

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – DECEMBER 14, 2021  
TELECONFERENCE – 5:30 P.M.

AGENDA NO: A-1  
MEETING DATE: March 22, 2022

*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
	Dana Swanson	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
	Kyle Rhorer	WRF Program Manager
	Cindy Jacinth	Senior Planner
	Janeen Burlingame	Management Analyst
	Damaris Hanson	Acting Utilities Division Manager

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/g71pZiJG6al?t=183>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/g71pZiJG6al?t=729>

PRESENTATIONS

<https://youtu.be/g71pZiJG6al?t=1648>

**Service Pin Presentation to employees who were recognized for their years of service:**

Michael Hoesel, 10 years, Fire Department  
Jeremiah Jacobs, 10 years, Harbor Department  
Dawn McLean, 10 years, Fire Department  
Tami Ponder, 10 years, Police Department

Dana Stein, 15 years, Police Department  
Gene Stuart, 15 years, Police Department  
Robert Trout, 25 years, Public Works Department

PUBLIC COMMENT

<https://youtu.be/g71pZiJG6al?t=2278>

Scott Schalde, Morro Bay High School Principal, introduced himself, shared his philosophy toward education and recent student accomplishments.

Kris Roudebush, We are the Care Initiative, provided a program update and announced the Family-friendly Workplace Accelerator Program, an initiative designed to create a strong and inclusive workplace. Visit [www.first5slo.org](http://www.first5slo.org) for more information.

Betty Winholtz, Morro Bay, expressed concern that the Council had a closed session discussion regarding the Teen Center and suggested that the community should be able to provide input on whether or not to sell City property.

Michael Erin Woody, Morro Bay commented on Item C-5.

Lori Vaccaro French, Morro Bay, objected to the proposed marine sanctuary and recommended that Council support the position of the Morro Bay Commercial Fishermen's Organization (MBCFO).

Melanie Williams-Mahan, Morro Bay, received notification of appeal for the 2783 Coral Avenue project and stated the Cloisters design committee was put in place because of an agreement between the developers, city and coastal commission. She urged the Council to allow the committee to abide by the design guidelines.

Jeremiah O'Brien, MBCFO Vice President, spoke regarding Item C-5 and urged the Council to approve staff recommendation.

Mayor Heading closed public comment.

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

A. CONSENT AGENDA  
<https://youtu.be/g71pZiJG6al?t=3651>

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 9, 2021, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL OF MINUTES FOR THE DECEMBER 1, 2021, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-3 CLEAN CALIFORNIA MAINTENANCE AGREEMENT FOR LITTER AND GRAFFITI ABATEMENT; (PUBLIC WORKS DEPARTMENT)

**RECOMMENDATION:** Staff recommends the City Council authorize the Mayor and City Manager to sign the Clean California Maintenance Agreement, subject to City Attorney approval, to receive up to \$35,000 over three years to perform litter and graffiti abatement on Caltrans property along State Route 41 within the City's limits.

A-4 NATIONAL OPIOID SETTLEMENTS; (CITY ATTORNEY)

**RECOMMENDATION:** Staff recommends Council consider following actions:

1. Approve Settlement Participation Form for the City of Morro Bay's ("City") participation in the National Opioid Settlement with McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation.
2. Approve Settlement Participation Form for the City's participation in the National Opioid Settlement with Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc.
3. Approve the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Distributor Settlement.
4. Approve the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Janssen Settlement.
5. Adopt Resolution No. 88-21 approving and authorizing the City Manager to execute the documents identified in Nos. 1 through 4 above.
6. Authorize the City Manager to carry out all necessary acts such that the City can participate in the National Opioid Settlements, including, but not limited to, the transmittal of the executed documents in Nos. 1 through 4 above.
7. Approve disbursement of initial partial settlement funds to County (default option) while reserving City option to request direct distribution of further settlement funds to City later in time.

A-5 ADOPT RESOLUTION NO. 82-21 AUTHORIZING THE MORRO BAY FIRE DEPARTMENT TO SUBMIT AN APPLICATION FOR FEDERAL EMERGENCY MANAGEMENT AGENCY ASSISTANCE TO FIREFIGHTERS GRANT; (FIRE DEPARTMENT)

**RECOMMENDATION:** Staff recommends the City Council adopt Resolution No. 82-21 Authorizing the Morro Bay Fire Department (MBFD) to submit an application to Federal Emergency Management Agency (FEMA) for an Assistance to Firefighter Grant for hydraulic extrication equipment and mobile radios and accept grant if awarded.

