

*Pursuant to Assembly Bill 361 (2021-22) and Government Code section 54953 this Meeting will be conducted in a hybrid format with both in-person and virtual public participation.*

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

**ESTABLISH QUORUM AND CALL TO ORDER**

Mayor Headding called the meeting to order at 5:31 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/tWfmzzWb82k?t=162>

**CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS**

<https://youtu.be/tWfmzzWb82k?t=440>

**PRESENTATIONS**

<https://youtu.be/tWfmzzWb82k?t=692>

- Presentation of Arbor Day Proclamation

**PUBLIC COMMENT**

<https://youtu.be/tWfmzzWb82k?t=929>

Dan Sedley, Morro Bay, spoke regarding a recent sewer spill and hoped the City would repair the pipes before start-up of the WRF.

Linda Winters, Morro Bay, announced her goal to educate and create communication amongst mobile home park owners.

Erica Crawford, Morro Bay Chamber of Commerce, announced upcoming events. For more information visit [www.morrochamber.org](http://www.morrochamber.org).

Nicole Dorfman, Morro Bay, opposed reauthorization of AB 361 and urged the Council to cease promotion of COVID vaccinations for children and any Pfizer products.

Dawn Beattie, Morro Bay, announced the City will honor the MBHS Pirates football team with a parade and ring ceremony on May 1<sup>st</sup> at 11:00 a.m.

Bill Luffee, President of Friends of the Morro Bay Harbor Department, spoke regarding Item C-1 and asked the Council to place the item on the November ballot.

Betty Winholtz, Morro Bay, asked if signage for the tobacco store on Morro Bay Blvd. & Piney Way met City guidelines and questioned the removal of trash receptacles along the harbor walk.

James Costanzo, Morro Bay, opposed Item A-7 and requested the Council discuss sewer repairs at a future meeting.

Linda Donnelly, Morro Bay, spoke regarding the sewage spill and expressed frustration repairs had not been completed.

An unnamed resident inquired as to the status of the citizens petition related to RV parking along the Embarcadero.

Kerrigan Mahan, Morro Bay, offered comments on a fallen tree, sewer line leak, approval of a 5-house project in the Cloisters, and cost of the water reclamation facility project.

Melanie Williams-Mahan, Morro Bay, raised questions regarding the proposed development in the Cloister Assessment District.

Mayor Heading closed public comment.

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

A. CONSENT AGENDA  
<https://youtu.be/tWfmzzWb82k?t=2691>

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 MARCH 8, 2022, CITY COUNCIL MEETING; (CITY CLERK)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL OF MINUTES FOR THE MARCH 22, 2022, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (CITY CLERK)

**RECOMMENDATION: Approve as submitted.**

A-3 APPROVAL OF MINUTES FOR THE MARCH 31, 2022, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (CITY CLERK)

**RECOMMENDATION: Approve as submitted.**

- A-4 ADOPTION OF RESOLUTION NO. 26-22 INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA - LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 26-22 ordering the preparation of an Engineer's Report detailing the expenses projected for Fiscal Year 2022/23 for the maintenance of the North Point Natural Area under the provisions of the "Landscaping and Lighting Act of 1972."**

- A-5 ADOPTION OF RESOLUTION NO. 27-22 INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT FOR THE CLOISTERS PARK AND OPEN SPACE - LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 27-22 ordering the preparation of an Engineer's Report detailing the expenses projected for Fiscal Year 2022/23 for the maintenance of the Cloisters Park and Open Space under the provisions of the "Landscaping and Lighting Act of 1972."**

- A-6 ADOPTION OF RESOLUTION NO. 28-22 APPROVING A NEW TEN-YEAR COMMERCIAL BUILDING LEASE AGREEMENT WITH THREE STACKS AND A ROCK BREWING COMPANY AT LEASE SITE 69-70/69W-70W, LOCATED AT 595 EMBARCADERO ROAD; (HARBOR DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 28-22 approving a new ten-year Commercial Building Lease Agreement with Three Stacks and a Rock Brewing Company, LLC for portions of the building at Lease Site 69-70/69W-70W.**

