All industrial wastewater discharge permits issued to a User are void upon the issuance of a new industrial wastewater discharge permit to that User.

13.12.560 – Industrial wastewater discharge permit reissuance

A User with an expiring industrial wastewater discharge permit shall apply for industrial wastewater discharge permit reissuance by submitting a complete permit application, in accordance with 13.12.210 of this chapter, a minimum of 30 days prior to the expiration of the User’s existing industrial wastewater discharge permit.

Article VI. – Reporting Requirements

13.12.600 – Reporting requirements for Industrial Users subject to categorical pretreatment standards.

A. Baseline Monitoring Reports.

1. Within either 180 days after the effective date of a categorical Pretreatment Standard, or the final administrative decision on a category determination under 40 CFR 403.6(a)(4), whichever is later, Categorical Industrial Users scheduled to discharge to the POTW shall submit to the Utilities Division/Department Manager a report which contains the information listed in Paragraph 2, below. At least 90 days prior to commencement of their discharge, New Sources, and sources that become Categorical Industrial Users subsequent to the promulgation of an applicable categorical Standard, shall submit to the Utilities Division/Department Manager a report which contains the information listed in Paragraph 2, below. A New Source shall report the method of pretreatment it intends to use to meet applicable categorical Standards. A New Source also shall give estimates of its anticipated flow and quantity of pollutants to be discharged.
2. Users described above shall submit the information set forth below.
 - a. All information required in Subdivisions 13.12.440.A.1.a., A.2., A.3.a., and A.6. of this chapter.
 - b. Measurement of pollutants.
 - i. The User shall provide the information required in Subdivision 13.12.440.A.7. a. through d. of this chapter.
 - ii. The User shall take a minimum of one representative sample to compile that data necessary to comply with the requirements of this paragraph.
 - iii. Samples should be taken immediately downstream from pretreatment facilities if such exist or immediately downstream from the regulated process if no pretreatment exists. If other wastewaters are mixed with the regulated wastewater prior to pretreatment the User should measure the flows and concentrations necessary to allow use of the combined wastestream formula in 40 CFR 403.6(e) to

evaluate compliance with the Pretreatment Standards. Where an alternate concentration or mass limit has been calculated in accordance with 40 CFR 403.6(e) this adjusted limit along with supporting data shall be submitted to the Control Authority;

- iv. Sampling and analysis shall be performed in accordance with Section 13.12.670 of this chapter;
 - v. The Utilities Division/Department Manager may allow the submission of a baseline report which utilizes only historical data so long as the data provides information sufficient to determine the need for industrial pretreatment measures;
 - vi. The baseline report shall indicate the time, date and place of sampling and methods of analysis, and shall certify that such sampling and analysis is representative of normal work cycles and expected pollutant Discharges to the POTW.
- c. Compliance Certification. A statement, reviewed by the User's Authorized Representative as defined in Subdivision 13.12.130.C. of this chapter and certified by a qualified professional, indicating whether Pretreatment Standards are being met on a consistent basis, and, if not, whether additional operation and maintenance (O&M) and/or additional pretreatment is required to meet the Pretreatment Standards and Requirements.
 - d. Compliance Schedule. If additional pretreatment and/or O&M will be required to meet the Pretreatment Standards, the shortest schedule by which the User will provide such additional pretreatment and/or O&M must be provided. The completion date in this schedule shall not be later than the compliance date established for the applicable Pretreatment Standard. A compliance schedule pursuant to this Section must meet the requirements set out in Subdivision 13.12.600.B. of this chapter.
 - e. Signature and Report Certification. All baseline monitoring reports must be certified in accordance with Subdivision 13.12.695.A. of this chapter and signed by an Authorized Representative as defined in Subdivision 13.12.130.C. of this chapter.

B. Compliance Schedule Progress Reports

The following conditions shall apply to the compliance schedule required by Subdivision 13.12.600.A.2.d. of this chapter:

1. The schedule shall contain progress increments in the form of dates for the commencement and completion of major events leading to the construction and operation of additional pretreatment required for the User to meet the applicable Pretreatment Standards (such events include, but are not limited to, hiring an engineer, completing preliminary and final plans, executing contracts for major components, commencing and completing construction, and beginning and conducting routine operation);
2. No increment referred to above shall exceed nine months;
3. The User shall submit a progress report to the Utilities Division/Department Manager no later than 14 days following each date in the schedule and the final date of compliance including, as a minimum, whether or not it complied with the increment of progress, the reason for any delay, and, if appropriate, the steps being taken by the User to return to the established schedule; and
4. In no event shall more than nine months elapse between such progress reports to the Utilities Division/Department Manager.

C. Reports on Compliance with Categorical Pretreatment Standard Deadline

Within 90 days following the date for final compliance with applicable categorical Pretreatment Standards, or in the case of a New Source following commencement of the introduction of wastewater into the POTW, any User subject to such Pretreatment Standards and Requirements shall submit to the Utilities Division/Department Manager a report containing the information described in Subdivisions 13.12.440.A.6. and A.7. and 13.12.600.A.2.b. of this chapter. For Users subject to categorical Pretreatment Standards expressed in terms of allowable pollutant discharge per unit of production (or other measure of operation), this report shall include the User's actual production during the appropriate sampling period. All compliance reports must be signed and certified in accordance with Subdivision 13.12.695.A. of this chapter. All sampling will be done in conformance with Section 13.12.680 of this chapter.

13.12.610 – Periodic Compliance Reports for Significant Industrial Users

- A. All Significant Industrial Users (categorical or noncategorical) must, at a frequency determined by the Utilities Division/Department Manager submit no less than twice per year (June and December [or on dates specified]) reports indicating the nature, concentration of pollutants in the discharge which are limited by Pretreatment Standards and the measured or estimated average and maximum daily flows for the reporting period. In cases where the Pretreatment Standard requires compliance with all BMPs or pollution prevention alternative, the User must submit documentation required by the Utilities Division/Department Manager or the Pretreatment Standard necessary to determine the compliance status of the User.
- B. All periodic compliance reports must be signed and certified in accordance with Subdivision 13.12.695.A. of this chapter.
- C. All wastewater samples must be representative of the User's discharge. Wastewater monitoring and flow measurement facilities shall be properly operated, kept clean, and maintained in good working order at all times. The failure of a User to keep its monitoring facility in good working order shall not be grounds for the User to claim that sample results are unrepresentative of its discharge.
- D. If a User subject to the reporting requirement in this section monitors any regulated pollutant at the appropriate sampling location more frequently than required by the Utilities Division/Department Manager, using the procedures prescribed in Section 13.12.680. of this chapter, the results of this monitoring shall be included in the report.

13.12.620 – Reports of changed conditions.

Each User must notify the Utilities Division/Department Manager of any significant changes to the User's operations or system which might alter the nature, quality, or volume of its wastewater at least 60 days before the change.

- A. The Utilities Division/Department Manager may require the User to submit such information as may be deemed necessary to evaluate the changed condition, including the submission of a wastewater discharge permit application under Section 13.12.440 of this chapter.
- B. The Utilities Division/Department Manager may issue an industrial wastewater discharge permit under Section 13.12.560 of this chapter or modify an existing wastewater discharge permit under Sections 13.12.520 and 13.12.530 of this chapter in response to changed conditions or anticipated changed conditions.

13.12.630 – Reports of potential problems.

- A. In the case of any discharge, including, but not limited to, accidental discharges, discharges of a nonroutine, episodic nature, a noncustomary batch discharge, a Slug Discharge or Slug Load, that might cause potential problems for the POTW, the User shall immediately telephone and notify the Utilities Division/Department Manager of the incident. This notification shall include the location of the discharge, type of waste, concentration and volume, if known, and corrective actions taken by the User.
- B. Within five days following such discharge, the User shall, unless waived by the Utilities Division/Department Manager, submit a detailed written report describing the cause(s) of the discharge and the measures to be taken by the User to prevent similar future occurrences. Such notification shall not relieve the User of any expense, loss, damage, or other liability which might be incurred as a result of damage to the POTW, natural resources, or any other damage to person or property; nor shall such notification relieve the User of any fines, penalties, or other liability which may be imposed pursuant to this chapter.
- C. A notice shall be permanently posted on the User's bulletin board or other prominent place advising employees who to call in the event of a discharge described in part A., above. Employers shall ensure that all employees, who could cause such a discharge to occur, are advised of the emergency notification procedure.
- D. Significant Industrial Users are required to notify the Utilities Division/Department Manager immediately of any changes at its facility affecting the potential for a Slug Discharge.

13.12.640 – Reports from unpermitted Users, general industrial/commercial users, or food facilities.

All Users not required to obtain an industrial wastewater discharge permit, or those operating under general discharge permits or food facility permits described in Subdivisions 13.12.400 A and C, respectively, shall provide appropriate reports to the Utilities Division/Department Manager as the Utilities Division/Department Manager may require.

13.12.650 – Notice of violation/repeat sampling and reporting.

If sampling performed by a User indicates a violation, then the User must notify the Utilities Division/Department Manager within 24 hours of becoming aware of the violation. The User shall also repeat the sampling and analysis and submit the results of the repeat analysis to the Utilities Division/Department Manager within 30 days after becoming aware of the violation. Resampling by the Industrial User is not required if the City performs sampling at the User's facility at least once a month, or if the City performs sampling at the User between the time when the initial sampling was conducted and the time when the User or the City receives the results of this sampling, or if the City has performed the sampling and analysis in lieu of the Industrial User.

13.12.660 – Notification of the discharge of hazardous waste.

- A. Any User who commences the discharge of hazardous waste shall notify the POTW, the EPA Regional Waste Management Division Director, and State hazardous waste authorities, in writing, of any discharge into the POTW of a substance which, if otherwise disposed of, would be a hazardous waste under 40 CFR Part 261. Such notification must include the name of the hazardous waste as set forth in 40 CFR Part 261, the EPA hazardous waste number, and the type of discharge (continuous, batch, or other). If the User discharges more than 100 kilograms of such waste per calendar month to the POTW, then the notification also shall contain the

following information to the extent such information is known and readily available to the User: an identification of the hazardous constituents contained in the wastes, an estimation of the mass and concentration of such constituents in the wastestream discharged during that calendar month, and an estimation of the mass of constituents in the wastestream expected to be discharged during the following 12 months. All notifications must take place no later than 180 days after the discharge commences. Any notification under this paragraph need be submitted only once for each hazardous waste discharged. However, notifications of changed conditions must be submitted under 13.12.620 of this chapter. The notification requirement in this Section does not apply to pollutants already reported by Users subject to categorical Pretreatment Standards under the self-monitoring requirements of Subdivisions 13.12.600.A. and C. and 13.12.610 of this chapter.

