



February 11, 2021

Welcome to the first City Manager Update for 2021. The new year has been a busy one, as the City and community continue to battle COVID-19. We greatly appreciate the sincere and consistent efforts of our residents, businesses, and City employees in doing the right thing and keeping each other safe. We are definitely #RockSolidTogether in Morro Bay!

There are several major initiatives coming forward this year. The City's future land use planning document, the General Plan ([Plan Morro Bay](#)), is nearing completion and being made ready for City Council review this spring; the City is in the process of reviewing a potential lithium [battery storage project](#) at the old Morro Bay Power Plant site; Council will soon discuss how best to invest the [Measure E-20](#) sales tax funds that will go into effect beginning in April 2021; construction of the pipeline component of the [Water Reclamation Facility](#) (WRF) is now underway; and, the Harbor Department is seeking ways to make their enterprise fund self-sustaining.

This is just snippet of the work your City is doing in 2021. To learn more, please continue to monitor the City's main webpage at www.morrobayca.gov. We greatly appreciate your engagement with the City. We are able to accomplish important initiatives when we do it together.

This City Manager Update includes information on the City's COVID-19 response efforts, pipeline construction for the WRF project, and other City news. Thank you for taking time to read the update!

Sincerely,

Scott Collins
City Manager

COVID-19 Update

In late January 2021, Governor Newsom lifted the Regional Stay at Home Order, as a result of improving COVID-19 case rates. This move allows outdoor dining, hair salons, barbershops, and personal care facilities to resume operations in SLO County and in Morro Bay. SLO County is also experiencing a reduction in the number of new cases, as is Morro Bay. We greatly appreciate all your efforts to stay safe; it has allowed Morro Bay to have one of the lowest rates of COVID-19 in the Central Coast region. But as noted in previous updates, we must all keep up our vigilance!

Our best chance as a society to overcome this devastating disease is to ensure all those who want to get a vaccine, get one. To that end, the City of Morro Bay staff and volunteers (including Mayor Headding, a retired pharmacist) are working in close coordination with SLO County Public Health officials and staff to get vaccines out efficiently. The City is providing firefighters and paramedics to provide shots at the three distribution sites set up throughout the County (Paso Robles, Cuesta College and in Arroyo Grande). SLO County is now making vaccines available for those individuals 65 and older. It is set up as a first come first served, so we encourage interested individuals to stay apprised of the situation by regularly visiting the County website www.recover slo.org/vaccines. There is a wealth of information on that site to assist you.

While we have made great efforts as a community to address the pandemic, many of our small businesses have suffered due to closures and modifications made to their businesses to make them safe. In response, the City set up a small business grant program, from which the second round of funds were dispersed last week. In total, \$134,000 was provided in grants to 50 businesses. The businesses are doing all they can to survive, so please remember to shop local whenever you can!

The City continues to do its part to reduce the spread of COVID-19 and address impacts of visitors to Morro Bay. City Council approved an increase in fines for illegal RV camping on City streets to \$250 for the first violation. Warnings have been provided to individuals not complying with COVID restrictions and, thankfully in most but a few cases, they responded to the gentle reminders. In addition, the City launched several hero programs, including the Mask Hero, Trash Hero, and Business Hero programs. These programs are designed to encourage good behavior from our visitors, and reward those who go above and beyond to keep our community and businesses safe and will be continued into this new year.

City Council also put a moratorium on new short-term vacation rental permits, as Council moves through the process of revising the City's Short-term Rental ("STR") ordinance. On October 27, 2020, the City Council adopted Ordinance No. 640 which will be forwarded to the California Coastal Commission for review and certification. The City is seeking input regarding COVID-19 recovery and invites the community to share their thoughts via a community survey available [here](#).

Police

Police Operations

Promotions

Police Officer Robert Hufstetler was promoted to Sergeant this month. Robert joined the Morro Bay Police Department as a sworn officer in 1998 and is currently our longest tenured officer. Robert was an original member of the PD's Motor Unit when it started back in 2001, until it was defunded in 2005, and was instrumental in helping me revive our Motors Program in 2016. He continues to serve as a Motor Officer, trainer, and Traffic Supervisor. Robert has worked as a Range Master, Senior Officer, Field Training Officer and has served as a Watch Commander and Acting Sergeant throughout his career. There is no doubt he is well qualified and capable of handling the role as a patrol sergeant.