- A-7 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 (INCLUDING PARTIALLY REMOTE) 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 attached Resolution No. 29-22 reauthorizing for public health and safety the conduct of public meetings of the legislative bodies of the City via remote teleconferencing (including partially remote) for 30 days, thereby allowing the City Council and the City's advisory bodies to meet remotely (including partially remote) through May 12, 2022.**

- A-8 WATER RECLAMATION FACILITY (WRF) PROGRAM – RECYCLED WATER FACILITIES – INJECTION WELL NO. 1 CONTRACT AWARD IN THE AMOUNT OF \$346,725.00; (PUBLIC WORKS DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council authorize the City Manager to execute a contract, subject to the City Attorney's approval as to form, with Pacific Coast Well Drilling Inc. (PCWD) in the amount of \$346,725.00 and include a \$9,900 bid alternate for a total contract amount of \$356,625.00 for the construction and injection testing of the City's Injection Well No. 1.**

A-9 ADOPTION OF RESOLUTION NO. 30-22 CONDITIONALLY AUTHORIZING THE MAYOR TO EXECUTE DOCUMENTS NECESSARY FOR A NEW LOAN AND ACCEPTING A DEED OF TRUST RELATED THERETO FOR LEASE SITE 87-88/87W-88W (TLC FAMILY ENTERPRISES, 833 EMBARCADERO ROAD); (HARBOR DEPARTMENT)

**RECOMMENDATION: Staff recommend the City Council adopt Resolution No. 30-22 authorizing the Mayor to execute documents necessary for a new loan and accepting a deed of trust related thereto regarding the leasehold interest at Lease Site 87-88/87W-88W, with documents subject to approval of the City Attorney.**

A-10 APPOINTMENT OF THE PUBLIC WORKS DIRECTOR AND UTILITY DIVISION MANAGER AS ALTERNATE MEMBER TO THE STATE WATER CONTRACTORS ADVISORY COMMITTEE; (PUBLIC WORKS DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 31-22 appointing the Director of Public Works and Utility Division Manager to serve as the City's representatives on the State Water Contractors Advisory Committee as member and alternate member, respectively.**

A-11 ADOPTION OF RESOLUTION NO. 32-22 CONDITIONALLY AUTHORIZING THE MAYOR TO EXECUTE DOCUMENTS NECESSARY FOR A LOAN AND ACCEPTING A DEED OF TRUST RELATED THERETO FOR LEASE SITE 124-128/124W-128W & 113W (MORRO BAY LANDING, 1213, 1215 & 1217 EMBARCADERO ROAD); (HARBOR DEPARTMENT)

**RECOMMENDATION: Staff recommend the City Council adopt Resolution No. 32-22 authorizing the Mayor to execute documents necessary for a new loan and accepting a deed of trust secured by the leasehold interest at Lease Site 124-128/124W-128W & 113W, with documents subject to approval of the City Attorney.**

A-12 PROCLAMATION DECLARING MAY 1, 2022 AS ARBOR DAY; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

City Manager Collins pulled Item A-8 to a future agenda.

Mayor Headding opened public comment for the Consent Agenda.

<https://youtu.be/tWfmzzWb82k?t=2719>

Betty Winholtz, Morro Bay, spoke regarding Item A-5 and asked if the new homes would be subject to the assessment fee and whether the map should be modified to reflect that. Regarding Item A-11, she opined approval of the item would be against City policy.

The public comment period was closed.

Mayor Headding pulled Items A-5 and A-11, Council Member Heller pulled Items A-6, A-7, and A-9

MOTION: Council Member Addis moved approval of Items A-1 through A-4, A-10 and A-12. The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

A-5 ADOPTION OF RESOLUTION NO. 27-22 INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT FOR THE CLOISTERS PARK AND OPEN SPACE -

LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS DEPARTMENT)

<https://youtu.be/tWfmzzWb82k?t=2976>

Staff responded to questions raised during public comment.