- B. Dischargers are exempt from the requirements of paragraph A., above, during a calendar month in which they discharge no more than fifteen kilograms of hazardous wastes, unless the wastes are acute hazardous wastes as specified in 40 CFR 261.30(d) and 261.33(e). Discharge of more than 15 kilograms of nonacute hazardous wastes in a calendar month, or of any quantity of acute hazardous wastes as specified in 40 CFR 261.30(d) and 261.33(e), requires a one-time notification.
- C. Subsequent consecutive periods of 30 days during which the User discharges more than such quantities of any hazardous waste do not require additional notification.
- D. In the case of any new regulations under Section 3001 of RCRA identifying additional characteristics of hazardous waste or listing any additional substance as a hazardous waste, the User must notify the Utilities Division/Department Manager, the EPA Regional Waste Management Waste Division Director, and State hazardous waste authorities of the discharge of such substance within 90 days after the effective date of such regulations.
- E. In the case of any notification made under this Section, the User shall certify it has a program in place to reduce the volume and toxicity of hazardous wastes generated to the degree it has determined to be economically practical.
- F. This provision does not create a right to discharge any substance not otherwise permitted to be discharged by this chapter, a permit issued thereunder, or any applicable Federal or State law.

13.12.670– Analytical requirements.

All pollutant analyses, including sampling techniques, to be submitted as part of a wastewater discharge permit application or report shall be performed in accordance with the techniques prescribed in 40 CFR Part 136 and amendments thereto, unless otherwise specified in an applicable categorical Pretreatment Standard. If 40 CFR Part 136 does not contain sampling or analytical techniques for the pollutant in question, or where the EPA determines the Part 136 sampling and analytical techniques are inappropriate for the pollutant in question, then sampling and analyses shall be performed by using validated analytical methods or any other applicable sampling and analytical procedures, including procedures suggested by the Utilities Division/Department Manager or other parties approved by EPA.

13.12.680 – Sample collection.

Samples collected to satisfy reporting requirements must be based on data obtained through appropriate sampling and analysis performed during the period covered by the report, based on data that is representative of conditions occurring during the reporting period.

- A. Except as indicated in Subdivisions B. and C., below, the User must collect wastewater samples using 24-hour flow-proportional composite sampling techniques, unless time-proportional

composite sampling or grab sampling is authorized by the Utilities Division/Department Manager. Where time-proportional composite sampling or grab sampling is authorized by the City, the samples must be representative of the discharge. Using protocols (including appropriate preservation) specified in 40 CFR Part 136 and appropriate EPA guidance, multiple grab samples collected during a 24-hour period may be composited prior to the analysis as follows: for cyanide, total phenols, and sulfides the samples may be composited in the laboratory or in the field; for volatile organics and oil and grease, the samples may be composited in the laboratory. Composite samples for other parameters unaffected by the compositing procedures as documented in approved EPA methodologies may be authorized by the City, as appropriate. In addition, grab samples may be required to show compliance with Instantaneous Limits.

- B. Samples for oil and grease, temperature, pH, cyanide, total phenols, sulfides, and volatile organic compounds must be obtained using grab collection techniques.
- C. For sampling required in support of baseline monitoring and 90-day compliance reports required in Subdivisions 13.12.600.A. and C. of this chapter, a minimum of four (4) grab samples must be used for pH, cyanide, total phenols, oil and grease, sulfide and volatile organic compounds for facilities for which historical sampling data do not exist; for facilities for which historical sampling data are available, the Utilities Division/Department Manager may authorize a lower minimum. For the reports required by Section 13.12.610 of this chapter, the Industrial User is required to collect the number of grab samples necessary to assess and assure compliance by with applicable Pretreatment Standards and Requirements.

13.12.685 – Date of receipt of reports.

Written reports will be deemed to have been submitted on the date postmarked. For reports, which are not mailed, postage prepaid, into a mail facility serviced by the United States Postal Service, the date of receipt of the report shall govern.

13.12.690 – Recordkeeping.

Users subject to the reporting requirements of this chapter shall retain, and make available for inspection and copying, all records of information obtained pursuant to any monitoring activities required by this chapter, any additional records of information obtained pursuant to monitoring activities undertaken by the User independent of such requirements, and documentation associated with Best Management Practices established under Section 13.12.220 of this chapter. Records shall include the date, exact place, method, and time of sampling, and the name of the person(s) taking the samples; the dates analyses were performed; who performed the analyses; the analytical techniques or methods used; and the results of such analyses. These records shall remain available for a period of at least three years. This period shall be automatically extended for the duration of any litigation concerning the User or the City, or where the User has been specifically notified of a longer retention period by the Utilities Division/Department Manager.

13.12.695 – Certification statements.

- A. Certification of Permit Applications, User Reports and Initial Monitoring Waiver— The following certification statement is required to be signed and submitted by Users submitting permit applications in accordance with Section 13.12.220 of this chapter; Users submitting baseline monitoring reports under Subdivision 13.12.600.A.2. e. of this chapter, Users submitting reports on compliance with the categorical Pretreatment Standard deadlines under Subdivision 13.12.600.C. of this chapter; and Users submitting periodic compliance reports required by

Subdivisions 13.12.610.A. and B. of this chapter The following certification statement must be signed by an Authorized Representative as defined in Subdivision 13.12.130.C. of this chapter:

I certify, under penalty of law, this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

- B. Annual Certification for Non-Significant Categorical Industrial Users—A facility determined to be a Non-Significant Categorical Industrial User by the Utilities Division/Department Manager pursuant to Subdivisions 13.12.130.UU.3 and 13.12.440.C. of this chapter. must annually submit the following certification statement signed in accordance with the signatory requirements in Subdivision 13.12.130.C. of this chapter This certification must accompany an alternative report required by the Utilities Division/Department Manager:

Based on my inquiry of the person or persons directly responsible for managing compliance with the categorical Pretreatment Standards under 40 CFR ____, I certify, to the best of my knowledge and belief that during the period from _____, _____ to _____, _____ [months, days, year]:

(a) The facility described as _____ [facility name] met the definition of a Non-Significant Categorical Industrial User as described in 13.12.130.UU.3 of the Morro Bay Municipal Code;

(b) The facility complied with all applicable Pretreatment Standards and requirements during this reporting period; and

(c) the facility never discharged more than 100 gallons of total categorical wastewater on any given day during this reporting period.

This compliance certification is based on the following information.

Article VII. – Fats, Oils, & Grease (FOG) Control Program

13.12.700 – Title.

This Article shall be referred to as the “City of Morro Bay FOG Control Program” or “FOG Control Program.”

13.12.710 – Purpose of the FOG ordinance.

The purpose of the FOG Control Program Ordinance is to reduce Sanitary Sewer Overflows (SSOs) and blockages, and to protect public health and the environment by minimizing public

exposure to unsanitary conditions. By controlling the discharge of fats, oils, and grease to the wastewater collection system, excessive buildup in sewer lines can be lessened, thereby increasing the system's operating efficiency and reducing the number of sewer line blockages and overflows.

13.12.720 – General FOG discharge prohibitions.

No FF shall discharge or cause to be discharged into the sewer system FOG that may accumulate and/or cause or contribute to blockages in the sewer system or at the sewer lateral, which connects the FF to the sewer system.

13.12.730– Specific FOG prohibitions.

The following specific prohibitions shall apply to all FF:

- A. Discharge of any FOG-containing wastewater that is not connected to a grease removal device is prohibited.
- B. Non-grease laden sources such as, but not limited to, hand-wash sinks, toilets, urinals, and stormwater, shall not be connected to a grease removal device.
- C. No dishwasher shall be connected to a grease trap.
- D. Discharge of wastewater with temperatures in excess of 140° F (60°C) into any grease trap is prohibited.
- E. Direct disposal of any waste cooking oil into any drain or cleanout that is connected to the sewer system is prohibited.
- F. Introduction of any additive into a grease removal device or directly into the sewer system for the purpose of emulsifying FOG, biologically/chemically treating FOG for grease remediation, or as a supplement to any grease removal device maintenance is prohibited, unless specifically authorized in writing by the Utilities Division/Department Manager.
- G. Discharge of any waste which has been removed from a grease removal device into the sewer system is prohibited.

13.12.740 – FOG wastewater discharge permit required.

All FFs shall obtain a FOG Wastewater Discharge Permit. Nothing in the permit is intended to relieve the FF of any local, state, or federal regulation. Any denial of a permit may be appealed under Section 13.12.520 of this chapter.

13.12.745 – FOG permit application requirements.

FOG Wastewater Discharge Permit Applications shall include the following information:

- A. Name, address, telephone number, description of the FF and service activities.
- B. Name of any and all principals/owners of the FF.
- C. Name and address of property owner or lessor and the property manager where the FF is located.
- D. Specifications of all grease removal devices.
- E. Operational statement of FF.
- F. Any other information as may be specified in the application form.

13.12.750 – FOG wastewater discharge permit conditions.

- A. FOG Wastewater Discharge Permits must contain the following:
 - 1. A statement that indicates the wastewater discharge permit duration.
 - 2. A statement that the wastewater discharge permit is nontransferable.