New Hire

The department welcomed a new member to the Morro Bay Police Department family this month. Officer Luis Martinez was sworn into the position on January 11, 2021. Officer Martinez will be required to successfully complete a 16-week field training program prior to becoming a solo patrol officer.



Completion of the new Taser transition

Over the past several months the training department has been working diligently to replace the Department's Taser(s) with the newest available Taser from AXON. Replacing the Tasers required new data terminals and connections for updates to the Tasers and system checks. The department training sergeant attended the AXON train-the-trainer course. Once the new Tasers were received and ready for deployment, Sergeant Mosqueda held three 8-hour training sessions to train and equip all 18 sworn members of the Department.

Emergency Active Shooter Kits

We are pleased to announce the completion of the Active Shooter Kits which outfits every officer with the necessary equipment to address an active shooter in the community. Active shooter kits consist of a Kevlar helmet, rifle rated body armor, a tactical med pouch which includes field dressings and a tourniquet, and additional handgun and rifle magazines. The Emergency Active Shooter Kits is essential for rapid deployment of officers to active shooter situations.

Community Policing

Neighborhood Cop Update

The department completed a full implementation of the program in November of 2020. The Police Department announced the start of the program through methods such as social media, news/print media, and our Neighborhood Watch group. Additionally, the officers have found traveling through their neighborhoods on patrol bicycles creates many more opportunities for the face-to-face communication our community enjoys and appreciates from the officers.

To date, the Morro Bay Police Department Community App maintains over 750 active downloads. The Neighborhood Cop program currently has 130 registrations, with approximately five new registrants per week.

During the first three months of the program officers have:

- Held four Zoom meetings.
- Conducted ten "sector specific" crime prevention details.

- Participated in a month-long mail theft operation that covered all sectors.
- Handled over two dozen sector issues throughout the city related to parking, ongoing noise complaints, and illegal camping.
- And solved an in-progress crime involving the theft of an iPad in one of our city parks.

New look to the School Resource Officer (SRO) patrol car

The Morro Bay Police Department is committed to being an active member and supporter of the community we serve. We are proud to be a part of the San Luis Coastal Unified School District, Morro Bay High School, and Del Mar Elementary School. The Department is proud to unveil the new look of the School Resource Officer 2012 Dodge Charger. Grant funds were used to redesign the SRO patrol vehicle to show our community and school spirit. We hope the new look provides more opportunities to connect with the youth in our community.



Fire

102 MAP Cover

City of Morro Bay
Emergency Operations Center
Continuity of Operations

City of Morro Bay Pandemic 2020

Monday

It takes more coworkers and volunteers to finish this....
Thank COVID Vaccination Center at Arroyo Grande High

02/01/2021	1000 Hours
to	
2/15/2021	1000 Hours

Established 329 Days

3/10/2021

Our City continues to operate our Emergency Operations Center (EOC) during our COVID-19 pandemic to support our City, County, State, and Presidential Emergency Proclamation. For the last 333 days, City staff has worked closely with the SLO County Public Health Department and our County's EOC, reducing the spread of COVID-19 in our community, supporting our businesses through the different phases of restrictions, providing safety for our workforce and volunteers, forecasting future needs, and preparing the City and County for Vaccine Clinics. Recently our City provided City staff to our County's Incident Management Team (IMT) and Vaccination Centers located at the Paso Robles Event Center, Arroyo Grande High

School, and Cuesta College. Reimbursement for payroll expenses is being negotiated through a draft MOU with San Luis Obispo County.

Our EOC staff develops and communicates a new Incident Action Plan (IAP) every two weeks to keep us aligned with our County's collaborative partners and to ensure our actions and efforts are focused on serving, safeguarding, and protecting our community, City employees, and volunteers while we are returning to our way of life. Below are the some of the current objectives ending February 15, 2021.