MOTION: Mayor Headding moved to adopt Resolution No. 27-22 ordering the preparation of an Engineer's Report detailing the expenses projected for Fiscal Year 2022/23 for the maintenance of the Cloisters Park and Open Space under the provisions of the "Landscaping and Lighting Act of 1972." The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

A-6 ADOPTION OF RESOLUTION NO. 28-22 APPROVING A NEW TEN-YEAR COMMERCIAL BUILDING LEASE AGREEMENT WITH THREE STACKS AND A ROCK BREWING COMPANY AT LEASE SITE 69-70/69W-70W, LOCATED AT 595 EMBARCADERO ROAD; (HARBOR DEPARTMENT)

<https://youtu.be/tWfmzzWb82k?t=3228>

Staff responded to questions posed by Council.

MOTION: Mayor Headding moved to adopt Resolution No. 28-22 approving a new ten-year Commercial Building Lease Agreement with Three Stacks and a Rock Brewing Company, LLC for portions of the building at Lease Site 69-70/69W-70W. The motion was seconded by Council Member Addis and carried 4-1 with Council Member Heller opposed.

A-7 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 (INCLUDING PARTIALLY REMOTE) FOR A CONTINUED 30-DAY PERIOD PURSUANT TO THE RALPH M. BROWN ACT AS AMENDED BY ASSEMBLY BILL NO. 361; (CITY ATTORNEY)

<https://youtu.be/tWfmzzWb82k?t=3932>

Staff responded to issues raised during public comment.

MOTION: Council Member Heller moved to adopt Resolution No. 29-22 reauthorizing for public health and safety the conduct of public meetings of the legislative bodies of the City via remote teleconferencing (including partially remote) for 30 days, thereby allowing the City Council and the City's advisory bodies to meet remotely (including partially remote) through May 12, 2022. The motion was seconded by Mayor Headding and carried 5-0 by roll call vote.

A-9 ADOPTION OF RESOLUTION NO. 30-22 CONDITIONALLY AUTHORIZING THE MAYOR TO EXECUTE DOCUMENTS NECESSARY FOR A NEW LOAN AND ACCEPTING A DEED OF TRUST RELATED THERETO FOR LEASE SITE 87-88/87W-88W (TLC FAMILY ENTERPRISES, 833 EMBARCADERO ROAD); (HARBOR DEPARTMENT)

<https://youtu.be/tWfmzzWb82k?t=4113>

Staff responded to questions posed by Council.

MOTION: Mayor Headding moved to adopt Resolution No. 30-22 authorizing the Mayor to execute documents necessary for a new loan and accepting a deed of trust related thereto regarding the leasehold interest at Lease Site 87-88/87W-88W,

with documents subject to approval of the City Attorney. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

- A-11 ADOPTION OF RESOLUTION NO. 32-22 CONDITIONALLY AUTHORIZING THE MAYOR TO EXECUTE DOCUMENTS NECESSARY FOR A LOAN AND ACCEPTING A DEED OF TRUST RELATED THERETO FOR LEASE SITE 124-128/124W-128W & 113W (MORRO BAY LANDING, 1213, 1215 & 1217 EMBARCADERO ROAD); (HARBOR DEPARTMENT)  
<https://youtu.be/tWfmzzWb82k?t=4173>

Staff responded to questions raised during public comment.

MOTION: Mayor Headding moved adopt Resolution No. 32-22 authorizing the Mayor to execute documents necessary for a new loan and accepting a deed of trust secured by the leasehold interest at Lease Site 124-128/124W-128W & 113W, with documents subject to approval of the City Attorney. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

B. PUBLIC HEARINGS

- B-1 AN ORDINANCE ADOPTING A MILITARY EQUIPMENT USE POLICY CONSISTENT WITH AB 481 REQUIREMENTS; (POLICE DEPARTMENT/CITY ATTORNEY)  
<https://youtu.be/tWfmzzWb82k?t=4416>

Police Chief Cox and City Attorney Neumeyer provided the report and responded to Council inquires.