3. A statement of applicable civil and criminal penalties for violation of permit and FOG ordinance.
- B. FOG Wastewater Discharge Permits may contain the following conditions or limits if found necessary to meet the intent of the FOG Control Program Ordinance by the Utilities Division/Department Manager:
 1. Limits on discharge of FOG and other pollutants.
 2. Requirements to install, operate, and maintain adequate pretreatment devices including grease removal devices.
 3. Requirements for proper operation and maintenance of all pretreatment devices.
 4. Grease removal device maintenance frequency and schedule.
 5. Requirements for implementing, maintaining, and reporting on the status of BMPs.
 6. Requirements for maintaining and submitting logs and records, including waste hauling records and manifests and to have such records available for inspection.
 7. Requirements to self-monitor.
 8. Additional requirements as may be determined to be reasonably appropriate by the Utilities Division/Department Manager or as specified by other Regulatory Agencies to protect the collection system.
 9. Other terms and conditions, which may be reasonably applicable to ensure compliance with the FOG Control Program.

13.12.755 – FOG wastewater discharge permit modifications.

FOG Wastewater Discharge Permit modifications are subject to Section 13.12.530 of this chapter consistent with the terms, requirements, and policies in this section.

13.12.760 – FOG best management practices.

All FFs shall implement BMPs in an effort to minimize the discharge of FOG to the sewer system, including, but not limited to, the following, as applicable:

- A. Installation of Drain Screens. Drain screens shall be installed on all drainage pipes in food preparation areas.
- B. Disposal of Waste Cooking Oil and Grease. FFs shall dispose of waste cooking oil in accordance with state and local law.
- C. Segregation and Collection of Waste Cooking Oil. All waste cooking oil shall be collected and stored properly in recycling receptacles such as barrels or drums. Such recycling receptacles shall be maintained properly to insure that they do not leak. Licensed waste haulers or an approved recycling facility must be used to dispose of waste cooking oil in accordance with applicable state and local law.
- D. Disposal of Food Waste. All food waste should be disposed of directly into the trash or garbage in accordance with applicable state and local law and not into sinks and shall be disposed of in a manner that will ensure against leakage in the trash container or anywhere else.
- E. Employee Training. Employees of each FF shall be trained by ownership/management periodically as specified in the FOG wastewater discharge permit on the following subjects:
 1. Dry-wiping pots, pans, dishware and work areas before washing to remove grease.
 2. Properly disposing food waste and solids in plastic bags prior to disposal in trash bins or containers to prevent leaking and odors.

3. The location and use of absorption products to clean under fryer baskets and other locations where grease may be spilled or dripped.
 4. Properly disposing grease or oils from cooking equipment into a proper grease receptacle without spilling.
 5. Training shall be documented along with employee signatures. Training records shall be available for review at any time by authorized representatives of the City.
- E. Maintenance of Mechanical Exhaust Ventilation Filters. Filters shall be cleaned as frequently as necessary to be maintained in good operating condition. The wastewater generated from cleaning exhaust filters shall be disposed of properly.
- F. Kitchen Signage. Best management and waste minimization practices shall be posted conspicuously in the food preparation and dishwashing areas at all times.

13.12.765 – FOG pretreatment required for new and existing FFs.

Each owner of a FF is required to install, operate, and maintain an approved type and adequately sized grease interceptor necessary to maintain compliance with the objectives of this section, subject only to the variance and waiver provisions and other exceptions of this section. The grease interceptor shall be adequate to separate and remove FOG contained in wastewater discharges from FFs prior to discharge to the sewer system. Fixtures, equipment, and drain lines located in the food preparation and cleanup areas of FFs that are sources of FOG discharges shall be connected to the grease interceptor.

- A. New FFs, those that are not existing on [date certain, which will be the effective date of this ordinance] shall include grease interceptors prior to commencing discharges of wastewater to the sewer system.
- B. Each FFs existing as of [date certain, which will be the effective date of this ordinance] shall include grease interceptors in any of the following circumstances:
 1. When the FF changes ownership;
 2. When any change in operation results in or has the potential to result in the increase of the amount of FOG generated and/or discharged by FF in an amount that alone or collectively causes or creates a potential SSO to occur;
 3. When it is determined by the Utilities Division/Department Manager the FF caused or contributed to grease-related blockages in the sewer system, has sewer laterals connected to hot spots, or has been determined to contribute significant FOG to the sewer system, based on inspection and sampling;
 4. During a remodel;
 5. Any other time the Utilities Division/Department Manager reasonably determines that installation of a grease interceptor is necessary to avoid an adverse impact to the sewer system.
- C. Any owner of an FF existing on [date certain, which will be the effective date of this ordinance] that receives a notice from the Utilities Division/Department Manager to install a grease interceptor must install the interceptor within 90 days, unless a shorter or longer period is reasonably required by the Utilities Division/Department Manager.

13.12.770 – Variance of grease interceptor requirement.

Notwithstanding any other provision in this section, an owner of an FF existing on [date certain, which will be the effective date of this ordinance] may obtain a variance, at the Utilities Division/Department Manager's discretion, from the grease interceptor requirement to allow

alternative pretreatment technology that is equally effective in controlling the FOG discharge in lieu of a grease interceptor.

13.12.775 – Cost recovery for FOG.

All costs incurred for cleaning the sewer line to remove FOG buildup caused or contributed to by an FF shall be reimbursed to the City by the owner of the FF. Factors for determining responsible parties for cost recovery charges, include FFs that are discharging into the affected sewer line, the presence of grease removal devices or alternative pretreatment in the FF, proper maintenance of grease removal devices by the owner or operator of the FF, implementation of BMPs, and any waivers or variances granted.

13.12.780 – Grease interceptor requirements.

The owner of any FF that is required to include FOG pretreatment shall install operate and maintain an approved type and properly sized grease interceptor, or other grease removal device authorized under an approved variance, necessary to maintain compliance with the purpose of the FOG Control Program Ordinance.

- A. Approved grease interceptor sizing and installation shall conform to the latest approved edition of the California Uniform Plumbing Code.
- B. Grease interceptors shall be constructed in accordance with the design approved by the Utilities Division/Department Manager and shall have a minimum of two compartments with fittings designed for grease retention.
- C. Grease interceptors shall be installed at a location where it shall be at all times easily accessible for inspection, cleaning and removal of accumulated grease.
 1. Grease interceptors may not be installed in any part of the building where food is handled.
 2. If a location is not available on the property of the FF, a street encroachment permit may be requested to authorize installation of a grease interceptor in a public access area such as the street or sidewalk area.
 3. There will be no obstruction from landscaping or parked vehicles, with the exception of parked vehicles in a public access area as granted through a street encroachment permit.
- D. Access utility holes, with a minimum diameter of 24 inches, shall be provided over each grease interceptor chamber and sanitary tee. The utility holes shall also have readily removable covers to facilitate inspection, grease removal and wastewater sampling activities.
- E. The original design of the grease interceptor shall not be modified unless the manufacturer recommends the modification in writing.
 1. Any modification will be at the FFs expense.
 2. The City is not liable for any non-compliance as a result of any modification.
- F. The Utilities Division/Department Manager may require other pretreatment measures or modifications to improve the effectiveness of the grease interceptor.
- G. Connections to the grease interceptor shall be approved by the Utilities Division/Department Manager, and the Utilities Division/Department Manager may require connections to be removed.

13.12.785 – Grease interceptor maintenance requirements.

Grease interceptors shall be maintained in efficient operating condition by periodic complete removal of all contents of the devices including wastewater, accumulated FOG, floating materials, sludge and solids.

- A. No FOG that has accumulated in a grease interceptor shall be allowed to pass into any sewer lateral, sewer system, storm drain, or public right of way during maintenance activities.
- B. When any FF is located in an area that is considered to be a hot spot, the owner will be required to submit data and information necessary to establish a maintenance frequency for their grease interceptor.
- C. The maintenance frequency for all FFs with a grease interceptor shall be determined in one of the following methods:
 - 1. Grease interceptors shall be fully pumped out and cleaned at a frequency such that the combined FOG and solids accumulation does not exceed the Twenty-five Percent Rule. Regardless, the interval between cleaning shall not exceed six months.
 - 2. If the grease interceptor contains, at any time, FOG and solids accumulation that exceeds the Twenty-five Percent Rule, the FF shall be required to have the grease interceptor serviced immediately so that all FOG, sludge and other materials are completely removed from the interceptor. If necessary, the FF may be required to increase the maintenance frequency of the grease interceptor from its current frequency.
- D. Wastewater, accumulated FOG, floating materials, sludge, solids, and other materials removed from the grease interceptor shall be disposed offsite properly by licensed waste haulers or recyclers in accordance with federal, state, and/or local regulations.

13.12.790 – Grease trap requirements.

Grease traps may be authorized by the Utilities Division/Department Manager through a variance under Section 13.12.530 of this chapter with the following conditions:

- A. Grease traps shall be installed in waste lines leading from drains, sinks and other fixtures or equipment where grease may be introduced into the sewer system in quantities that can cause blockage.
- B. Grease traps shall be properly sized and installed in accordance with the latest approved edition of the California Uniform Plumbing Code.
- C. The original design of the grease trap shall not be modified unless the manufacturer recommends the modification in writing.
 - 1. Any modification will be at the FF's expense.
 - 2. The City is not liable for any non-compliance as a result of any modification.
- D. Grease traps shall be maintained in efficient operating conditions by removing accumulated grease. The interval between cleaning will be established by the Utilities Division/Department Manager, but shall not exceed two weeks. Baffles shall be removed and cleaned during the maintenance process, when applicable.
- E. Grease traps shall be kept free of all food residues and any FOG waste removed during the cleaning and scraping process.

- F. Grease traps shall be inspected periodically to check for leaking seams and pipes and for effective operation of the baffles and flow regulating devices.
- G. Grease traps and their baffles shall be maintained free of all caked on FOG and waste.
- H. Dishwashers and food waste disposal units shall not be connected to or discharged into any grease trap.
- I. The temperature of any water entering a grease trap shall not exceed 140° F (60° C).
- J. All wastes shall be properly disposed of in accordance with applicable local and state laws.

13.12.795 – FOG record keeping requirements.

Each owner of an FF shall keep all records, including manifests, receipts and invoices of all cleaning and maintenance of grease removal devices. All records shall be made available to authorized representatives of the City upon request. In addition to the above mentioned documents, records include logbooks of maintenance activity, BMPs and employee training, sampling data, spill reports, line cleaning reports, and any other information deemed appropriate by the Utilities Division/Department Manager to ensure compliance with the FOG Control Program and this section.

