



AGENDA NO: General Public Comment

MEETING DATE: August 10, 2021

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL FOR
PUBLIC REVIEW PRIOR TO THE MEETING**

Dana Swanson

From: Aaron Ochs [REDACTED]
Sent: Friday, August 06, 2021 2:09 PM
To: Council
Subject: Public Comment (not on agenda) - 08/10/21 City Council Meeting

Council and staff,

In light of news from the Dept. of Justice involving Natural Healing Center and Helios Dayspring, I would like the Council to approve an outside, independent investigation into the commercial medical cannabis operation process and any monetary or non-monetary contributions Mr. Dayspring made to councilmembers.

Since the City Manager was the sole decider on the permit approving Natural Healing Center (pursuant to in MBMC Section 5.50.090(C)), I believe a more thorough investigation would be conducted without any city staff leading it.

Best regards,

Aaron Ochs
Morro Bay



Virus-free. www.avast.com

Item B-1: Public Hearing, and Adoption of Resolution No. 56-21, for Minor Revisions to the Adopted Fiscal Year 2021/22 Master Fee Schedule

Department of Administrative Services

August 10, 2021





Master Fee Schedule Review & Approval

- The City reviews and revises the Fee Schedule annually
- It specifies what charges are approved for various City provided services
- Fees are charged when individuals receive some direct material benefit beyond services offered to residents at general taxpayer expense

- On May 11, 2021, Council approved the Schedule for FY 2021-22
- 3 fees (or fee descriptions) must be slightly revised to align with State law



Revisions Needed

- Minor fee reductions to comply with State law

Wide Load Permit with Traffic Control Plans - Per Year (Set by State of California)	\$95 (Set by State of California at \$90)
Wide Load Permit with Traffic Control Plans - One Time=(Set by State of California)	\$17 (Set by State of California at \$16)

- Fee description revision for clarity

FEE NAME	Adopted Fee Effective 7/12/21
Temporary Encroachment Agreement. Plus current San Luis Obispo Recording Fees <u>Permit for non-construction activities that encroach into City R/W for a limited time. (e.g., Rolloff/Dumpster, Storage Container, Restricted Parking, etc)</u>	\$163



Recommendation

Staff recommends the Council conduct a public hearing, and then adopt Resolution No. 56-21, which makes minor revisions to the adopted FY 2021/22 Master Fee Schedule.



AGENDA NO: C-1

MEETING DATE: August 10, 2021

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL FOR
PUBLIC REVIEW PRIOR TO THE MEETING**

Dana Swanson

From: betty winholtz [REDACTED]
Sent: Tuesday, August 10, 2021 1:38 PM
To: John Headding; Jeffrey Heller; Dawn Addis; Laurel Barton
Cc: Dana Swanson; Scot Graham; Susan Stewart
Subject: agenda item c-1

Dear City Council:

Policy overrides personality: I have known Ms. Susan Stewart as neighbor and business woman for over 30 years. This is not about her; it is about the integrity of City policy.

Here are 3 reasons:

When a board member or commissioner moves out of town, it's understood that one resigns from service. There are approximately 7,500 registered voters in Morro Bay. When a volunteer leaves, the opportunity is created for another to serve. Surely, one of the 7,500 has skills and experience to offer. The town is not so small that the Council need not pick from those who no longer qualify. There are many who have lived here for decades.

Conflict of interest increases. Ms. Stewart is a member of both the City's Planning Commission and the Morro Bay Chamber of Commerce Government Affairs Committee (GAC), The GAC has taken to submitting many comments to both the City Council and the Planning Commission this past year. Frequent recuses, reduce 5 votes per project to 4 votes, a greater chance for a tie. On a personal note, Ms. Stewart will still be able to offer her expertise and influence through her role on the GAC.

This is such an exception; it has never been done before. Regardless of what staff may write, it is precedent setting.