Mayor Headding opened the Public Hearing.

Mayor Headding opened Public Comment.  
<https://youtu.be/tWfmzzWb82k?t=4742>

Dan Sedley, Morro Bay, spoke in support of the Morro Bay Police Department and keeping the equipment necessary for public safety.

The Public Hearing was closed.

MOTION: Council Member Heller moved introduce, for first reading by title only and with further reading waived, Ordinance No. 649, "An Ordinance of the City Council of the City of Morro Bay, California Adopting a Military Equipment Use Policy Consistent with AB 481 Requirements" The motion was seconded by Mayor Headding and carried 5-0 by roll call vote.

MOTION: Mayor Headding moved to recommend the City Council formally approve the replacement of any equipment used or deployed before the next report comes back. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

- B-2 PUBLIC HEARING AND ADOPTION OF RESOLUTION NO. 33-22, WHICH RESCINDS RESOLUTION NO. 56-21 AND ADOPTS THE FY 2022-23 MASTER FEE SCHEDULE; (ADMINISTRATIVE SERVICES DEPARTMENT)  
<https://youtu.be/tWfmzzWb82k?t=4984>

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

Mayor Headding opened the Public Hearing.

Mayor Headding opened Public Comment.

<https://youtu.be/tWfmzzWb82k?t=5913>

Betty Winholtz, Morro Bay, thanked the City for not raising appeal fee more than CPI. Regarding the short term rental permit fee, she hoped the code enforcement officer's hours would be flexible and include evenings and weekends.

Dan Sedley, Morro Bay, requested the appeal fee be eliminated.

Nancy Bast, Morro Bay, concurred with Mr. Sedley regarding the appeal fee and opposed the administrative permit approval process.

Robert Elzer, owner/manager of URelax vacation rentals, stated the short term rental permit fee should be based on actual cost and suggested it be re-evaluated after initial start-up.

Carole Truesdale, Morro Bay, spoke in support of the short term rental permit fee to help fund a vacation rental code enforcement officer, and agreed the appeal fee should be eliminated.

The Public Hearing was closed.

MOTION: Mayor Headding moved to review the proposed Master Fee Schedule and adopt Resolution No. 33-22 which updates the City's Master Fee Schedule for Fiscal Year (FY) 2022-23. This Resolution also rescinds Resolution No. 56-21 that adopted the current FY 2021-22 Master Fee Schedule and replaces it in its entirety for the new fiscal year. The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

C. BUSINESS ITEMS

- C-1 CERTIFY RESULTS OF CITIZENS' INITIATIVE PETITION ENTITLED "INITIATIVE MEASURE TO FUND CITY OF MORRO BAY HARBOR INFRASTRUCTURE THROUGH \$120 SPECIAL PARCEL TAX WITH REVENUES USED ONLY AND EXCLUSIVELY FOR MAINTENANCE AND IMPROVEMENTS TO CITY OF MORRO BAY OWNED HARBOR FACILITIES" AND EITHER: 1) SUBMIT THE ORDINANCE TO THE QUALIFIED VOTERS OF THE CITY AS A PROPOSED MEASURE AT A REGULAR MUNICIPAL ELECTION; OR, 2) ORDER A REPORT ON THE EFFECTS OF THE PROPOSED INITIATIVE; (CITY MANAGER/CITY CLERK/HUMAN RESOURCES MANAGER)

<https://youtu.be/tWfmzzWb82k?t=7099>

City Manager Collins/ City Clerk/Human Resources Manager Swanson provided the report and responded to Council inquires.

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

<https://youtu.be/tWfmzzWb82k?t=8098>

Dan Sedley, Morro Bay, opposed the parcel tax initiative and hoped it would be voted down.

Homer Alexander, Morro Bay, spoke regarding the need to fund harbor infrastructure maintenance and capital projects.

Ron Reisner, Morro Bay, expanded on the definition of harbor infrastructure and explained why the initiative does not have a sunset clause.