Article VIII. – Compliance Monitoring

13.12.800 – Right of entry: inspection and sampling.

The Utilities Division/Department Manager shall have the right to enter the premises of any User to determine whether the User is complying with all requirements of this chapter and any industrial wastewater discharge permit or order issued hereunder. Users shall allow the Utilities Division/Department Manager ready access to all parts of the premises for the purposes of inspection, sampling, records examination and copying, and the performance of any additional duties.

- A. Where a User has security measures in force which require proper identification and clearance before entry into its premises, the User shall make necessary arrangements with its security guards so that, upon presentation of suitable identification, the Utilities Division/Department Manager shall be permitted to enter without delay for the purposes of performing specific responsibilities.
- B. The Utilities Division/Department Manager shall have the right to set up on the User's property, or require installation of, such devices as are necessary to conduct sampling and/or metering of the User's operations.
- C. The Utilities Division/Department Manager may require the User to install monitoring equipment as necessary. The facility's sampling and monitoring equipment shall be maintained at all times in a safe and proper operating condition by the User at its own expense. All devices used to measure wastewater flow and quality shall be calibrated at a frequency established by the Utilities Division/Department Manager, but no less than the frequency recommended by the manufacturer.
- D. Any temporary or permanent obstruction to safe and easy access to the facility to be inspected and/or sampled shall be promptly removed by the User at the written or verbal request of the Utilities Division/Department Manager and shall not be replaced. The costs of clearing such access shall be borne by the User.
- E. Unreasonable delays in allowing the Utilities Division/Department Manager access to the User's premises shall be a violation of this chapter.

Article IX – Confidential Information

13.12.900 – Confidential information.

Information and data on a User obtained from reports, surveys, wastewater discharge permit applications, industrial wastewater discharge permits, and monitoring programs, and from the Utilities Division/Department Manager's inspection and sampling activities, shall be available to the public without restriction, unless the User specifically requests, and is able to demonstrate to the satisfaction of the Utilities Division/Department Manager, the release of such information would divulge information, processes, or methods of production entitled to protection as trade secrets under applicable State law. Any such request must be asserted at the time of submission of the information or data. When requested and demonstrated by the User furnishing a report such information should be held confidential, unless otherwise required by court order or applicable State law, the portions of a report which might disclose trade secrets or secret processes shall not be made available for inspection by the public, but shall be made available immediately upon request to governmental agencies for uses related to the NPDES program or pretreatment program, and in enforcement proceedings involving the person furnishing the report. Wastewater constituents and characteristics and other effluent data, as defined at 40 CFR 2.302 shall not be recognized as confidential information and shall be available to the public without restriction.

Article X. – Remedies for Noncompliance

13.12.1000 – Violation.

- A. Unless otherwise specified in this chapter, any violation of any provision of this chapter or any permit or order issued hereunder shall be punishable pursuant to Section 1.16.010 and 1.16.020 of this code.
- B. A violation of any permit or order issued pursuant to this chapter shall be deemed a violation of this code.
- C. Each day, or part thereof, a violation continues shall be regarded as a new and separate offense.

13.12.1015 – Notification of violation.

If the Utilities Division/Department Manager finds a User has violated, or continues to violate, any provision of this chapter, an industrial wastewater discharge permit, or order issued hereunder, or any other Pretreatment Standard or Requirement, then the Utilities Division/Department Manager may serve upon that User a written Notice of Violation. Within 10 days after the receipt of such notice, an explanation of the violation and a plan for the satisfactory correction and prevention thereof, to include specific required actions, shall be submitted by the User to the Utilities Division/Department Manager. Submission of such a plan in no way relieves the User of liability for any violations occurring before or after receipt of the Notice of Violation. Nothing in this Section shall limit the authority of the Utilities Division/Department Manager to take any action, including emergency actions or any other enforcement action, without first issuing a Notice of Violation.

13.12.1020 – Consent orders.

The Utilities Division/Department Manager may enter into a consent orders, an assurances of compliance, or any other similar document establishing an agreement with any User responsible for noncompliance. Such document shall include specific action to be taken by the User to correct the noncompliance within a time period specified by the document and all penalties, fines and other costs to be

paid by the User. Such documents shall have the same force and effect as the administrative orders issued pursuant to Sections 13.12.1030 or 13.12.1035 of this chapter and shall be judicially enforceable.

13.12.1025 – Show cause hearing.

The Utilities Division/Department Manager may order a User, which has violated, or continues to violate, any provision of this chapter, an industrial wastewater discharge permit, or order issued hereunder, or any other Pretreatment Standard or Requirement, to appear before the Utilities Division/Department Manager and show cause why the proposed enforcement action should not be taken. Notice shall be served on the User specifying the time and place for the meeting, the proposed enforcement action, the reasons for such action, and a request the User show cause why the proposed enforcement action should not be taken. The notice of the meeting shall be served personally or by registered or certified mail (return receipt requested) at least 15 days prior to the hearing. Such notice may be served on any Authorized Representative of the User, as designated pursuant Subdivision 13.12.460.A. of this chapter. A show cause hearing shall not be a bar against, or prerequisite for, taking any action against the User pursuant to this chapter or any Federal, State or local law, rule or regulation.

13.12.1030 – Compliance orders.

If the Utilities Division/Department Manager finds a User has violated, or continues to violate, any provision of this chapter, an industrial wastewater discharge permit, or order issued hereunder, or any other Pretreatment Standard or Requirement, then the Utilities Division/Department Manager may issue an order to the User responsible for the discharge directing the User comply within a specified time. If the User does not come into compliance within the time provided, then sewer service may be discontinued, unless adequate treatment facilities, devices, or other related appurtenances are installed and properly operated. Compliance orders also may contain other requirements to address the noncompliance, including additional self-monitoring and management practices designed to minimize the amount of pollutants discharged to the sewer. A compliance order may not extend the deadline for compliance established for a Pretreatment Standard or Requirement, nor does a compliance order relieve the User of liability for any violation, including any continuing violation. Issuance of a compliance order shall not be a bar against, or a prerequisite for, taking any other action against the User.

13.12.1035 – Cease and desist orders.

If the Utilities Division/Department Manager finds (i) a User has violated, or continues to violate, any provision of this chapter, an industrial wastewater discharge permit, or order issued hereunder, or any other Pretreatment Standard or Requirement, or (ii) the User's past violations are likely to recur, then the Utilities Division/Department Manager may issue an order to the User directing it to cease and desist all such violations and directing the User to:

- A. Immediately comply with all requirements; and
- B. Take such appropriate remedial or preventive action as may be needed to properly address a continuing or threatened violation, including halting operations and/or terminating the discharge.

Issuance of a cease and desist order shall not be a bar against, or a prerequisite for, taking any other action against the User.

13.12.1040 – Administrative citations and fines.

Notwithstanding Chapter 1.03 of this code and in addition to the process described therein, the following provisions shall apply to any violation of this chapter:

- A. If the Utilities Division/Department Manager finds a User has violated, or continues to violate, any provision of this chapter, an industrial wastewater discharge permit, or order issued hereunder, or any other Pretreatment Standard or Requirement, then the Utilities Division/Department Manager may fine such User in an amount not to exceed those established in the table below:

Number of offense(s) in one-year period	Amount of Administrative Penalty
First	\$ 1,500.00
Second	\$ 2,500.00
Third and subsequent	\$ 3,500.00

Such fines shall be assessed on a per-violation, per-day, or portion thereof, basis. In the case of monthly or other long-term average discharge limits, fines shall be assessed for each day, or portion thereof, during the period of violation.

- B. Unpaid charges, fines, and penalties shall, after 30 calendar days, be assessed an additional penalty of 10 percent of the unpaid balance, and interest shall accrue thereafter at a rate of one percent per month. A lien against the User’s real property may be sought for unpaid charges, fines, and penalties.

13.12.1045 – Emergency suspensions.

The Utilities Division/Department Manager may immediately suspend a User’s discharge, after informal notice to the User, whenever, as reasonably determined by the Utilities Division/Department Manager, such suspension is necessary to stop an actual or threatened discharge, or cause an imminent or substantial endangerment to the health or welfare of persons. The Utilities Division/Department Manager may also immediately suspend a User’s discharge, after notice and opportunity to respond, that, as reasonably determined by the Utilities Division/Department Manager, threatens to interfere with the operation of the POTW, or which presents, or may present, an endangerment to the environment.

- A. Any User notified of a suspension of its discharge shall immediately stop or eliminate its contribution. In the event of a User’s failure to immediately comply voluntarily with the suspension order, the Utilities Division/Department Manager may take such steps as deemed necessary, including immediate severance of the sewer connection, to prevent or minimize damage to the POTW, its receiving stream, or endangerment to any individuals. The Utilities Division/Department Manager may allow the User to recommence its discharge when the User has demonstrated to the reasonable satisfaction of the Utilities Division/Department Manager the period of endangerment has passed, unless the termination proceedings in Section 13.12.1050 of this chapter are initiated against the User.
- B. A User that is responsible, in whole or in part, for any discharge presenting imminent endangerment shall submit, to the Utilities Division/Department Manager, as least five working days prior to the date of any show cause or termination hearing under Sections 13.12.1025 or 13.12.1050 of this chapter, a detailed written statement, describing the causes of the harmful contribution and the measures taken to prevent any future occurrence.

Nothing in this Section shall be interpreted as requiring a hearing prior to any Emergency Suspension under this Section.

13.12.1050 – Termination of discharge.

In addition to the provisions in Section 13.12.550 of this chapter, any User who violates the following conditions is subject to discharge termination:

- A. Violation of industrial wastewater discharge permit conditions;
- B. Failure to accurately report the wastewater constituents and characteristics of its discharge;
- C. Failure to report significant changes in operations or wastewater volume, constituents, and characteristics prior to discharge;
- D. Refusal of reasonable access to the User's premises for the purpose of inspection, monitoring, or sampling; or
- E. Violation of the Pretreatment Standards set forth in Subdivision 13.12.130.OO. of this chapter.