- Provide for the safety of the public, city employees, businesses, community volunteers and their families.
- Maintain state of readiness to handle the increased emergency services
- Work with our restaurant business partners to safely sustain outdoor dining activity during our current Governor's orders.
- Utilize "Sleeve Up" program to educate and encourage our citizens and workforce to participate in future COVID-19 vaccine inoculations.
- Participate in our local Incident Command Team for countywide planning for COVID-19 Public Point of Distribution.
- Support our regional effort to provide (3) COVID Vaccine centers by participating in planning and realistically provide Paramedics, EMTs, Task Force Leaders, Law Enforcement and Community Disaster Service Workers (DSW).
- Participate in regional transportation needs for vaccination appointments for Morro Bay's vulnerable population.
- Support COVID testing at the Morro Bay Veterans Hall.
- Collaborate with our local school district, the State of California, our workforce, and our Recreation Department to support our school's off-campus reopening through educational pods and child enrichment programs.
- Review current State Guidance for adult and your activities for reopening recreation programs in Morro Bay.

Finance

Your Finance team kicked off 2021 the same way we ended 2020 – working hard to support our colleagues and the community. Here are some of the highlights:

The City Council received a report about the uses of Measure Q from CFAC Chair John Martin on January 26, 2021. Both the Council and CFAC praised the accomplishments associated with the use of Measure Q funds and continued to look forward to the pavement management program (street paving) to be implemented before June 30, 2021.

On January 11, 2021, the Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2020 was issued and posted to the city's website. The CAFR was reviewed by CFAC on January 19 and they provided feedback and suggestions for improvements that did not impact the auditors' conclusions that the City's Financial was accurately stated in the financial statements. The suggestions or observations from CFAC related to the current draft CFAR and future CAFRs. After reviewing the scope of the suggestions and in consultation with the Accounting and Budget Manager, the Interim Finance Director made the decision update the CAFR and rerelease the updated/final CAFR. This would avoid any confusion or questions in the future. The final CAFR was posted to the City's website and submitted to the Government Finance Officers' Association for consideration of awarding the Certificate of Achievement. This achievement was received in the past two years. Staff is optimistic that this trend will continue.

By December 31, 2020, a mandated report on development impact fees collected and used in FY 2019-20, was posted to the City's website. Assembly Bill 1600 requires that each city that receives development impact fees for future measures/projects to mitigate impacts of development report to the public and the City Council about the funds taken in and spent in the previous fiscal year. This item was presented to the City Council meeting on January 12, 2021 and approved as presented.

The Finance Director's Cannabis Tax Collections regulations were issued in January and the City received the first tax returns and payment for 11 days in October, November, and December. During the process of taking in our first payment staff successfully deposited the tax amounts plus the community benefit contribution from the newly opened store "Perfect Union" (open since October 20, 2020). In total, more than \$80,000 were collected for both portions, with more than 40% coming from the on-going taxes. Natural Healing Center (NHC) the other licensed Cannabis retail shop plans to open in March of 2021, at the old ASAP building on Morro Bay Blvd.

January was also a time to prepare for activities in February. Staff started the mid-year budget review process, corrected an administrative error on utility bills adjusting the billing amounts for impacted customers, and started the process of reviewing the assumptions for the Financial Forecast. The mid-year budget and the Financial Forecast will be presented to CFAC on February 16 and Council on February 23.

Public Works

Water Reclamation Facility (WRF) Program Update

The City is making progress on all components of the [Water Reclamation Facility \(WRF\) project](#), with construction on the advanced treatment facility and the pipeline/conveyance system

components of the project underway, advance study moving forward on the injection well system, and staff working with the State government to complete agreements for the Clean Water State Revolving Fund (CWSRF) grant and low-interest loan funding. The City has experienced increased costs on the overall project as a result of project modifications as well as unanticipated issues that delayed initial construction of the WRF facility; however, those issues will not impact the water and sewer rates.