A-6 SECOND READING AND ADOPTION OF ORDINANCE NO. 645 ADDING CHAPTER 8.18 SPECIFIC REGULATIONS FOR COLLECTION, AND DISPOSAL REDUCTION, OF ORGANIC WASTE, RECYCLABLES AND SOLID WASTE TO TITLE 8 ("HEALTH AND SAFETY") OF THE MORRO BAY MUNICIPAL CODE; (PUBLIC WORKS DEPARTMENT)

**RECOMMENDATION:** Staff recommends the City Council adopt, by second reading and by title only with further reading waived, Ordinance No. 645 adding Chapter 8.18 Specific Regulations for Collection, and Disposal Reduction, of Organic Waste, Recyclables and Solid Waste to Title 8 ("Health and Safety") of the Morro Bay Municipal Code to enact regulations in compliance with Senate Bill (SB) 1383 for the implementation of Mandatory Food and Organics Recycling, and related solid waste and recycling processing and reporting.

A-7 FIRST QUARTER INVESTMENT REPORT (PERIOD ENDING SEPTEMBER 30, 2021) FOR FISCAL YEAR (FY) 2021-22; (ADMINISTRATIVE SERVICES DEPARTMENT)

**RECOMMENDATION: Receive the attached First Quarter Investment Report (period ending September 30, 2021) for FY 2021-22.**

A-8 DESIGNATION LETTER DELEGATING CITY RESPONSIBILITIES RELATING TO SENATE BILL 1383 COMPLIANCE TO THE SAN LUIS OBISPO INTEGRATED WASTE MANAGEMENT AUTHORITY (IWMA); (PUBLIC WORKS DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council receive and file the SB 1383 compliance letter of designation delegating various compliance responsibilities to the IWMA.**

A-9 PROGRESS CHECK #3, AND ADOPTION OF RESOLUTION NO. 83-21 APPROVING AMENDMENT #2 TO THE MASTER LEASE AGREEMENT BETWEEN THE CITY OF MORRO BAY AND TLC FAMILY ENTERPRISES FOR LEASE SITE 87-88/87W-88W, LOCATED AT 833 EMBARCADERO; (HARBOR DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council receive and file this Progress Check #3, and adopt Resolution No. 83-21, approving Amendment #2 to the Master Lease Agreement (MLA) for Lease Site 87-88/87W-88W, as proposed.**

A-10 RESOLUTION MAKING FINDINGS RELATED TO THE CONTINUED EXISTENCE OF A STATE OF EMERGENCY DUE TO COVID-19 AND RE-AUTHORIZING FOR PUBLIC HEALTH AND SAFETY THE CONDUCT OF PUBLIC MEETINGS OF THE LEGISLATIVE BODIES OF THE CITY VIA REMOTE TELECONFERENCING FOR A CONTINUED 30-DAY PERIOD PURSUANT TO THE RALPH M. BROWN ACT AS AMENDED BY ASSEMBLY BILL NO. 361"; (CITY ATTORNEY)

**RECOMMENDATION: Staff recommends Council consider adoption of Resolution No. 84-21 reauthorizing for public health and safety the conduct of public meetings of the legislative bodies of the City via remote teleconferencing.**

A-11 PROCLAMATION EXPRESSING APPRECIATION FOR THE DEDICATION AND PUBLIC SERVICE OF FORMER COUNCIL MEMBER MELODY ANNE DEMERITT; (ADMINISTRATION)

**RECOMMENDATION: Approved as submitted**

Mayor Headding opened public comment for the Consent Agenda.

<https://youtu.be/g71pZiJG6al?t=3651>

Betty Winholtz, Morro Bay, spoke to Item A-11 a proclamation honoring Melody DeMeritt and regarding Item A-7, she questioned paragraph three in the discussion section regarding investment options related to WRF Project funding.

The public comment period was closed.

Mayor Headding pulled Item A-7.

**MOTION:** Council Member Addis moved approval of all items on Consent except Item A-7. The motion was seconded by Council Member Barton and carried 5-0 by roll call vote.

