

*City Council conducted this meeting in accordance with California Governor Newsom’s Executive Order N-08-21 issued on June 11, 2021 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                             |
|          | Jennifer Ford      | Council Member                             |
|          | Jeff Heller        | Council Member                             |
| ABSENT:  | None               |  |
| STAFF:   | Scott Collins      | City Manager                               |
|          | Chris Neumeyer     | City Attorney                              |
|          | Heather Goodwin    | Deputy City Clerk                          |
|          | Sarah Johnson-Rios | Assistant City Manager/Admin Services Dir. |
|          | Greg Kwolek        | Public Works Director                      |
|          | Scot Graham        | Community Development Director             |
|          | Daniel McCrain     | 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.

None

#### MAYOR & COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/1bjCjDI0qrE?t=204>

#### CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/1bjCjDI0qrE?t=743>

#### PRESENTATIONS

<https://youtu.be/1bjCjDI0qrE?t=999>

- Resolution commemorating the landing of the First Filipinos in US presented to Jessica Gillette, Rosalie Marquez and Rose Sagisi.
- Domestic Violence Action Month Proclamation presented to Hollie West, Communications & Events Coordinator with Lumina Alliance.
- Hispanic Heritage Month Proclamation presented to Rita Casaverde, Board Member and Assistant to Congressman Carbajal.

PUBLIC COMMENT

<https://youtu.be/1bjCiDI0qrE?t=2192>

Shana Paulson, Community Action Partnership, spoke on behalf of We Are the Care Initiative, expressed the importance of childcare our community and shared results from a recent study conducted by BW Research on the economic impacts of the childcare industry in San Luis Obispo County. For more information, contact First 5 of San Luis Obispo County or [www.first5slo.org](http://www.first5slo.org).

Michael Wood, introduced himself as the new principal at Del Mar Elementary shared students are excited to be back in school and thanked parents and families for working hard to make that happen. He expressed appreciation to all the community organizations who helped provide various essentials to the students and thanked Council Members Addis and Ford for their participation in Walk to School Week.

Betty Winholtz, Morro Bay, stated that she is saving her public comment for the consent calendar.

Mayor Heading closed public comment.

A. CONSENT AGENDA

<https://youtu.be/1bjCiDI0qrE?t=2780>

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 AUGUST 24, 2021, CITY COUNCIL MEETING;  
(ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL OF MINUTES FOR THE SEPTEMBER 14, 2021, CITY COUNCIL MEETING;  
(ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-3 PROCLAMATION RECOGNIZING "OCTOBER 2021" AS DOMESTIC VIOLENCE  
ACTION MONTH"; (ADMINISTRATION)

**RECOMMENDATION: Approved as submitted**

A-4 PROCLAMATION RECOGNIZING SEPTEMBER 15 – OCTOBER 15, 2021 AS  
"NATIONAL HISPANIC HERITAGE MONTH"; (ADMINISTRATION)

**RECOMMENDATION: Approved as submitted**

A-5 APPOINTMENT OF REPRESENTATIVES ON DISCRETIONARY BOARDS, COUNCIL  
LIAISON ASSIGNMENTS AND COUNCIL SUB-COMMITTEES; (MAYOR HEADING)

**RECOMMENDATION: Review and approve the revised list of appointed representatives to serve on the various County or Regional Discretionary Boards, Council Liaison Assignments and Sub-Committees for the remainder of calendar year 2021.**

A-6 ADOPTION OF RESOLUTION NO. 64-21 APPROVING A LEASE AMENDMENT 1  
EXTENDING FOR 3 YEARS THE LEASE AGREEMENT WITH CIANO REAL ESTATE,  
INC. FOR PROPERTY LOCATED AT 781 MARKET AVENUE; (COMMUNITY  
DEVELOPMENT DEPARTMENT)

**RECOMMENDATION: Staff recommends the Council adopt Resolution No. 64-21, approving Amendment 1 of the Ciano Real Estate lease, extending the lease for 3 years for a portion of the City owned property located at 781 Market Avenue (APN: 066-321-027).**

A-7 ADOPTION OF RESOLUTION NO. 65-21, HONORING THE HISTORICAL AND CULTURAL SIGNIFICANCE OF MORRO BAY FOR THE FILIPINO AMERICAN COMMUNITY; (CITY MANAGER)

