

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JUNE 28, 2022  
VETERAN'S MEMORIAL HALL /  
TELECONFERENCE – 5:30 P.M.

AGENDA NO: A-4  
MEETING DATE: August 9, 2022

*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
	Kirk Carmichael	Recreation Services Manager
	Eric Riddiough	City Engineer
	Janeen Burlingame	Management Analyst
	Damaris Hanson	Utilities Division Manager
	Dan Heimel	Consultant, Confluence Engineering Solutions

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/EiYqPztjuYU?t=132>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/EiYqPztjuYU?t=849>

PRESENTATIONS

<https://youtu.be/EiYqPztjuYU?t=992>

- National Parks & Recreation Month Proclamation presented to Recreation Services Manager, Kirk Carmichael.
- Pride Month Proclamation presented to Gala Pride & Diversity Center Board President, Dusty Colyer-Worth, and Treasurer, Gary Borjan

Mayor Headding announced the Chamber of Commerce Quarterly Update was being postponed to the next meeting.

PUBLIC COMMENT

<https://youtu.be/EiYqPztjuYU?t=1643>

Michael Parrish, Long Beach, appreciated the City recognizing the LGBTQ+ community.

Willow Kawamoto, Morro Bay, appreciated the City's support of the LGBTQ+ community and requested the Council raise the Pride flag.

Linda Winters, Morro Bay, announced upcoming 4<sup>th</sup> of July event and Community Dinners held each Monday from 4:30 – 6:00p.m. at the Veterans Hall.

Kevin Atkinson spoke in favor of the Pride Month proclamation and raising a Pride flag at City Hall and around the city.

Betty Winholtz, Morro Bay, commented on items covered during the June 28<sup>th</sup> Special Meeting.

Aaron Ochs, Morro Bay, requested a special meeting to break down increased costs for the WRF project.

Dylan Dean James, Morro Bay, spoke in support of the Pride Month Proclamation and raising a Pride flag in Morro Bay.

Mayor Headding closed public comment.

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

A. CONSENT AGENDA

<https://youtu.be/EiYqPztjuYU?t=2903>

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 APRIL 12, 2022, CITY COUNCIL MEETING; (CITY CLERK)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL OF MINUTES FOR THE APRIL 26, 2022, CITY COUNCIL MEETING; (CITY CLERK)

**RECOMMENDATION: Approve as submitted.**

A-3 APPROVAL OF MINUTES FOR THE MAY 24, 2022 AND MAY 25, 2022, CITY COUNCIL SPECIAL MEETINGS; (CITY CLERK)

**RECOMMENDATION: Approve as submitted.**

A-4 APPROVAL OF MINUTES FOR THE MAY 24, 2022, CITY COUNCIL MEETING; (CITY CLERK)

**RECOMMENDATION: Approve as submitted.**

- A-5 ADOPTION OF RESOLUTION 58-22 APPROVING THE TENTATIVE AGREEMENT AND MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MORRO BAY AND MORRO BAY PEACE OFFICERS' ASSOCIATION; (CITY MANAGER/CITY CLERK/HUMAN RESOURCES MANAGER)

**RECOMMENDATION:** Staff recommends the City Council adopt Resolution No. 58-22 approving the 2022-24 Tentative Agreement and the 2022-24 Memorandum of Understanding between the City of Morro Bay ("City") and the Morro Bay Peace Officers' Association ("POA").

- A-6 GENERAL MUNICIPAL ELECTION RESOLUTIONS FOR NOVEMBER 8, 2022 ELECTION; (CITY CLERK)

**RECOMMENDATION:** Staff recommends Council adopt Resolution No. 59-22 calling a general municipal election for November 8, 2022, and requesting consolidation of the election with the County, and Resolution No. 60-22 adopting regulations for candidate statements.

- 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. 61-22 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 July 28, 2022.

- A-8 RESOLUTION NO. 62-22 APPROVING SECOND AMENDED AND RESTATED JOINT POWERS AGREEMENT TO ESTABLISH AN INTEGRATED WASTE MANAGEMENT AUTHORITY FOR THE CITIES OF SAN LUIS OBISPO COUNTY, CALIFORNIA; (PUBLIC WORKS)

**RECOMMENDATION:** Staff recommends the City Council adopt Resolution No. 62-22 and authorize the Mayor to sign the Second Amended and Restated Joint Powers Agreement in Exhibit A.

- A-9 APPROVAL OF LEASE AGREEMENTS WITH THE CHAMBER OF COMMERCE AND VISIT MORRO BAY FOR CITY-OWNED PROPERTY LOCATED AT 695 HARBOR STREET; (CITY MANAGER)

**RECOMMENDATION:** Staff recommends the City Council approve agreements with the Morro Bay Chamber of Commerce and Visit Morro Bay for the renewal of their respective property leases at 695 Harbor Street.