- A-7 FIRST QUARTER INVESTMENT REPORT (PERIOD ENDING SEPTEMBER 30, 2021) FOR FISCAL YEAR (FY) 2021-22; (ADMINISTRATIVE SERVICES DEPARTMENT)  
<https://youtu.be/g71pZiJG6al?t=3973>

Assistant City Manager/Administrative Services Director Johnson-Rios responded to questions raised during public comment.

MOTION: Mayor Heading moved approval of Item A-7. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

B. PUBLIC HEARINGS

- B-1 REVIEW AND ADOPT DRAFT FUNDING RECOMMENDATIONS FOR THE 2022 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM; (COMMUNITY DEVELOPMENT DEPARTMENT)  
<https://youtu.be/g71pZiJG6al?t=4069>

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

Mayor Heading opened the Public Hearing.

<https://youtu.be/g71pZiJG6al?t=4599>

Michael Azevedo, 5 Cities Homeless Coalition, Housing Program Manager, stated that the coalition provides housing assistance county wide. The coalition is requesting 10% of all available public services be allocated in case the award amount is increased by HUD. For more information visit [www.5chc.org](http://www.5chc.org).

Betty Winholtz, Morro Bay, asked if the 15% annual limit was new money allocated this year, or this year's money plus previous year's rollover.

Mayor Heading opened Public Comment.

The Public Hearing was closed.

MOTION: Council Member Heller moved to adopt Resolution No. 85-21 approving draft funding recommendations for the 2022 Community Development Block Grant (CDBG) funds and forward recommendations to the San Luis Obispo County Board of Supervisors for inclusion with the other draft funding requests from the Urban County Consortium. The funding recommendation is for the two applications received from Peoples Self-Help Housing Corp, and 5 Cities Homeless Coalition along with City program administration of \$4,036 and rollover of the balance for a total funding allocation of \$57,656. Additionally, staff recommends the City Council 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 Council Member Addis and carried 5-0 by roll call vote.

C. BUSINESS ITEMS

- C-1 HOUSING LEGISLATIVE UPDATE AND STATUS REVIEW OF CURRENT CITY HOUSING EFFORTS; (COMMUNITY DEVELOPMENT DEPARTMENT)  
<https://youtu.be/g71pZiJG6al?t=5109>

City Manager Collins introduced David Mullinax, League of California Cities Regional Public Affairs Manager for the Channel Counties Division, who provided an overview

housing legislation at the State level. Community Development Director Graham provided a local housing update and responded to Council inquiries.

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

The Council did not take any formal action on this item.

C-2 REVIEW WATER RECLAMATION FACILITY (WRF) QUARTERLY UPDATE REPORT;  
(PUBLIC WORKS DEPARTMENT)  
<https://youtu.be/g71pZiJG6al?t=7699>

WRF Program Manager Rhorer provided the report and responded to Council inquiries.

The public comment period for Item C-2 was opened.

Betty Winholtz, Morro Bay, raised several questions and concerns regarding the project.

The public comment period for Item C-2 was closed.

Staff responded to questions raised during public comment.

The Council did not take any formal action on this item.

C-3 UTILITY DISCOUNT PROGRAM AND EXPIRATION OF STATE EXECUTIVE ORDER  
REGARDING WATER SERVICE TERMINATION; (ADMINISTRATIVE SERVICES  
DEPARTMENT/PUBLIC WORKS DEPARTMENT)  
<https://youtu.be/g71pZiJG6al?t=9989>

Public Works Director Kwolek provided the report and responded to Council inquiries.

The public comment period for Item C-3 was opened; seeing none, the public comment period was closed.

MOTION: Mayor Headding moved to 1) Adopt Resolution No. 86-21 to authorize (i) the lapse, by its own terms, of Resolution No. 54-21 which extended a twenty-five percent discount and a COVID-19 discount program through December 31, 2021; and (ii) acknowledgement of the reinstatement of the prior Utility Discount Program outlined in Resolution 64-19, which offers a ten percent discount for income-qualifying customers; and the reinstatement of late payment penalties to fund the program; and 2) Receive and file staff's plan to reinstate water shutoffs in full compliance with California Senate Bill (SB) 998 upon the expiration of the State's Executive Order related to water shutoffs, duly notifying customers according to the adopted Discontinuation of Residential Water Service for Non-Payment policy; and 3) Ask staff to bring back a report in nine months on the viability of the discount program from a financial status and a full review of any shutoffs or procedures associated with shutoffs that have occurred.