Such User will be notified of the proposed termination of its discharge and be offered an opportunity to show cause under 13.12.1025 of this chapter why the proposed action should not be taken. Exercise of this option by the Utilities Division/Department Manager shall not be a bar to, or a prerequisite for, taking any other action against the User.

13.12.1060 – Injunctive relief.

If the Utilities Division/Department Manager finds a User has violated, or continues to violate, any provision of this chapter, an industrial wastewater discharge permit, or order issued hereunder, or any other Pretreatment Standard or Requirement, then the Utilities Division/Department Manager may petition, through the City's Attorney, with the City Council's consent and in the name of the City, the Superior Court of the County of San Luis Obispo for the issuance of a temporary or permanent injunction, as appropriate, which restrains or compels the specific performance of the industrial wastewater discharge permit, order, or other requirement imposed by this chapter on activities of the User. The Utilities Division/Department Manager may, with the City Council's consent, also seek such other action as is appropriate for legal and equitable relief, including a requirement for the User to conduct environmental remediation. A petition for injunctive relief shall not be a bar against, or a prerequisite for, taking any other action against a User.

3.12.1070 – Remedies nonexclusive.

Enforcement of pretreatment violations will generally be in accordance with the City's enforcement response plan. However, the Utilities Division/Department Manager may take other action against any User when the circumstances warrant. Further, the Utilities Division/Department Manager is empowered to take more than one enforcement action against any noncompliant User.

13.12.1080 - Right to terminate water service.

If any User of the City sewer system fails to meet the requirements set forth in this chapter, then the Utilities Division/Department Manager shall have the authority to terminate water service or use alternate actions to protect the sewer system, including the wastewater treatment facilities, employees and surrounding environment from hazardous discharges, upon 48-hours' written notice, unless imminent public safety requires more immediate action, as reasonably determined by the Utilities Division/Department Manager.

13.12.1090 - Liability for damages for violation.

Any person violating a provision of this chapter or permit issued hereunder shall be liable for all injuries, deaths, real or personal property damage and expenses incurred, including but not limited to, city staff time, including administrative overhead, reasonable attorney's fees and court costs, and fines levied on the city by any regulatory agency arising from any and all actions taken by the City, any other governmental entity or that person related to the correction of such violation.

Article XI. – Construction Requirements, Permits, and Fees

13.12.1100 - Connection permit for annexed territory.

Before a permit shall be issued for a sewer connection in any area now outside the City limits which shall hereafter be annexed to the City, the owner or applicant shall pay to the City for such privilege a sum in accordance with the Master Fee Schedule.

13.12.1105 - Annexed territory connection—Computation of cost.

The sum shall be the equivalent of the cost to similar properties then within the City which have paid for the facilities so to be used.

13.12.1110 - Annexed territory connection—Existing bonds excepted.

The sum shall not include any amounts for which bonds of the City are then outstanding and to which the property shall become subject upon annexation.

13.12.1115 - Main extensions to new customers other than subdivisions.

Mains will be extended to serve new customers under the following terms and conditions:

- A. No main extension will be made by the City except on an approved dedicated street, alley or recorded easement;
- B. Prior to construction of the main, every applicant for sewer service shall enter into a written form agreement for such extension and shall deposit with the department of public works an amount equal to ten percent of the estimated cost of the extension, including engineering and administration. The estimated cost shall be based on the actual size of facilities required to meet the service demands from that extension, except that six inch pipe shall be the minimum size considered for general use. If the sewer department desires to install facilities greater than are needed to meet said service demands, then the cost of the excess size of facilities shall be borne by the City. The engineering department shall then proceed with plans and specifications and shall solicit and open bids for the proposed work. On the basis of the approved bid, plus engineering and administration costs, the department of public works shall inform the applicant as to the cost of the proposed extension. Upon receipt by the City of an amount which, with the original deposit, is equal to the cost of the work, the engineering department shall proceed with the construction of the extension;
- C. In the event that the applicant or applicants fail to deposit the required funds within 60 days after determination of the cost, the extension will not be made and no refund on the ten percent deposit will be made, except that where actual costs are less than the amount of such deposit, the City may refund the unused amount.

13.12.1120 - Calculation of sewer main extension charges.

Immediately upon completion of the sewer extension, the Utilities Division/Department Manager shall prorate the entire cost thereof against all lots or property that may ultimately be benefited by direct connection to said sewer extension in proportion to the frontage thereof, or if the lots be irregular in shape, then in such manner as may, in the opinion of the Utilities Division/Department Manager, provide an equitable distribution of costs. In no case shall any applicant pay an amount less than the prorated cost of the extension for the length of his frontage as determined in this section. The sewer main extension charges shall be in addition to the specified service connection charges.

13.12.1125 - Refunds.

- A. The original applicant or applicants shall, up to ten years from the date of signing the form agreement, be entitled to a refund for each connection made to the extension, based on the prorated cost as determined in Section 16.56.080 for each lot or parcel. The engineering department may make extensions to the facilities constructed under this subsection without obligation to applicant and refunds will not be made for services connected to said additional extensions.
- B. No interest shall be paid on or accrue on such deposits for sewer main extensions. Refunds of the deposit shall be made only if, as and when sewer main extension charges are collected from other consumers requiring service from this sewer main extension.

13.12.1130 - Main extensions to subdivisions.

Where sewer main extensions are required for subdivisions, it will be the responsibility of the owner or subdivider to pay the cost for complete installation of all sewer facilities required within the subdivision and for extension of sewer transmission mains from the subdivision to the nearest existing main of adequate capacity for the area to be served. Such transmission main shall be subject to all the requirements as set forth in standard improvement specifications and drawings of the City, and to any and all modifications and supplements thereto. Upon official acceptance by the City, the City shall assume full ownership, maintenance and control of such mains.

13.12.1135 - Refunds to subdividers.

- A. Upon completion of any sewer transmission main to a subdivision as outlined in Section 13.12.1130 of this chapter, the subdivider may submit to the Utilities Division/Department Manager a certified statement showing the actual cost of such extension. If said extension is larger than six inches in diameter, then the Utilities Division/Department Manager shall adjust the actual cost to the equivalent of a six-inch-diameter main. He shall then prorate the cost for a six-inch main against all lots or parcels which in the future may be served by direct connection to said main. Any and all connections to said main shall be subject to the charges specified in Section 13.12.110 of this chapter. The City may make extensions to facilities constructed under this regulation without obligation, and refunds will not be made for services connected to said additional extension.
- B. The subdivider or owner shall, for a period of ten years from the date of official acceptance of the subdivision, be eligible for a refund on each connection made to the main extension, as provided herein.
- C. No interest shall be paid on or accrue on any funds subject to such refund. Refunds shall be made only if, as, and when sewer connection charges are collected by the City.

13.12.1140 - Use of existing sewer.

Before a permit is issued for a sewer connection in any areas within the City, which property shall use any then-existing sewerage facilities of the City for which such property shall not have made full payment of its share of the cost thereof, the owner or applicant shall pay a sewer availability charge in accordance with the Master Fee Schedule.

A sewer availability charge is a sum of money required to be paid by any person to buy into the municipal sewer system.

13.12.1145 - Discharge of storm water, unpolluted drainage and industrial cooling waters.

Stormwater and all unpolluted drainage shall be discharged to such sewers as are specifically designated as combined sewers or storm sewers, or to a natural outlet approved by the Utilities Division/Department Manager. Unpolluted industrial cooling or unpolluted process waters may be discharged, upon approval of the Utilities Division/Department Manager, to a storm sewer, combined sewer or natural outlet.

13.12.1150 - Federal and state requirements.

Federal and/or state discharge requirements will apply in any case where they are more stringent than those in this chapter.

13.12.1155 - Sewer charges.

All Users other than single and multiple family residences, trailer parks, motels, business establishments, schools, churches, fraternal and nonprofit organizations using more than 1,500 cubic feet per month of sewage, shall be charged on the basis of cubic feet of sewage treated for the installation. Such quantities of sewage shall be determined by the Utilities Division/Department Manager, based upon the flow of sewage through a measuring device. Any occupant so charged who may disagree with the Utilities Division/Department Manager's determination may, at the occupant's own expense, install private measuring devices in accordance with the specifications approved by the Utilities Division/Department Manager.

13.12.1160 - Sewer use charges.

All sewer Users including but not limited to single-family and multiple-family residences; trailer parks; motels; business establishments; schools; churches; public utility and industrial facilities; district, county, state and federal facilities; fraternal and nonprofit organizations shall pay a sewer use charge in order to provide funds to supplement the general taxes in financing construction, maintenance and operation of sewage collection, transport and treatment facilities in and for the City.

13.12.1165 - Collections.

Sewer use charges shall be in addition to the water charges and shall be included in the customer's bimonthly utility bill. Such charges shall be based upon rates in accordance with the Master Fee Schedule.

13.12.1170 - Collection of past due accounts.

Nothing contained in this chapter shall limit the right of the City to proceed against any customer for any delinquencies due under Title 13 of this code. Nothing contained in this chapter shall prevent the city from availing itself of any other legal remedy by which the City might collect such charges, fees, or penalties.

13.12.1175 - Discharging sewage onto City lands.

It is unlawful for any person to dump or discharge raw or chemically treated sewage from any source onto the surface of any lands within the City.

13.12.1180 - Designated sewage dumping places.

Raw or chemically treated sewage from holding tanks and sources other than septic tanks may be discharged or dumped within the City only at the places owned and/or operated by the City and designated by the Utilities Division/Department Manager or at such privately owned facilities for which a current operating permit has been issued as provided in this chapter.

13.12.1185 - Discharge fees.

Each person dumping or discharging raw or chemically treated sewage from sources other than septic tanks into the facilities of the City shall pay the following fees:

- A. House trailers or campers — See Master Fee Schedule;
- B. Tank trucks or other commercial carriers — For each vehicle, see Master Fee Schedule for charge for each 1,000-gallon capacity or fraction thereof, regardless of the actual amount discharged.

13.12.1190 - Commercial facilities.

It is unlawful for any person to discharge or dump raw or chemically treated sewage from commercial tank trucks or from other commercial sources into any privately-owned or privately-operated facility. Each person discharging or dumping such commercial source shall do so only into the City sewer system with the prior approval of the Utilities Division/Department Manager.