**RECOMMENDATION: Staff recommends the Council adopt Resolution No. 65-21, recognizing the historical and cultural connection between Morro Bay and the Filipino American community, and committing the City to honor this significance through a variety of methods, including, but not limited to, placing the existing historical monument recognizing their arrival to North America in a more prominent location.**

Mayor Headding opened public comment for the Consent Agenda.  
<https://youtu.be/1bjCjDI0qrE?t=2783>

Betty Winholtz, Morro Bay, spoke regarding Item A-6, asked why the City used Long Beach CPI for the lease agreement instead of San Francisco CPI which is what the City used in the past for fees.

The public comment period was closed.

Mayor Headding pulled Item A-6 to allow staff to address public comment and to allow Council Member Ford to recuse herself from this item.

MOTION: Council Member Addis moved approval of all items on Consent except Item A-6. The motion was seconded by Council Member Heller for discussion.

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

Council Member Ford announced she was recusing herself from A-6 due to a potential conflict of interest with the Ciano Real Estate Inc. Council Member Ford left the zoom meeting at 6:22 pm

A-6 ADOPTION OF RESOLUTION NO. 64-21 APPROVING A LEASE AMENDMENT 1 EXTENDING FOR 3 YEARS THE LEASE AGREEMENT WITH CIANO REAL ESTATE, INC. FOR PROPERTY LOCATED AT 781 MARKET AVENUE; (COMMUNITY DEVELOPMENT DEPARTMENT)

**RECOMMENDATION: Staff recommends the Council adopt Resolution No. 64-21, approving Amendment 1 of the Ciano Real Estate lease, extending the lease for 3 years for a portion of the City owned property located at 781 Market Avenue (APN: 066-321-027).**

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

MOTION: Mayor Headding moved approval of Item A-6 on Consent. The motion was seconded by Council Member Addis and carried 4-0-1 with Council Member Ford having recused herself due to a potential conflict of interest.

Council Member Ford rejoined the zoom meeting at 6:28 p.m.

B. PUBLIC HEARINGS

- B-1 ADOPT RESOLUTIONS APPROVING 2020 URBAN WATER MANAGEMENT PLAN, WATER SHORTAGE CONTINGENCY PLAN, AND 2015 URBAN WATER MANAGEMENT PLAN APPENDIX G; (PUBLIC WORKS DEPARTMENT)  
<https://youtu.be/1bjCjDI0qrE?t=3433>

Public Works Director Kwolek introduced the item and turned to WSC Consultants Daniel Heilmel and Spencer Waterman who provided the report and responded to Council inquires.

Mayor Heading opened the Public Hearing.

Mayor Heading opened Public Comment.

Mike Taylor, inquired about where state water is stored as referenced in the staff presentation.

Betty Winholtz, Morro Bay, restated comments submitted as agenda correspondence and raised questions on how to the City can improve their noticing requirements to renters. She also raised concerns on why there is no dust control at the WRF project site and inquired why the indirect potable reuse (IPR) reported for the year is so low.

The Public Hearing was closed.

Staff responded to issues raised during public comment.

MOTION: Mayor Heading moved to: 1) Adopt Resolution No. 66-21 approving the 2020 Urban Water Management Plan and authorizing its submittal to the Department of Water Resources; 2) Adopt Resolution No. 67-21 approving the 2020 Water Shortage Contingency Plan and authorizing its submittal to the Department of Water Resources; and 3) Adopt Resolution No. 68-21 approving the 2015 Urban Water Management Plan Appendix G (Reduced Reliance on the Delta) and authorizing its submittal to the Department of Water Resources. The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