WRF Funding Update

The City received approvals for a loan amount of \$61M from the U.S. Environmental Protection Agency (EPA) for its Water Infrastructure Financing Innovation Act (WIFIA) low-interest loan program. That loan was locked in with a near historic low interest rate of under 0.9%, which will save the City and community \$800,000 to \$900,000 a year in debt costs compared to a conventional loan. That allows the City to maintain water and sewer rates that are on par or lower than our neighboring communities.

City staff are working with CWSRF staff to secure an additional low-interest loan and \$5 million grant to help further reduce the debt. The WIFIA and CWSRF loans and grant also help pay for the potable reuse portion of the project. The CWSRF loan and grant process has been delayed due to COVID-19 but is anticipated to conclude by spring 2021. At that time, the Citizens Finance Advisory Committee (CFAC) will review options for how much loan to take from CWSRF and potential uses of excess Water and Sewer fund reserves. Analysis will look at various factors, such as WRF costs, Utility operation costs, revenue collections, interest rates on the CWSRF loan and other factors in determining the optimal use of funding sources. Options for use of funds to be reviewed by CFAC (depending upon the factors mentioned) could include lowering water and sewer rates, expansion of One Water capital projects and/or borrowing by other City funds for critical City needs, among other potential options. CFAC will review and provide recommendations to City Council. More to come on this discussion.

Pipeline/Conveyance System Construction Update

The City signed a contract with Anvil, Inc. to construct the pipeline/conveyance system to connect to the advanced treatment plant, outfall, and indirect potable reuse injection systems.



The \$31.5 million contract includes construction of two wastewater pipelines, one pipeline for the water treatment process discharge, and one purified water pipeline. The four pipelines will be constructed in segments on Atascadero Road, Main Street, Quintana Road and South Bay Boulevard. The construction will include trenching, tunneling, pipe installation, soil backfilling and off-hauling, and road restoration, as well as construction of support infrastructure including two new lift stations.

In February, crews will begin pipeline construction on Quintana Road moving southeast from La Loma to South Bay Boulevard, and at Main Street and Quintana Road moving southeast along Quintana Road. Construction is scheduled on weekdays from 7 a.m. to 3:30 p.m. Weekend or night work may be scheduled, as needed, but neighboring properties will be informed in advance of schedule changes. The schedule calls for the majority of construction activities to be completed by December 2021. To learn more about the construction status, please visit the WRF website at <https://morrobaywrf.com>. Should you have any questions or concerns, please either email wrfinfo@morrobayca.gov or call **1-877-MORROBAYH2O**.

Consolidated Maintenance Update – Past Four Weeks

- **Trees/Vegetation**

- Trimmed and lifted canopies on several trees around town out of the ROW's and for hazard reduction.
- Cut and hauled and/or picked up several fallen tree limbs around town.
- Contracted hazard reduction tree trimming in City ROW's on several trees around town.
- Cut and hauled fallen tree next to the Kings St. City water storage tank, 2 rotten hazardous trees at the 600 blk. of Morro Ave., fallen tree at Bayshore Bluffs Park, and fallen tree at the 400 blk. of Harbor,
fallen dead tree on bike trail behind high school.
- Cut back several overgrown shrubs, bushes, and other landscape around town.



- **Streets/Misc.**
 - Filled several potholes around town with Cold Mix Asphalt.
 - Removed sand and dirt from several streets, walkways, ROW's, and bike paths around town caused from storm.
 - USA marked for utilities and dug out 2 storm drain outfalls off the 1500 blk. of Quintana.
 - Replaced stop sign at Main St./Acacia, Re-painted red curb at Main St./Beach.
 - Placed traffic control devices on SB Blvd. and Quintana Rd. during storm for traffic safety.
 - Removed graffiti in several locations.
- **Facilities**
 - **MBFD**
 - Repaired broken 2" lateral waterline from water meter to fire station.

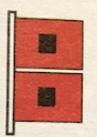


- **Bonita Fire Station**
 - Repaired leaning fence in backyard by installing stabilizers.
- **City Hall**
 - Unclogged roof drains and assessed leaking areas. Notified contractor to repair warranty work.
 - Removed leaking plumbing fittings under sink in rear community room, replaced fittings, snaked waste tube, and re-assembled.
- **781 Market St. Rental**
 - Installed fireplace vent cover and applied roofing sealant to leaking areas.
- **Corp Yard**
 - Machine threaded and installed 60' of gas line along backside of main bldg., connected to existing.