13.12.1192 - Private facility—Operation.

No owner or operator of any facility for the reception of raw or chemically treated sewage shall permit any raw or chemically treated sewage to be dumped into such facility until an operating permit for such facility has been obtained from the Utilities Division/Department Manager as provided for in this chapter and conspicuously posted near such facility. Upon application to the Utilities Division/Department Manager, the Utilities Division/Department Manager shall issue, in accordance with the Master Fee Schedule, an operating permit to the owner of any such privately owned facility upon certification to the Utilities Division/Department Manager by the building official that such facilities have been constructed in conformance with the approved plans and specifications of the City. Such operating permit shall be conditional upon continued operation of such facilities in compliance with the rules, regulations and directives of the Utilities Division/Department Manager relating to such operation, including maintenance and cleaning of such facilities. The owner or operator of such facilities shall keep a log of discharger's name, driver's license number, vehicle type and license number, date and time of discharge. The owner or operator of the facility shall not permit commercial use of the discharge facility. Any officials of the City shall have the right of entry into buildings or premises regulated by this chapter in accordance with the provisions of Section 1.08.010 of this code.

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AGENDA NO: A-5
MEETING DATE: January 26, 2021

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 21, 2021
FROM: Janeen Burlingame, Management Analyst
SUBJECT: Adoption of Resolution No. 04-21 Authorizing Submission of Rural Transit Fund Grant Application and Execution of Related Documents Upon Award

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 04-21 authorizing Submission of Rural Transit Fund Grant Application and Execution of Related Documents Upon Award.

FISCAL IMPACT

For the Zero-Emissions Bus Plan, Automated Fare Collection, and Bus Stop Amenities projects, there will be no fiscal impact to the City's General Fund as the cost for these projects would be funded with Rural Transit Fund (RTF), and Transportation Development Act (TDA) Local Transportation Fund (LTF) funds.

SUMMARY

On December 5, 2002 the San Luis Obispo Council of Governments (SLOCOG) adopted Resolution No. 02-16 to create a RTF program designed to streamline the lengthy federal process of applying for, receiving and using Federal Transportation Administration Section 5311 (Section 5311) funds for rural transit agency projects by programming the region's share of Section 5311 funds to the Regional Transit Authority (RTA) for operations and exchanging it with a like amount of State TDA funds, programmed through SLOCOG.

Program policies and procedures that would govern the RTF program were developed to preserve the intent of the Section 5311 program in terms of who and what projects would be eligible for funds. The SLOCOG Board adopted the policies and procedures in October 2003.

The City of Morro Bay is an eligible recipient to apply for these funds. Approximately \$504,632 is available for competitive distribution for the FY21/22 cycle.

DISCUSSION

The City intends to submit 3 applications for the RTF FY21/20 grant cycle for the following projects: Zero Emission Bus Plan, Automated Fare Collection System, and Bus Stop Amenities.

Zero Emission Bus Plan

The estimated project cost is \$40,000.

In December 2018, the Innovative Clean Transit (ICT) Regulation was formally adopted by the California Air Resources Board (CARB). It mandates that zero-emission buses (ZEB) be required to be purchased to replace conventional buses with the goal to have all transit buses

Prepared By: J Burlingame Dept Review: ___
City Manager Review: SC City Attorney Review: CFN

be ZEB by 2040. Starting January 1, 2026, any bus purchase must be a ZEB.

Responding to this regulation, in 2019 and 2020, the SLOCOG and CivicSpark worked in collaboration with various agencies on the Central Coast, including the City of Morro Bay, to develop the San Luis Obispo Regional Zero-Emission Bus Implementation Plan. This plan was adopted by the SLOCOG Board and serves as a tool to help transit agencies efficiently transition to zero-emission fleets.

The next phase is to develop a ZEB Rollout Plan that is required by the ICT regulation. This plan will show how the City of Morro Bay plans to achieve a full transition to zero-emission buses. The deadline for plan submittal to CARB is June 30, 2023.

Automated Fare Collection

The estimated project cost is \$74,000

Due to the pandemic, there is an increased need to digitize fare payments and provide a contactless, seamless customer experience. An automated fare collection system would reduce the dwell time where the rider and driver are near each other when the fare is being paid at boarding. The quicker boarding time will result in route headway efficiencies that will be beneficial when Morro Bay Transit implements the recommendation from the adopted Short Range Transit Plan to change the existing one-loop route to a two-loop route to improve transfer times between the local system and RTA services at the City Park transit hub and increase ridership. The implementation of the two-loop route has been delayed due to the COVID-19 pandemic response.

Bus Stop Amenities

The estimated project cost is \$10,000

The current adopted Short Range Transit Plan (SRTP) also included recommendations for bus stop amenities such as shelters, benches, and stop/route signage. The plan discussed bus stops within parking lots, noting whenever possible, it is best to keep the bus out of these lots due to safety issues. The plan recommended moving the current stop located in the Spencer's Market parking lot out onto Elena Street, noting the stop generates a significant amount of boarding/alighting activity to warrant a bench and shelter as part of the stop relocation.

CONCLUSION

Staff recommends the City Council adopt Resolution No. 04-21 authorizing Submission of Rural Transit Fund Grant Application and Execution of Related Documents Upon Award.

ATTACHMENT

1. Resolution No. 04-21

RESOLUTION NO. 04-21

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AUTHORIZING SUBMISSION OF APPLICATION TO THE RURAL TRANSIT FUND GRANT
PROGRAM AND EXECUTION OF RELATED DOCUMENTS UPON AWARD**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the San Luis Obispo Council of Governments (SLOCOG) annually adopts the Federal Transit Administration (FTA) Section 5311 formula funds Program of Projects (POP); and

WHEREAS, SLOCOG began the Rural Transit Fund (RTF) program with Resolution 02-16 on December 5, 2002 by programming FTA Section 5311 funds to the San Luis Obispo Regional Transit Authority (RTA); and

WHEREAS, RTA has agreed to use these Federal funds for operating support and SLOCOG has agreed to exchange a similar amount of Transportation Development Act (TDA) funds for use in the RTF program; and

WHEREAS, SLOCOG, RTA, and other rural transit operators worked together to develop a process to exchange FTA Section 5311 formula funds with TDA funds to create the RTF, including Policies and Procedures to govern the RTF program; and

WHEREAS, the Policies and Procedures developed ensure that all funds will be used solely for rural transit projects consistent with the original intent of the FTA Section 5311 program; and

WHEREAS, there is \$439,034 available for competitive distribution with project applications for the FY21/22 RTF cycle.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the City Manager, or his duly appointed representative, is authorized to submit applications to the Rural Transit Fund for the development of a Zero Emission Bus Plan, purchase automated fareboxes and automated vehicle locators for the Transit buses, and bus stop amenities for the Spencer's Market stop relocation, and to execute all related documents for and upon award for the three projects.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 26th day of January 2021 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

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AGENDA NO: A-6

MEETING DATE: January 26, 2021

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 21, 2021
FROM: Janeen Burlingame, Management Analyst
SUBJECT: Adoption of Resolution No. 05-21 Authorizing Submission of SB 1 State of Good Repair Grant Application and Execution of Related Documents Upon Award

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 05-21 authorizing Submission of SB 1 State of Good Repair Grant Application and Execution of Related Documents Upon Award.

FISCAL IMPACT

There is no fiscal impact to the City's general fund as the cost for the replacement bus would be funded with SB1 State of Good Repair (SGR) and monies from the Transit Accumulation fund.

SUMMARY

The SGR program resulted from the passage of SB 1, providing approximately \$105 million annually to transit operators in California for eligible transit maintenance, rehabilitation, and capital projects. The SGR program benefits the public by providing public transportation agencies with a consistent and dependable revenue source to invest in the upgrade, repair and improvement of their agency's transportation infrastructure, and in turn improve transportation services.

The SGR program is funded from a portion of a new Transportation Improvement Fee (TIF) on vehicle registrations due on or after January 1, 2018. A portion of this fee will be transferred to the State Controller's Office (SCO) for the SGR program. In collaboration with the SCO, Caltrans is tasked with the management and administration of the SGR program. These funds will be allocated under the State Transit Assistance (STA) program formula to eligible agencies pursuant to Public Utilities Code (PUC) section 99312.1.

The SGR program provides capital funding to transit operators to maintain the public transit system in a state of good repair. Each regional agency and transit operator are entitled to a portion of SGR funds identified by a statewide formula. The FY21/22 regional discretionary SGR funds available for allocation by the San Luis Obispo Council of Governments (SLOCOG) is estimated at \$439,034, and the City is an eligible recipient to apply for these competitive funds.

DISCUSSION

The City intends to apply for the SGR FY21/22 grant cycle for the purchase of a bus to replace an existing one that is beyond the Federal Transit Administration's useful life criteria. The estimated project cost is \$115,000 of which \$101,200 will be requested from the SGR FY 2021/2022 funding cycle and the remaining \$13,800 for the City's local match will come from the Transit Accumulation Fund.

CONCLUSION

Staff recommends the City Council adopt Resolution No. 05-21 authorizing Submission of SB 1 State of Good Repair Grant Application and Execution of Related Documents Upon Award.

ATTACHMENT

1. Resolution No. 05-21

Prepared By: J Burlingame Dept Review: __
City Manager Review: ___SC___ City Attorney Review: ___CFN___

RESOLUTION NO. 05-21

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AUTHORIZING SUBMISSION OF APPLICATION TO THE SB1 STATE OF
GOOD REPAIR (SGR) PROGRAM AND EXECUTION OF RELATED
DOCUMENTS UPON AWARD**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the SGR program is the result of the passage of SB 1 and provides approximately \$105 million annually to transit operators in California for eligible transit maintenance, rehabilitation and capital projects; and

WHEREAS, the SGR program benefits the public by providing public transportation agencies with a consistent and dependable revenue source to invest in the upgrade, repair and improvement of their agency's transportation infrastructure, and in turn improve transportation services; and

WHEREAS, each regional agency and transit operator is entitled to a portion of SGR funds identified by a statewide formula; and

WHEREAS, the San Luis Obispo Council of Governments (SLOCOG) annually receives SGR funds for allocation to eligible transit operators in San Luis Obispo County; and

WHEREAS, there is \$439,034 available for competitive distribution with project applications for the FY21/22 SGR cycle.