C. BUSINESS ITEMS

- C-1 1) APPROVAL OF AMENDMENT TO CONTRACT WITH COGSTONE RESOURCES MANAGEMENT FOR CULTURAL RESOURCES MONITORING FOR THE WATER RECLAMATION FACILITY (WRF) LIFT STATION AND OFFSITE PIPELINES CONSTRUCTION PROJECT; 2) AMENDMENT TO CONTRACT WITH FAR WESTERN ANTHROPOLOGICAL RESEARCH GROUP, INC. FOR DATA RECOVERY EXCAVATIONS AT SITE CA-SLO-16 FOR THE WRF LIFT STATION AND OFFSITE PIPELINES CONSTRUCTION PROJECT, AND 3) APPROVAL OF CHANGE ORDER NO. 1 TO CONTRACT WITH ANVIL BUILDERS, INC FOR CONSTRUCTION SERVICES FOR THE WATER RECLAMATION FACILITY (WRF) LIFT STATION AND OFFSITE PIPELINES; (PUBLIC WORKS DEPARTMENT)  
<https://youtu.be/1bjCjDI0qrE?t=6381>

Public Works Director Kwolek introduced the item and turned to Carollo Project Manager Paul Amico who provided the report and responded to Council inquires.

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

Betty Winholtz, Morro Bay, restated comments and questions submitted as agenda correspondence and raised questions on how the City can improve publishing related documents on the city's website. She also opined on ways the City could have saved money on the project.

Mike Taylor raised questions about the archeological and cultural investigations and inquired if they were in the original specification for the project. He also asked if Anvil provided details on the costs associated with labor, materials, overhead and profit.

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

MOTION: Mayor Heading moved to authorize the City Manager to execute the following:

1) Amendment No. 1 to the agreement with Cogstone Resource Management (Cogstone) for cultural resources monitoring services during construction of the WRF Lift Station and Offsite Pipelines for a total amount of \$740,803.22, which includes \$155,970 of optional, as-needed services for cultural resources monitoring, as directed by the City's Public Works Director, resulting in a total not to exceed amount of \$1,005,721.22.

2) Amendment No. 6 to the agreement with Far Western Anthropological Research Group, Inc. (Far Western) for data recovery excavations at cultural resources site CA-SLO-16, as identified in the Project EIR, and also known as construction Phase 2B of the Conveyance Facilities Project as outlined in the Programmatic Agreement between Environmental Protection Agency (EPA) and the State Historic Preservation Office (SHPO) regarding the City of Morro Bay WRF Project for the amount of \$463,086, which includes \$146,824 of optional as-needed services for the Phase 2B data recovery excavations, as directed by the City's Public Works Director, resulting in a total not to exceed amount of \$806,165.01.

3) Authorize the City Manager to execute contract change order (CCO) No. 1 to the agreement with Anvil Builders, Inc. (Anvil) for construction of the WRF Conveyance Facilities for the amount of \$674,485.00, resulting in a total not to exceed amount of \$32,168,160.

The motion was seconded by Council Member Barton and carried 4-1 by roll call vote with Council Member Heller opposed.

C-2 RECEIVE SB 1383 SHORT-LIVED CLIMATE POLLUTANTS: ORGANICS WASTE REDUCTIONS UPDATE AND ADOPT RESOLUTION NO. 69-21 REAFFIRMING COMMITMENT TO REMAIN A MEMBER OF THE SAN LUIS OBISPO COUNTY INTEGRATED WASTE MANAGEMENT AUTHORITY;(PUBLIC WORKS DEPARTMENT)

<https://youtu.be/1bjCiDI0qrE?t=9322>

Public Works Director Kwolek and IWMA Interim Executive Director Patti Toews 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: 1) Receive the SB 1383 update and provide comments or direction to staff as appropriate; 2) Direct staff to analyze the cost impact to the City to implement SB 1383 and bring forward a recommendation to fund these additional costs and 3) Adopt Resolution No. 69-21 reaffirming

commitment to remain a member of the San Luis Obispo County Integrated Waste Management Authority. The motion was seconded by Council Member Addis for discussion.

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

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS  
<https://youtu.be/1bjCjDI0qrE?t=11311>

Council Member Heller requested an agenda item to discuss an update on the Natural Healing Center due to the litigation that took place in San Luis Obispo as well as an update on the vetting process that the City went through and where the City stands currently. City Attorney Neumeyer informed Council that staff is in the process of doing an internal review and not to comment until the review is complete. Following discussion, City Attorney advised if results are reportable, a general update will be made available to Council and public as appropriate. The Mayor supported the request.

E. ADJOURNMENT

The meeting adjourned at 8:43 p.m.

Recorded by:

Heather Goodwin  
Deputy City Clerk