- Repaired leaking roof with corrugated metal patches along with roof patch material.
- **Parks**
 - **Lila Keiser**
 - Tractor lifted damaged parking lot light pole foundation, repaired electrical, and reset in position.
 - Re-seeded rough grass area in the West ballfield and installed orange fencing for protection.

Harbor

January 5, Harbor Patrol responded to two surfers in distress at the Rock near dark. The two inexperienced surfers, only one in a wetsuit, were having difficulty paddling back in, but both eventually made it to shore on their own efforts. They were assisted up the rocks by HPO Kelly and lectured for their safety. Both declined any medical treatment despite their multiple scrapes and cuts from scrambling up the rocks.

STORM ADVISORIES				
Daytime Signals				
Night Signals				
	Small Craft Winds up to 38 mph	Gale Winds 39 to 54 mph	Storm Winds 55 to 73 mph	Hurricane Winds 74 mph and up

January 11, Harbor Patrol responded to the beach north of the Rock to help MBPD locate a missing 90 year-old male that was separated from his family. He was located on the south side of the Rock in no distress.

Also on the 11th, Harbor Patrol responded with MB Fire with the report of electrical wires in the water smoking at a waterfront dock. The large tide swings put too much pressure on the aging docks and gangway until it all finally collapsed. The power to the docks was shut off and the three vessels on the were relocated as an additional safety measure. The docks have all been removed now and will likely be rebuilt later in the year.

Finally on the 11th, Harbor Patrol responded to a report of an unresponsive person that was knocked off the North Jetty by large surf, on the harbor-side of the jetty. Patrol arrived on

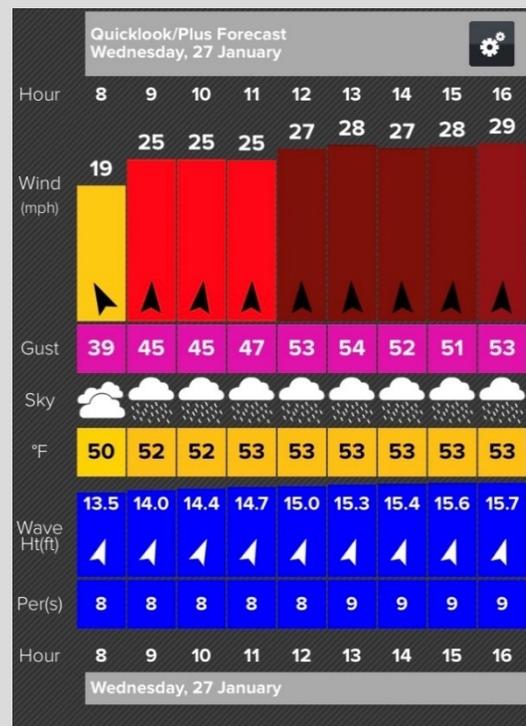
scene to find the victim sitting upright on a rock with severe injuries inside the harbor with two bystanders assisting. Reserve Patrol Officer Nicodemus swam in from a Harbor Patrol boat to assist, and along with MB Fire personnel extricated the patient, a 45 year-old male with a large wound to the right side of his head, back to shore and an ambulance.

The following week Harbor Patrol along with a generous crew of Morro Bay Commercial Fisherman assisted a fellow fisherman to overhaul and unload a lifetime of stuff off a vessel. More than 16,000 lbs. of scrap metal was removed along with a full roll off dumpster of trash. Hazardous waste was properly disposed of and the vessel is nearly ready for ultimate disposal. The Harbor Department is pursuing a permit with the U.S. Environmental Protection Agency to sink it offshore.

The week of January 25th was our toughest weather conditions. It started out with gale force northwesterly winds with gusts up to 45 knots in the afternoon followed by storm warning with southerly gusts up to 50 knots and 5.2 inches of rain recorded at the North T Pier. Most of the waterfront and boats faired the storm quite well. Harbor Patrol assisted a few liveaboards with transporting them to or from shore and keeping all the skiffs pumped out.