Sincerely,
Betty Winholtz



AGENDA NO: C-2

MEETING DATE: August 10, 2021

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL FOR
PUBLIC REVIEW PRIOR TO THE MEETING**



August 8, 2021

RE: Item C-2

Honorable Mayor and City Council,

The Morro Bay Chamber of Commerce is on record with a position of support for the City's RV Camping program. Overall, the Chamber is supportive of the City's establishing revenue sources that will:

1. Provide for ongoing operations of the City, including payments to accumulation/capital funds to replace major capital items.
2. Allow the City to pay for its current and anticipated pension liabilities over the next 10 years.
3. Allow the City to provide the improvements called for in its various master plans and specific plans, including the Waterfront Master Plan and circulation planning.
4. Allow the Harbor District to fund operations and capital expenses including capital reserves.
5. Allow the City to build up and maintain an Emergency Reserve of 25 percent of planned General Fund expenses.
6. Allow for revenues to improve sanitation, access and economic development along the Waterfront.

Programs like the City's RV Camping program offer a special experience and revenue opportunity for the Harbor Department. A similar program is operated by the Avila Harbor District.

The City Council and city staff should be commended for executing an entrepreneurial endeavor that has yielded significant net revenues to the Harbor Enterprise Fund to date. These and future revenues are critical to the fiscal solvency of the Harbor Department, ensuring it is able to operate efficiently, provide emergency services and public access to the waterfront, and build its capital reserves for the long term.

Thank you,

A handwritten signature in black ink, appearing to read 'Erica Crawford'.

Erica Crawford
President/CEO
Morro Bay Chamber of Commerce

Dana Swanson

From: Sean Green [REDACTED]
Sent: Tuesday, August 10, 2021 8:17 AM
To: Council; Eric Endersby
Cc: Scott Collins; HAB; Kirk Carmichael; R&PCommission; CityClerk
Subject: 8/10/21 Council Agenda Item C-2: RV Camping Program/Coleman Park

Council and staff,

I want to thank Harbor Director Eric Endersby for specifically excluding Coleman Park from staff's list of recommended RV camping locations moving forward. Sacrificing 40+ linear feet of waterfront access and views for a mere \$20k/year never felt like the right move to many residents and would eliminate the great potential of this admittedly underutilized waterfront space. To that end, I'd like to formally express my interest in initiating or joining an exploratory committee tasked with brainstorming (and eventually implementing) a minor redevelopment or repurposing of city-controlled land at Coleman Park. Following the removal of temporary RV fencing, and prior to the city's playground repairs or issuance of a restroom replacement RFP, there seems to be a rare opportunity for us to strategically plan out a creative, green, family-friendly, low-cost overhaul of the entire space rather than address each aspect in a vacuum. I'm more than willing to contribute as you see fit (and may be able to incorporate the endeavor into a low-stakes Cal Poly project as well).

Some additional comments on staff's five RV camping recommendations include:

1. Morro Creek location is #1, Maritime Museum location is #2 (though Council should readily scrap it if higher and better purpose is discovered, Tidelands Location is #3 (though the extended length of the northernmost space deters cars from believing they can enter the lot; curious to hear what 456 Embarcadero thinks); the lack of restroom facilities along the entire Embarcadero remains problematic at all three
2. Cease operations at Coleman Park--100% agree
3. Exclude Morro Rock from consideration--100% agree; Harbor has done a great job with the dirt parking lot as is
4. Master fees feel appropriate; tie increase w/ CPI or MBSP camping rates
5. Camp host program worries me; what currently makes the RV camping program somewhat palatable is the fact that it's relatively hidden from view; seeing a permanent host space and golf cart and the whole nine yards would devalue the waterfront experience for the non-camping 99%; required Harbor staff time to facilitate the program already seems quite low as is

Thank you for your time and consideration of this letter. Coleman Park was a place I enjoyed visiting when I first moved to Morro Bay back in 2016. It no longer is, and it hasn't been for way too long. I look forward to hopefully participating in the restoration and improvement of the highly visible and accessible public space such that residents and visitors can once again appreciate not just Morro Rock but the entire coastline.

Respectfully submitted,

Sean Green
Morro Bay, CA



Agenda No: C-2

One-Year Review of Waterfront RV Camping
Pilot Program, & City Council Input &
Recommendations on the Future of the Program

August 10, 2021



C-2 One-Year Review of Waterfront RV Camping Pilot Program

Purpose

- Review the Waterfront RV Camping program at the ~one-year mark
- Provide staff input and direction on the future of the program



C-2 One-Year Review of Waterfront RV Camping Pilot Program

Alternatives

- A. Direct staff to continue the program other than that being recommended.
- B. Direct staff to cease the program altogether.