The motion was seconded by Council Member Heller for discussion. Following discussion, the motion carried 5-0 by roll call vote.

- C-4 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 646, UPDATES TO CHAPTER 3.08 OF THE CITY'S MUNICIPAL CODE, PURCHASING SYSTEM; (ADMINISTRATIVE SERVICES DEPARTMENT)  
<https://youtu.be/g71pZiJG6al?t=12527>

Assistant City Manager/Admin Services Director Johnson-Rios provided the report and responded to Council inquires.

The public comment period for Item C-4 was opened.

Betty Winholtz, Morro Bay, stated her preference for a centralized purchasing process.

The public comment period for Item C-4 was closed.

MOTION: Mayor Heading moved to introduce, by title only, and waive further reading of Ordinance No. 646: "An Ordinance of the City Council of the City of Morro Bay, California, Amending Morro Bay Municipal Code Chapter 3.08 of Title 3 to Update the City's Purchasing System." The motion was seconded by Council Member Barton and carried 5-0 by roll call vote.

- C-5 AUTHORIZE CITY COUNCIL COMMENTS TO THE NATIONAL MARINE SANCTUARIES PROGRAM REGARDING THE POTENTIAL CHUMASH HERITAGE NATIONAL MARINE SANCTUARY DESIGNATION PROCESS AND REITERATE PREVIOUS OPPOSITION TO NATIONAL MARINE SANCTUARY IN LOCAL WATERS UNTIL CRITICAL MANAGEMENT ISSUES ADDRESSED; (HARBOR DEPARTMENT)  
<https://youtu.be/g71pZiJG6al?t=13242>

Harbor Director Endersby provided the report and responded to Council inquires.

MOTION: Council Member Addis moved the meeting go past 9:30 p.m. with a hard stop at 11:00 p.m. The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

The public comment period for Item C-5 was opened.

Wayne Moody and Scott Jarrett shared a video illustrating the challenges faced by fishermen in marine sanctuaries.

Judy Salamacha, Morro Bay, read the letter submitted as agenda correspondence in support of the staff recommendation

Alan Alward, Morro Bay, opposed the marine sanctuary.

Steve Scheiblauber, Retired Harbor Master, urged the Council to support staff recommendation.

Tom Hafer, Morro Bay, president of MBCFO, thanked the City for its past position opposing a Chumash Marine Sanctuary and hoped that would continue.

The public comment period for Item C-5 was closed.

MOTION: Mayor Heading moved to authorize the Mayor to submit comments, as outlined in this staff report, to the National Marine Sanctuary Program regarding the proposed designation of the Chumash Heritage National Marine

Sanctuary. The motion was seconded by Council Member Heller for discussion.

Following discussion, the motion carried 4-0-1 by roll call vote with Council Member Addis having abstained.

- C-6 CONSIDERATION OF RESOLUTION NO. 87-21 FOR 180-DAY WAIT PERIOD EXCEPTION FOR CALPERS RETIRED ANNUITANT / INTERIM CITY ENGINEER APPOINTMENT, APPROVAL OF INTERIM CITY ENGINEER AGREEMENT BETWEEN THE CITY AND ROBERT LIVICK, AND RECEIVE ENGINEERING DIVISION UPDATE; (CITY MANAGER/PUBLIC WORKS DEPARTMENT)  
<https://youtu.be/g71pZiJG6al?t=17008>

City Manager Collins and Public Works Director Kwolek provided the report and responded to Council inquires.

The public comment period for Item C-6 was opened.

Betty Winholtz, Morro Bay, questioned the need for three engineers and opined consultants should not be paid for by Measure Q.

The public comment period for Item C-6 was closed.

Staff responded to questions raised during public comment.

MOTION: Council Member Addis moved to 1) Adopt Resolution No. 87-21 approving an exception to the 180-day waiting period for the position of Interim City Engineer; and 2) Approve the Interim City Engineer appointment and Interim City Engineer employment agreement between the City and Mr. Livick, and authorize the City Manager to execute the employment agreement; and 3) Receive Staff Update regarding Engineering Division Resources and Staffing. The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

- D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS  
None

- E. ADJOURNMENT

The meeting adjourned at 10:22 p.m.

Recorded by:

Dana Swanson  
City Clerk