Betty Winholtz, Morro Bay, hoped the City would seek input from residents on how to fund Harbor infrastructure improvements and disagreed the funding issues were a result of the power plant closure.

Nancy Bast, Morro Bay, asked whether the leaseholder or City was responsible for maintenance of the revetment.

Paul Donnelly, Morro Bay, opposed the parcel tax measure.

Melanie Williams-Mahan, Morro Bay, suggested paid parking or other funding mechanisms would be more equitable to fund harbor needs.

Linda Donnelly, Morro Bay, was supportive of letting the voters make a decision that was binding on the City

Carole Truesdale, Morro Bay, expressed concern regarding rising costs and agreed with letting the voters decide.

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

MOTION: Mayor Headding moved to adopt Resolution No. 34-22 calling for a General Municipal Election to be held on Tuesday, November 8, 2022, for the submission of Ordinance No. 650 to the qualified voters of the City as a proposed measure, and adopt Resolution No. 35-22 striking section two setting priorities for written argument(s) and directing the City Attorney to prepare an impartial analysis, and consider the adoption of Resolution No. 36-22 providing for the filing of rebuttal arguments. The motion was seconded by Council Member Ford and carried 5-0 by roll call vote.

C-2 CONSIDERATION OF INTRODUCTION OF ORDINANCE NO. 651 AMENDING MORRO BAY MUNICIPAL CODE SECTION 3.26.120 TO REDUCE THE CITIZENS OVERSIGHT COMMITTEE MEMBERSHIP TO FIVE MEMBERS AND UPDATE THE TIMING OF THE ANNUAL REPORT TO CITY COUNCIL; (CITY MANAGER/ADMIN SERVICES DEPARTMENT)

<https://youtu.be/tWfmzzWb82k?t=9742>

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

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

<https://youtu.be/tWfmzzWb82k?t=10281>

Linda Donnelly, Morro Bay, offered comments regarding advisory body review of the WRF project and project delays.

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

MOTION: Council Member Addis moved to introduce for first reading by title only, with further reading waived, Ordinance No. 651, "An Ordinance of the City Council of the City of Morro Bay, California, Amending Sections 3.26.120(B) And 3.26.120(E) of the Morro Bay Municipal Code (MBMC) regarding Citizens Oversight Committee Membership and Report Timing." The motion was seconded by Council Member Barton for discussion.

Following individual comments, the motion was carried 5-0 by roll call vote.

- C-3 LICENSE AGREEMENT WITH PG&E FOR USE OF MORRO BAY COMMUNITY CENTER PARKING LOT FOR PSPS EVENTS; (CITY MANAGER/FIRE DEPARTMENT)  
<https://youtu.be/tWfmzzWb82k?t=10874>

City Manager Collins and Fire Chief McCrain provided the report and responded to Council inquires.

The public comment period for Item C-3 was opened.  
<https://youtu.be/tWfmzzWb82k?t=11941>

Carole Truesdale, Morro Bay, asked if this would be service be available in the case of a prolonged unplanned power outage.

Samantha Tan, PG&E, discussed the planned footprint and noted PG&E would be flexible to minimize impact on other programs and activities.

The public comment period for Item C-3 was closed.

MOTION: Council Member Addis moved to authorize the City Manager and Fire Chief to sign the License Agreement with Pacific Gas and Electric (PG&E) for the use of the Morro Bay Community Center parking lot to establish an Outdoor Community Resource Center (CRC) in the event of a Public Safety Power Shut-off (PSPS) event. The motion was seconded by Council Member Barton and carried 5-0 by roll call vote.

- D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS  
<https://youtu.be/tWfmzzWb82k?t=12058>

Council Member Heller requested discussion of sewer line maintenance and repairs, including an explanation of the sewer line leak. Staff offered to include this with a Capital Improvement Project update.

- E. ADJOURNMENT

The meeting adjourned at 9:00 p.m.

Recorded by:

Dana Swanson  
City Clerk