C-2 One-Year Review of Waterfront RV Camping Pilot Program

Fiscal Impact

Pilot Revenues

- \$140,000 gross revenues received as of writing of staff report, including bookings through 9/2021 (min. \$100,000 gross revenues predicted early in the program)
 - Includes \$12,560 TOT received (mis-quoted in staff report as \$7,350)
 - Includes \$1,880 TMD tax received (mis-quoted in staff report as \$1,100)
- Additional ~\$13,000 gross revenues received since writing of staff report

Pilot Expenses

- \$27,000 one-time start-up costs
- \$7,200 ongoing operating expenses, credit card fees
- \$1,500 annual booking website subscription
- \$14,400 TOD and TMD paid



C-2 One-Year Review of Waterfront RV Camping Pilot Program

Fiscal Impact

Net Revenues to Harbor Fund

- **\$105,000** after \$15,000 offset of Low-Cost Accommodation Funds applied

If Program Continued As-Proposed

- \$155,000 estimated net to Harbor Fund annually, with likely moderate increases over time
- \$16,000 to General Fund in TOT annually
- \$2,400 to County TMD annually



C-2 One-Year Review of Waterfront RV Camping Pilot Program

Background

- Sites opened for business September 10, 2020, with 19 RV/Tent spaces
 - Coleman Park
 - Morro Creek
 - Maritime Museum
- February 9, 2021 program update brought to Council, who directed:
 - Retain Coleman, Creek and Museum sites
 - Modify Coleman sites to have less impact on general public
 - Pursue new sites at Morro Rock and in public parking lot south of 456 Embarcadero Hotel (referred to as “Tidelands” site)
 - Do not pursue sites at the public boat launch lot or “Pit” area
 - Operate pilot program through September, 2021
 - Seek necessary Coastal Development Permit
 - Consider a camp host management system and develop a formal budget



C-2 One-Year Review of Waterfront RV Camping Pilot Program

Background

- Subsequent to February 9 Council meeting, staff:
 - Retained the Coleman, Creek and Museum sites
 - Removed one Coleman space, and installed screening wall between remaining two sites and the boardwalk/bike path. Coleman spaces since closed pending Council action tonight
 - Consulted with Salinan and Chumash tribes, and based on their input did not pursue the Rock site further
 - Established three sites at the “Tidelands” location
 - Applied to the California Coastal Commission to replace the current ECDP with a regular CDP
 - Developed a formal budget for the program (through September 30 only) which was approved with the FY 21/22 budget
 - Began investigating Camp Host system
- Staff time to manage the program has been moderate, and occupancy is averaging ~30%



C-2 One-Year Review of Waterfront RV Camping Pilot Program

Discussion

Program Experience To-Date

- Feedback from campers overwhelmingly positive:
 - New opportunity
 - Site proximity to beach, bay and waterfront
 - Low-key nature of sites
- Not without negative impacts on community:
 - Coleman proximity to boardwalk/bike path
 - Concerns about impacts on public access and parking
 - Citizen's initiative currently being circulated for signatures to stop program in most waterfront areas



C-2 One-Year Review of Waterfront RV Camping Pilot Program

Discussion

Staff Recommends Program be Made Permanent as-Follows:

1. Retain Morro Creek, Maritime Museum and Tidelands sites
2. Permanently cease operations at Coleman site
3. Do not establish previously-approved Morro Rock site
4. Establish daily fees in the Master Fee Schedule – \$65 for Creek and Museum sites, \$75 for Tidelands site
5. Continue investigating Camp-Host style of program management



C-2 One-Year Review of Waterfront RV Camping Pilot Program

Conclusion

- Program has proven financially viable
- Revenue predictions have largely held true and are meeting or exceeding expectations, although occupancy rates lower than predicted
- No excessive new problems or impacts on staff
- Camp Host-style of management needs further research on viability, host location and duty scope



C-2 One-Year Review of Waterfront RV Camping Pilot Program

Conclusion

- \$155,000 net annual revenues an important piece of the financial puzzle for Harbor Department
- Department remains with a critical backlog of Capital needs:
 - Capital Replacement
 - Capital Major Maintenance
 - Capital Equipment
- Current projections indicate those needs are ~\$700,000 per year on average for the next ten years
- Capital needs have significant ramifications on public access and safety



C-2 One-Year Review of Waterfront RV Camping Pilot Program

Conclusion

The new norm...