NOW, THEREFORE, BE IT RESOLVED that the City of Morro Bay does hereby authorize that the City Manager or his duly appointed representative, is authorized to submit an application to the SLOCOG for FY21/22 SGR program funds for the purchase of a Transit bus, and to execute all related documents for and upon award for the project.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 26th day of January 2021 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk



AGENDA NO: A-7

MEETING DATE: January 26, 2021

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 21, 2021

FROM: Scott Collins, City Manager

SUBJECT: Adoption of Resolution No. 06-21 Establishing the 2021 City Council Meeting Calendar and Budget Development Schedule

RECOMMENDATION

Staff recommends the City Council review the proposed Council meeting calendar and adopt Resolution No. 06-21 approving the 2021 City Council Meeting Calendar and Budget Development Schedule.

ALTERNATIVES

The Council may alter the proposed meeting calendar and schedule.

FISCAL IMPACT

None

BACKGROUND/DISCUSSION

Strategic Planning and Budget Calendar

Over the past several years, City Council has adopted an annual calendar that incorporates the strategic planning and budget discussions in a methodical way to link those efforts. Adoption of a calendar by resolution informed the community of the planned dates for important work on the City's goals and objectives, adoption of the budget, and more. The goals process has been delayed this year due to the COVID-19 pandemic, and thus dates for that process have moved further into the year compared to previous years (as was discussed at the January 12, 2021 Council meeting).

With regard to the budget process, the calendar provides several budget study sessions to provide City Council with an overall financial picture for the City and allow for review of each department's proposed budgets and consideration of adjustments, as necessary, to balance the budget. Council then has two regular meetings in June to formally consider and adopt the annual budget prior to year-end.

2021 Meeting Calendar

A Council meeting schedule which includes proposed regular meetings, as well as proposed special meetings and study sessions (known as of the date of this report) is provided for in Exhibit A to Resolution No. 06-21.

Budget Calendar

Exhibit B includes the FY21/22 Budget calendar which lays out the projected schedule for the staff development, public briefing, Citizens Finance Advisory Committee consideration, Council

Prepared By: <u>SC</u>	Dept Review: _____
City Manager Review: <u>SC</u>	City Attorney Review: <u>CFN</u>

modification, and eventual Council approval of the FY21/22 City Budget. Staff is recommending that Council hold their study session meetings on back-to-back days in May, leaving an optional meeting date open for two weeks later in case there are unanswered questions and the Council requires further deliberation. Council would reserve the two regularly scheduled Council meeting dates in June to formally adopt the FY21/22 Budget.

CONCLUSION

Staff recommends Council adopt Resolution No. 06-21 that includes the City Council's Meeting Calendar, as well as Budget Development Schedule for calendar year 2021.

ATTACHMENTS

1. Resolution No. 06-21 with Exhibits A and B

RESOLUTION NO. 06-21

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
ADOPTING THE 2021 CITY COUNCIL MEETING CALENDAR
AND BUDGET DEVELOPMENT SCHEDULE**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City Council adopts an annual calendar providing for the orderly course of business and to provide transparency and accountability to the public; and

WHEREAS, in accordance with the Strategic Planning Framework Policy established by Resolution No. 83-18, the City Council adopts a schedule for the development of goals and two-year objectives, advisory board work plans, and the annual budget; and

WHEREAS, in accordance with the Strategic Planning Framework Policy, in 2019 the City Council held two community forums and accepted public input prior to approval of four City Goals and 24 action items to help achieve those goals in calendar years 2019 and 2020; and

WHEREAS, based upon financial impacts and uncertainties related to the COVID-19 Pandemic, the City Council decided to add a goal regarding the City's COVID-19 Response to the goals for 2021, and temporarily carryover the 2019-2020 goals into Fiscal Year 2021-22 budget; and

WHEREAS, in spite of carrying over these goals, the City Council is committed to the goal setting process established in Resolution No. 83-18 and will adopt updated goals after conducting a public process (tentatively scheduled for July 2021); and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, the 2021 City Council Meeting Calendar is adopted, as set forth in Exhibit A, and the Budget Development schedule is adopted, as set forth in Exhibit B.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on this 26th day of January 2021 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

2021 Meeting Calendar

January 12

Special Meeting (Advisory Body
Interviews)

Regular Meeting

January 26

Regular Meeting

February 9

Regular Meeting

February 23

Budget Forecast Study Session

Regular Meeting

March 9

Regular Meeting

March 23

Regular Meeting

April 13

Regular Meeting

April 27

Regular Meeting

May 11

Regular Meeting

May 25

Budget Study Session #1

Regular Meeting

May 26

Budget Study Session #2

June 1

Budget Study Session #3 (if needed)

June 8

Regular Meeting

June 22

Budget Adoption

Regular Meeting

July 13

Regular Meeting

July 27

BREAK

August 10

Regular Meeting

August 24

Regular Meeting

September 14

Regular Meeting

September 28

Regular Meeting

October 12

Regular Meeting

October 26

Regular Meeting

November 9

Regular Meeting

November 23

BREAK

December 14

Regular Meeting

December 28

BREAK

Goals, Work Plan and Budget Development Schedules

Budget Calendar

- Feb 1 Departments receive all narrative sections to update
- Feb 16 Mid-Year Budget Presentation to CFAC
- Feb 23 10-Year Forecast Study Session to Council
- Feb 23 Mid-year Budget Presentation to Council
- Feb 26 Departments submit updated narrative to Finance update
- Mar 1 Finance provides labor numbers/outline to Departments
- Mar 19 Department operating budget, Capital Improvement Project Measures Q and E proposals due to Finance
- Mar 23-Apr 2 Budget Team Meetings
- Apr 5-9 City Manager / Executive Team Budget Meetings
- Apr 12-16 City Manager / Finance finalize draft budget letter
- Apr 20 CFAC reviews and recommends Measures Q and E Funding
- Apr 26 City Manager delivers draft proposed budget to Council
- May 11 FY 2020/21 3rd Quarter Report (if needed)
- May 18 CFAC receives an update on proposed General Fund Budget
- May 25 Budget Study Session #1
- May 26 Budget Study Session #2
- June 1 Budget Study Session #3 (if required)
- Jun 22 Budget Approved at Council Meeting
- Jun 29 Backup date for Budget Approval

Legend

- Council Meetings
- Council Study Sessions
- Joint or Advisory Board Meetings
- Internal Staff Actions

Goal Setting Review (Tentative)

- July 1 Goals Community Forum
- July 13 Goals Formally Adopted

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AGENDA NO: C-1

MEETING DATE: January 26, 2021

Staff Report

TO: Honorable Mayor and City Council

DATE: January 21, 2021

FROM: Scott Collins, City Manager

SUBJECT: Update on the Morro Bay Tourism Business Improvement District Conversion Process

RECOMMENDATION

Staff recommends the City Council receive the Tourism Business Improvement District (“TBID”) conversion process update, approve the draft service plan, and provide input on the new non-profit board makeup.

ALTERNATIVES

No alternative are being recommended.

BACKGROUND

The TBID Advisory Board previously recommended, and City Council in September 2020 approved, initiating the process to change TBID’s statutory basis from the so-called “89 law” (the Parking and Business Improvement Area Law of 1989; Str & Hwy Code sections 36500 *et seq.*) to the so-called “94 law” (the Property and Business Improvement District Law of 1994; Str & Hwy Code section 36600 *et seq.*) (each authorize the establishment of a TBID, each offers some different procedures and authority, and cities have the choice which one to utilize). The TBID Advisory Board also recommended, and City Council in September 2020 approved, conversion to a new tourism marketing management model with a non-profit board overseeing that function with City in a support role (staff report outlining these recommendations is provided as Attachment 1). This action sprung from the recommendation of the Tourism Stakeholder group which met in June and July 2020 to review opportunities to discuss the future of tourism and tourism marketing in Morro Bay in the wake of the COVID-19 pandemic. The goal is to complete the transition to a new model process in time for the new model to begin on July 1, 2021.

DISCUSSION

Draft Service Plan

Since Council approved this transition process in September 2020, staff has onboarded Civitas to facilitate the transition. Civitas, a consulting firm that specializes in special districts, is on contract with the City for this transition work, paid entirely out of TBID assessment funds (\$40,000). Civitas representatives are working closely with City staff and two members of the TBID Board (TBID

Prepared By: SC

Dept Review: _____

City Manager Review: SC

City Attorney Review: CFN

subcommittee: Chair Steve Allen and member Joan Solu). The TBID Board approved the draft service plan that was presented at a special TBID meeting on December 17, 2020. The draft service plan (Attachment 2) was developed with input from the sub-committee and review of best practices, establishes the core features of the TBID – the 30,000-foot view.

Key highlights of the TBID draft service plan include the following:

- High level proposed budget for the new TBID (approximately \$1M annually)
- Service district area (to remain the same as the existing TBID, which includes the entire City)
- High level review of services to be provided (services to be provided are very similar to the existing TBID – mainly marketing and promotions)
- Assessment rate (same as the existing TBID, which is 3% assessment on all overnight stays in hotels/motels and vacation rentals in Morro Bay)
- TBID Term (five years, from July 1, 2021 to June 30, 2026)

Conversion Process Next Steps

The TBID sub-committee continues to work with City staff and Civitas to complete the transition process. Next steps include completing the management plan and initiating outreach to the hoteliers and vacation rental owners in Morro Bay. That outreach is anticipated to begin in February. As a reminder, the conversion must obtain official support (via petition) from hoteliers and vacation rental owners/operators representing 50% of total assessment revenue generation or the conversion will fail. If that 50% approval threshold is achieved, then City Council would complete a final review, follow statutory requirements, and consider approval in spring 2021 for the conversion to move forward. The new TBID would begin its work on July 1, 2021, and the old TBID would be decommissioned at the same time. Staff will provide a quick update at the January 26, 2021 City Council meeting on this process.