The Waterfront Camping pilot program is back open for self-contained RVs to camp in the 19 designated spaces while the stay at home order has been lifted. The Harbor Patrol Officers welcome campers to book spaces online at <https://book.rvspots.com/CityofMorroBay>

We have been so grateful for all the generous donations to the Friends of the Morro Bay Harbor Department Fundraiser for the rebuild of our new boat. Nearly \$40,000 has been raised to date! Thank you, thank you, thank you!





Recreation

Administration

Classes

Unfortunately, we are still not able to offer our regular activity classes. However, we are monitoring the rules and regulations that will allow us to reopen and offer our regular classes.

Facilities

Facilities are currently being used to serve our community through non-profits and County and Federal Governments. The Veteran's Memorial Building has been hosting events such as Census Enumeration Training and COVID-19 testing. Our site has been the most popular site for pop-up COVID-19 testing which will continue to take place through February 2021. Monday Night Meals have a little different look but is still going strong ensuring safety of those that they serve as well as the volunteers.



Events

We are not allowing special events in the City at this time resulting in cancelling City events and not permitting others such as: softball tournaments and Art in the Park.

Seniors

Unfortunately, the Senior Center must still remain closed at this time. Some activity classes are continuing in various locations such as Tai Chi, Bocce, and Walking Group. The latest addition is the return of the SLO County Public Health's balance class, which has been seeing a dozen folks or so participating most Tuesdays. Due to the popularity of this class, a second class has been added for the same time on Thursdays.

Though closed, the Recreation Division is carrying on with the static medical equipment loan program. Surprisingly busy, this service is obviously much needed and appreciated as, on average, we receive a request or donation daily for wheelchairs, walkers, canes, shower chairs along with other requests we can't accommodate.

Aquatics Programs

Pool

The Morro Bay Aquatic Center makes a splash into the new year! We are currently offering Lap Swim, Aqua Aerobics, & Swim Lessons (Private & Semi-Private). Lap swim and Aqua aerobic are a big hit and in high demand as a safe workout for all age groups. These programs are selling out at concert like speed and we are looking to expand hours to keep up with demand.



We are excited to be able to use this unprecedented time to not only be able to offer Sunday private and semi-private lessons but also be able to offer weekday lessons as well. This allows us to reach many more families than we have in the past with life-long, life-saving aquatic skills.



We are committed to keeping the public safe and keeping the Aquatics Center open. For more information or to make a reservation please visit our [Aquatics](#) page.

Youth Sports

Sadly, still no youth sports at this time.

Youth Services

Kids' Club

Kids' Club has continued to provide a stellar, distance learning program for many families of the Estero Bay since March of 2020. Sadly, the program will be temporarily closed to due COVID as of February 8 and is planned to reopen February 16.

Rockies Teen Center and Teen Action Committee

Rockies Teen Center has remained closed since March 13, 2020.

Morro Bay Community Development Department Activity Update for January 2021



News: 1. City released a Request for Proposal for Housing Element Implementation items to increase housing supply using \$160,000 in SB2 grant funding. RFP closes March 2nd.

Planning Division Activity

Planning Commission:

Jan. 5, 2021: 355 Cerrito Place:
Appeal of Public Works decision to allow removal of 5 trees from the right of way. ACTION: Continued to date uncertain

Jan. 19, 2021

Presentation by the County of San Luis Obispo for the Morro Bay to Cayucos Connector Trail
ACTION: PC received the Presentation

Planning Permits Received

- Use Permits = 1
- Coastal Dev. Permits = 1
- TUP outdoor dining = 1
- Sign Permits = 2
- Minor/Major Mod = 2
- Total Planning Permits = 7

Fees collected = \$2,939

Code Enforcement

New Cases: 13

Closed: 8

Ongoing: 8

Building Division Activity

- Permits Issued = 27
- Valuation = \$304,635
- Fees Received = \$14,456
- # of Inspections = 120
- New Building Permits = 10