AGENDA NO: C-3

MEETING DATE: August 10, 2021

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL FOR
PUBLIC REVIEW PRIOR TO THE MEETING**

Dana Swanson

From: betty winholtz [REDACTED]
Sent: Tuesday, August 10, 2021 9:07 AM
To: John Heading; Jeffrey Heller; Dawn Addis; Laurel Barton
Cc: Dana Swanson; Rob Livick
Subject: agenda item c-3

Dear City Council:

I am surprised this staff report is from the city engineer rather than the public works director. When Mr. Livick stepped down as the public works director to be the city engineer, did the One Water Plan and the WRF follow him as his responsibilities?

Financially, regarding these amendments:

1. The report borrows money from a future budget to pay for a present cost. How does that work: the money is present in the revenue funds, but not suppose to be touch until next year?
2. Is there enough cashflow in the revenue funds to cover both years?
3. Will money be diverted from the WRF to pay for these Amendments?
4. Is there enough cashflow for both the amendments and the WRF?
5. What is the total cost of these projects; figures are not given?

Regarding Amendment #2 on Beachcomber: "Cannon noted the failure of surface improvements caused by a failure of a sewer trench wall and its proximity to an adjacent slope, and determined it makes economic sense to repair these surface improvements during the construction of the replacement sewer line." Why didn't/can't the city crew fix the trench failure, rather than hiring a consultant for a design and then a contractor (for more money to be asked for later)?

Regarding Amendment #3 on Nutmeg:

1. I thought the City already had a permit from the County to work on the Nutmeg tanks; is this true?
2. Originally, the Nutmeg replacement was for 10 times the current size--100,000 to 1 million gallons. It's diameter would be as long as the block of houses. Now it is identified as 1.5 million gallons; has the size increased? Is it increased by diameter or height?
3. My memory is that previous staff reports stated the new Nutmeg tank would be replaced with multiple tanks; has this changed, and the replacement is back to one gigantic tank?

Regarding Amendment #3 on Atascadero/Main: "c) Design of concurrent construction of the replacement of the Atascadero Road sewer main line and construction of the conveyance pipeline from the new sewer pump station on Atascadero Road to the Water Reclamation Facility."

Hasn't this already been designed by Waterworks Engineers? Why bring in Cannon?

Sincerely,
Betty Winholtz

Item C-3: Approval of Amendment 3 to Consultant Agreement for Implementation of First Phase of OneWater Morro Bay Plan

Department of Public Works
August 10, 2021





OneWater Plan Background

OneWater Morro Bay Plan

- Approved by City Council on November 13, 2018
- Prioritizes capital and maintenance improvements for City's wastewater, water, and stormwater systems
- First phase of implementation
 - Wastewater collection system improvements:
 - Main St. and Atascadero Rd.
 - Beachcomber
 - Water delivery system improvements:
 - Nutmeg pressure zone
 - Water tank rehabilitation



Contract with Cannon and Amendments

Contract with Cannon

- City Council approved \$815,237 contract with Cannon to perform for design, environmental, and permitting services
 - City Manager authorization up to \$896,761

Previous Contract Amendments

1. Contract documents for water tank rehabilitation (\$56,848, approved by City Manager)
2. Surface Improvements at Beachcomber (\$19,250, approved by City Manager)



Amendment 3

Amendment 3 justification:

- **Alternative analysis of Nutmeg pressure zone** (not to exceed \$30,000)
 - Allows combining Nutmeg and Elena pressure zones
 - Eliminates Elena storage tank
 - Eliminates booster station at 195 Vashon St.
 - May result in lower capital costs
- **Design improvements from alternative analysis** (not to exceed \$40,000)
 - Land surveying, design of pressure reducing station, and recommendations to repair storm drain/Nutmeg tank drain line



