

MINUTES - MORRO BAY CITY COUNCIL  
SPECIAL MEETING – JUNE 22, 2021  
TELECONFERENCE – 3:30 P.M.

AGENDA NO: A-1

MEETING DATE: September 14, 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  
                          Dana Swanson                           City Clerk  
                          Chris Neumeyer                        City Attorney  
                          Anita Luck                                Special Counsel  
                          Katie Lichtig                            Interim Finance Director  
                          Greg Kwolek                            Public Works Director  
                          Rob Livick                                City Engineer  
                          Alex Handlers                            Bartle Wells Associates  
                          Kyle Rohrer                              WRF Program Manager, Carollo Eng.

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding established a quorum and called the meeting to order at 3:30 p.m. with all members present.

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

<https://youtu.be/UZ8PaneYmMI?t=139>

Mayor Headding opened public comment.

Betty Winholtz, Morro Bay, raised questions several regarding Item II.

The public comment period was closed.

SPECIAL MEETING AGENDA ITEM:

- I. APPROVAL OF A THREE YEAR AGREEMENT WITH THE CHAMBER OF COMMERCE FOR THE CHAMBER TO PROVIDE ECONOMIC DEVELOPMENT SERVICES ON BEHALF OF THE CITY; (CITY MANAGER)

<https://youtu.be/UZ8PaneYmMI?t=397>

City Manager Collins and Morro Bay Chamber of Commerce President/CEO, Erica Crawford, provided the report and responded to Council inquiries. Mr. Collins noted a correction in Section 2 on Page 2 of the Agreement should read “ninety-thousand dollars.”

MOTION: Council Member Addis moved to approve the agreement with the Morro Bay Chamber of Commerce for the provision of economic development services with the

change to the written contract amount to read “ninety-thousand dollars” on page 2 of the agreement. The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

- II. ADOPTION OF RESOLUTION NO. 39-21 APPROVING A GRANT AND CONSTRUCTION INSTALLMENT SALE AGREEMENT, AND AMENDMENTS TO THE PLANNING LOAN WITH THE CALIFORNIA STATE WATER RESOURCES CONTROL BOARD FROM THE STATE REVOLVING LOAN PROGRAM TO FINANCE A PORTION OF THE WATER RECLAMATION FACILITY PROJECT; (FINANCE DEPARTMENT /PUBLIC WORKS DEPARTMENT/SPECIAL COUNSEL/BARTEL WELL ASSOCIATES) <https://youtu.be/UZ8PaneYmMI?t=3564>

Interim Finance Director Lichtig presented the report and along with Special Council Luck, City Engineer Livick, and Independent Public Finance Advisor Handlers, responded to Council questions.

MOTION: Mayor Headding moved to adopt Resolution No. 39-21 approving proceedings to finance the construction of the WRF Project from the proceeds of a construction installment sale agreement and grant between the City of Morro Bay and the California State Water Resources Control Board; authorizing and/or ratifying various amendments to the City’s Planning Loan with the State Board and authorizing certain actions in connection therewith; and authorizing staff to pursue bridge financing for the project in order to meet cash flow requirements. Specifically, City Council approval of Resolution No. 39-21 authorizes the following items:

1. Approves the Grant and Construction Installment Sale Agreement between the City of Morro Bay and the California State Water Resources Control Board in the aggregate principal amount not to exceed \$85,000,000.
2. Approves the execution and delivery of related documents, certificates and items needed for the financing.
3. Authorizes and/or ratifies one or more amendments to the Planning Loan to adjust the payment start dates, reset the interest rate, and adjust amortization/payment periods consistent with the Construction Installment Sale Agreement. The principal amount is \$10,305,298.03.
4. Authorizes the City Manager and other authorized officers to make amendments or changes to the Construction Installment Sale Agreement and amend the Planning Loan as necessary to accomplish the purposes of the Resolution and the financing.
5. Authorizes staff to work with Bartle Wells Associates, Independent Public Finance Advisors, to explore a cost-effective means of managing cashflow for the remainder of this project’s construction.

The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

#### ADJOURNMENT

The meeting adjourned at 5:15 p.m.

Recorded by:

Dana Swanson  
City Clerk