New Board Makeup

In addition to creating and approving a new management plan, the other key part of the conversion process is the creation of a new non-profit board to oversee the tourism marketing function beginning in July 2021. Staff received input from the TBID Board about the number of seats for the proposed non-profit board as well as the optimal representation on the board to help inform the process (i.e. hotel owners/operators, vacation rental owners/operators, community members, business owners, etc.). The TBID Board recommends that the new non-profit board consist of seven total members, with a majority of members representing hotels/motels and vacation rentals, and potentially up to two seats for a City representative and community members. This balance of membership will ensure that those entities responsible for generating the assessment revenues (lodging owners/operators) have sufficient representation in decision making, but also that there is community input in the process as well. Though the new entity will ultimately determine the new board makeup, staff is seeking input from City Council on their preferences to help facilitate and inform the process.

ATTACHMENTS

- 1) September 8, 2020 Staff Report
- 2) Morro Bay TBID Conversion Service Plan



AGENDA NO: C-1

MEETING DATE: September 8, 2020

Staff Report

TO: Honorable Mayor and City Council

DATE: September 3, 2020

FROM: Scott Collins, City Manager

SUBJECT: Tourism Stakeholder Group Report and Recommendations Regarding Direction and Management of the Tourism Marketing Function in Morro Bay

RECOMMENDATION

Staff recommends the Council adopt recommendations from the Tourism Stakeholder Group and the Tourism Business Improvement District (TBID) Advisory Board and provide direction to staff as appropriate.

ALTERNATIVES

No alternative recommended.

FISCAL IMPACT

It is anticipated that transitioning the Tourism function to a non-profit board management structure and the 1994 law will cost approximately \$50,000 - \$75,000. It is recommended by the TBID Board and City staff that these costs be covered by the TBID assessment revenue (not General Fund) as these efforts are meant to support tourism marketing efforts.

BACKGROUND/DISCUSSION

City staff, with support from the TBID Advisory Board and City Council, formed a stakeholder group, known as the Morro Bay Tourism Stakeholder Group (group) to discuss the future of tourism and tourism marketing in Morro Bay in the wake of the COVID-19 pandemic. The City has not resumed normal marketing efforts as we continue to deal with surging cases of COVID in the state and region. This pause in activity provides a rare opportunity to review how things are going, what steps should be taken next, and plot a course in terms of marketing in the future. Typically, organizations are running at full speed and lack sufficient time to think about how things are going and where improvements can be made in management, organizational structure and vision.

The group—consisting of three TBID Board Members, local hoteliers, short-term vacation rental owners/operators, restaurateur, City staff, and regional partners—met five times over the course of June and July to think critically and strategically together about how to ensure Morro Bay's tourism marketing success moving forward. Kathleen Marcove with Marcove Executive Training facilitated the group's discussions and drafted the report (Attachment 1). The group reviewed material, heard from experts on best practices and, through consideration of these materials and robust discussion, formulated three key recommendations for the TBID Board and City Council's consideration.

Prepared By: SC

Dept Review: _____

City Manager Review: SCCity Attorney Review: CFN

Group Recommendations and Action Items:

- 1) Support tourism stakeholders to initiate the process to move from the Parking and Business Improvement Area Law of 1989 ("89 law") (Str & Hwy Code § 36500 *et seq.*) to the Parking and Business Improvement District Law of 1994 ("94 law") (Str & Hwy Code § 36600 *et seq.*).

TBID currently operates under the 89 law. That means every year, the TBID assessment must be reviewed and approved through a public hearing to determine if there is a majority protest (in which case the levy cannot be assessed). It is a time intensive process and, in many respects, creates a smaller window to execute on long-term objectives.

The group felt that moving from a 1-year timeline for the assessment (89 law) to a 5-year window (94 law) creates a longer window to implement strategic objectives. While the 94 law still requires annual review, there is not the need to hold an annual public hearing for protests.

To move this forward, outside assistance would need to be retained to conduct the process and outreach to the lodging industry.

There are also some operational differences between the 89 law and the 94 law. While both authorize the City to levy assessments, the 89 law allows funding if annually there is not a majority protest (i.e., levy authorized if a majority of businesses that pay more than 50% of the assessments do not affirmatively oppose). In contrast, while the 94 law can authorize levies for five years, to be established there essentially must be an affirmative majority support (i.e., more ballot submitted in support than in opposition).

- 2) Convene a transition team of community stakeholders to design a new tourism management model with the City of Morro Bay in a supporting role rather than the leading role.

The City has managed the Tourism marketing function since 2016, with internal staff managing the day to day functions. Prior to that, a non-profit board managed the function and had some oversight by the City.

A new model would shift functions back to a non-profit board who would oversee the day to day functions of the marketing efforts via executive direction and staff. Under a new model, the City Council would continue their oversight of the TBID by reviewing and approving budget and providing other support. According to the group, the goals for a new model is providing greater voice for the lodging industry in decisions, increasing flexibility in a rapidly changing environment, enhancing accountability in the marketing efforts, and increasing collaboration with partners within the community and region.

To move this forward, outside assistance would need to be retained to conduct this process and outreach to the lodging industry. Further assistance is also required to help develop a non-profit board and conduct a recruitment for an executive director.

- 3) Diversify the visitor profile by creating a new identity for Morro Bay, moving it away from a primarily budget destination to one that also attracts a wider spectrum of visitors, in terms of income levels.

Morro Bay is known primarily as an affordable or budget destination for visitors. With that comes lower spending levels at hotels, vacation rentals, restaurants, retail shops, etc. The spin off from that is less money for businesses to invest in their future and properties and less revenue to the City to invest in its services to the community and infrastructure.

Action items include investing in infrastructure (both private and public) and re-envisioning marketing efforts to a wider audience.

TBID Recommendation to City Council

The TBID Board reviewed and discussed the Group's recommendation at the August 20, 2020 TBID Board meeting. The TBID Board recommended by a 5 – 0 vote (one member absent) that the City Council support all three recommendations from the Tourism Stakeholder Group and further recommended TBID funds (non-General Fund) be used to support efforts to transition the tourism management function to a non-profit group and move to the 1994 law. If this direction is supported by City Council, staff recommends that the City maintain a seat on the future non-profit board in order to ensure a strong link and coordination between the City and tourism marketing efforts.

CONCLUSION

It is recommended that the City Council review the full report and survey information and approve the Group's and TBID Board's recommendations.

ATTACHMENTS

1. Morro Bay Tourism Stakeholder Group Summary Report (by Kathleen Marcove)
2. Staff Presentation



Morro Bay Tourism Business Improvement District Conversion Service Plan

SUMMARY

The Morro Bay Tourism Business Improvement District (MBTBID) is an assessment district proposed to provide specific benefits to payors, by funding marketing and sales promotion efforts and destination development programs for assessed businesses. This approach has been used successfully in other destination areas throughout the country to provide the benefit of additional room night sales directly to payors.

MANAGEMENT

A new non-profit corporation, to be named Visit Morro Bay (VMB), will be formed to serve as the Owners' Association to provide improvements and activities for the MBTBID. The Owners' Association must provide an annual report on activities and expenditures to the City, which is also available to business owners.

PROPOSED BUDGET

Service	Initial budget	%
Sales, Marketing, and Communications	\$792,800	80%
Administration and Operations	\$99,100	10%
Contingency / Reserve	\$69,370	7%
City Collection Fee	\$29,730	3%
TOTAL	\$991,000	100%

PROPOSED SERVICES

Sales, Marketing, and Communications

A sales, marketing, and communications program will promote assessed lodging businesses as tourist, meeting, and event destinations. The sales, marketing, and communications program will have a central theme of promoting the destination as a desirable place for overnight visits. The program will have the goal of increasing overnight visitation and room night sales at assessed lodging businesses, and may include the following activities, but is not limited to:

- Internet marketing efforts to increase awareness and optimize internet presence to drive overnight visitation and room sales to assessed lodging businesses; Print ads in magazines and newspapers, television ads, and radio ads targeted at potential visitors to drive overnight visitation and room sales to assessed lodging businesses;
- Building the Morro Bay branding and local destination marketing to attract overnight visitation to assessed businesses and the MBTBID;
- Attendance of trade shows to promote assessed lodging businesses;
- Sales blitzes for assessed lodging businesses;
- Familiarization tours of assessed lodging businesses;
- Preparation and production of collateral promotional materials such as brochures, flyers and maps featuring assessed lodging businesses;



- Attendance of professional industry conferences and affiliation events to promote assessed lodging businesses;
- Lead generation activities designed to attract tourists and group events to assessed lodging businesses;
- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed lodging businesses;
- Education of hospitality staff on service and safety (related to alcohol and food) designed to create a visitor experience that will bring repeat visits to assessed lodging businesses; and
- Education of lodging business management and the Owners' Association on marketing strategies best suited to meet assessed lodging businesses' needs.

Administration and Operations

The administration and operations portion of the budget shall be utilized for administrative staffing costs, office costs, advocacy, and other general administrative costs such as insurance, legal, and accounting fees.

Collection Fee

The City of Morro Bay shall be paid a fee equal to three percent (3%) of the amount of assessment collected to cover its costs of collection and administration.

Contingency / Reserve

The budget includes a contingency line item to account for lower than anticipated assessments. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration or renewal costs at the discretion of VMB. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by VMB. Contingency/reserve funds may be spent on MBTBID programs or administrative and renewal costs in such proportions as determined by VMB. The reserve fund may be used for the costs of renewing the MBTBID.

ASSESSMENT RATE

The annual assessment rate is proposed to be three percent (3%) of gross short term (stays less than 31 days) room rental revenue. Based on the benefit received, assessments will not be collected on lodging business stays of more than thirty (30) consecutive days.

TERM

The MBTBID will have a five (5) year life beginning on July 1, 2021 through June 30, 2026. After the five (5) year term, the MBTBID may be reviewed again for up to ten (10) years if businesses support continuing the programs.

BOUNDARY

The MBTBID will include all lodging businesses and vacation rentals businesses, existing and in the future, within the boundaries of the City of Morro Bay.