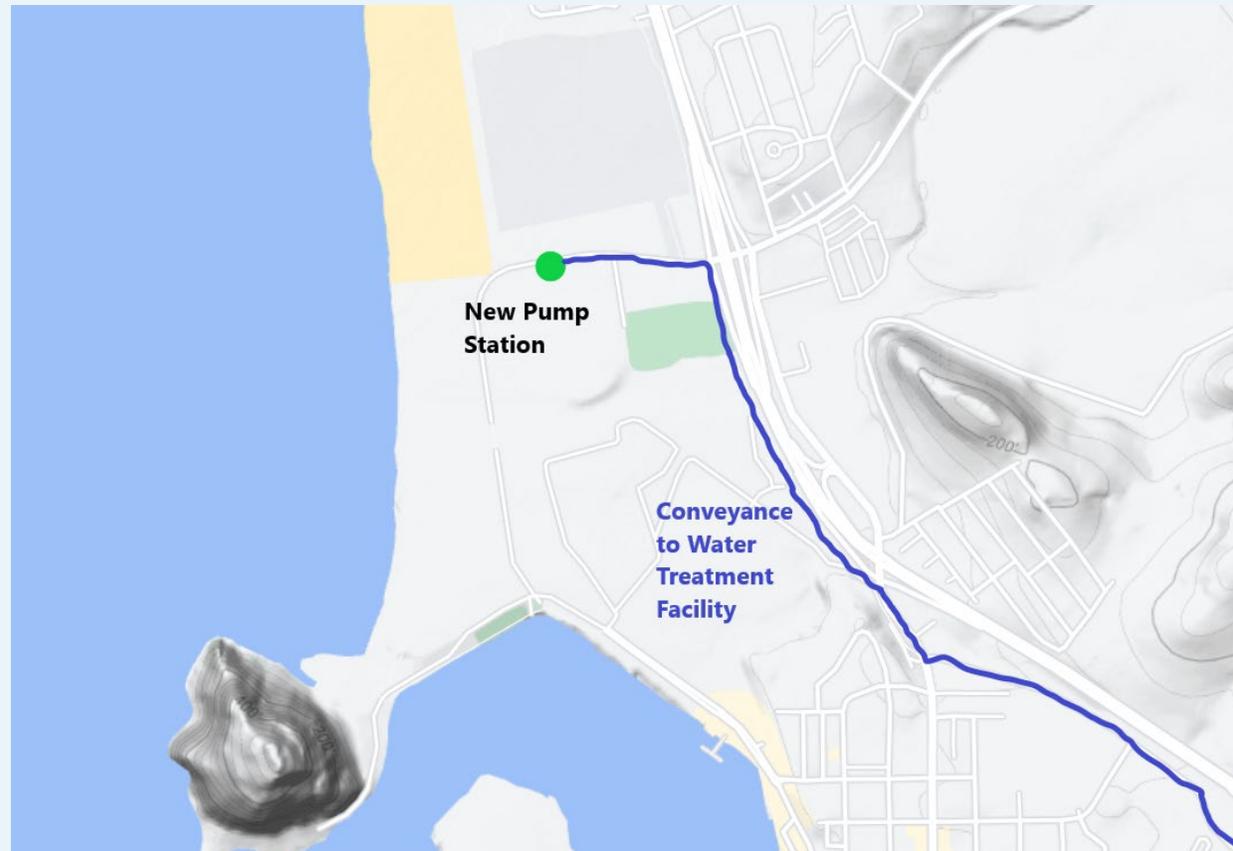
Amendment 3

Amendment 3 justification:

- Concurrent construction of replacement of Atascadero Rd. sewer main line and construction of conveyance pipeline from new Atascadero Rd. pump station to Water Reclamation Facility (not to exceed \$30,000)
 - Reduces project timelines
 - Minimizes traffic impacts



WRF Conveyance Project





Main St. & Atascadero Rd. Sewer Line Improvements





Concurrent Construction





Fiscal Impact

Funds availability and budget

- There are sufficient funds available in the Water and Sewer funds to accommodate Amendment 3
 - Will require transfer from Water and Sewer Capital Funds and Water and Sewer Revenue Funds
- Contract increase requires project budget increase of \$119,250 (includes Amendments 2 and 3)
- Staff can move up proposed expenditures from FY 2022/23 to FY 2021/22

Anticipated Fiscal Impacts

- Staff expects Amendment 3 will reduce capital costs by approximately \$1M



Recommendation

Recommendation:

1. Approve and authorize the City Manager to execute and time and materials amendment to the consultant agreement with Cannon Corporation for additional engineering services necessary to complete and implement the first phase of the OneWater Plan projects in an amount not to exceed \$100,000 without prior written authorization. This will result in a total contract authorization of \$991,335.
2. Direct staff to return to Council during quarterly budget review with budget amendments necessary to accommodate additional design scope and to advance these projects in FY 2021/22 rather than in FY 2022/23.