- A-10 APPROVAL OF AGREEMENTS FOR STATE AND FEDERAL ADVOCACY REPRESENTATION TO SUPPORT CITY OF MORRO BAY PROJECTS AND ECONOMIC DEVELOPMENT INITIATIVES; (CITY MANAGER)

**RECOMMENDATION:** Staff recommends the Council authorize the City Manager to:  
1. Execute a 12-month (July 1, 2022 – June 30, 2023) agreement with Townsend

- Public Affairs, to support the City with State of California advocacy efforts, subject to City Manager approval substantively similar to attachment, and
2. Execute 12-month (July 1, 2022 – June 30, 2023) agreement with The Ferguson Group, to support the City with federal advocacy efforts, subject to City Manager approval substantively similar to attachment

A-11 ADOPTION OF RESOLUTION NO. 51-22 AUTHORIZING THE CITY MANAGER TO FILE AN APPLICATION AND EXECUTE A GRANT AGREEMENT WITH THE UNITED STATES BUREAU OF RECLAMATION (USBR) FOR A GRANT PURSUANT TO THE WATERSMART DROUGHT RESPONSE PROGRAM: DROUGHT RESILIENCY PROJECTS FOR FISCAL YEAR (FY) 2023, FOR THE MORRO WELLFIELD REHABILITATION PROJECT; (PUBLIC WORKS DEPARTMENT)

**RECOMMENDATION:** Staff recommends City Council adopt Resolution No. 51-22 entitled “A Resolution of the City Council of City of Morro Bay, California, authorizing the City Manager to file an application and execute a grant agreement with the United States Bureau of Reclamation (USBR) for a grant pursuant to the WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year (FY) 2023, for the Morro Wellfield Rehabilitation Project”

Specifically, Resolution No. 51-22 authorizes the following action:

1. Authorizes the City Manager to file the application to the USBR for a WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year (FY) 2023, for the Morro Wellfield Rehabilitation Project.
2. Authorizes the City Manager to negotiate and sign the Grant Agreement and related documents including required reports, disbursement requests and certifications.
3. Represents that the City has sufficient funds of its own to provide for the required non-Federal cost share, in addition to the Grant.

A-12 PROCLAMATION DECLARING JULY 2022 AS PARKS MAKE LIFE BETTER MONTH; (ADMINISTRATION)

**RECOMMENDATION:** Approve as submitted.

A-13 PROCLAMATION DECLARING JUNE 2022 AS PRIDE MONTH; (ADMINISTRATION)

**RECOMMENDATION:** Approve as submitted.

Mayor Headding opened public comment for the Consent Agenda.

<https://youtu.be/EiYqPztjuYU?t=2920>

James Lipsett, Morro Bay, spoke in support of the Pride Month Proclamation.

Betty Winholtz, Morro Bay, commented on Items A-7, A-9, A-10 and A-11.

The public comment period was closed.

The Mayor asked staff to respond to questions raised during public comment.

Council Member Addis pulled Item A-13. Council Member Heller pulled Item A-11.

MOTION: Council Member Addis moved approval Items A-1 through A-10 and A-12 on the Consent Agenda. The motion was seconded by Council Member Barton and carried 5-0 by roll call vote.

- A-11 ADOPTION OF RESOLUTION NO. 51-22 AUTHORIZING THE CITY MANAGER TO FILE AN APPLICATION AND EXECUTE A GRANT AGREEMENT WITH THE UNITED STATES BUREAU OF RECLAMATION (USBR) FOR A GRANT PURSUANT TO THE WATERSMART DROUGHT RESPONSE PROGRAM: DROUGHT RESILIENCY PROJECTS FOR FISCAL YEAR (FY) 2023, FOR THE MORRO WELLFIELD REHABILITATION PROJECT; (PUBLIC WORKS DEPARTMENT)  
<https://youtu.be/EiYqPztjuYU?t=3649>

Staff responded to Council questions.

MOTION: Council Member Heller moved approval of Item A-11. The motion was seconded by Mayor Heading and carried 5-0 by roll call vote.

- A-13 PROCLAMATION DECLARING JUNE 2022 AS PRIDE MONTH; (ADMINISTRATION)  
<https://youtu.be/EiYqPztjuYU?t=3792>

Council Member Addis appreciated those who attended the meeting to support this item.

MOTION: Council Member Addis moved approval of Item A-13. The motion was seconded by Council Member Ford and carried 5-0 by roll call vote.

## B. PUBLIC HEARINGS

- B-1 PUBLIC HEARING FOR AND CONSIDERATION OF MORRO BAY GARBAGE SERVICE RATE ADJUSTMENT APPLICATION AND ADOPTION OF RESOLUTION NO. 63-22; (PUBLIC WORKS DEPARTMENT)  
<https://youtu.be/EiYqPztjuYU?t=3979>

Public Works Director Kwolek and Management Analyst Burlingame provided the report and responded to Council inquires.

Mayor Heading opened the Public Hearing.

Mayor Heading opened Public Comment.

Paul Donnelly, Morro Bay, submitted his written protest against the proposed rate increase.

Betty Winholtz, Morro Bay, questioned the formatting of the notice and encouraged staff to use a ballot box for future Prop 218 processes.

The public comment period and Public Hearing were closed.

City Clerk Swanson stated 34 written protests were received by the City Clerk's office by the close of the public hearing and confirmed 2,677 protests were needed to constitute a majority of the customers/property owners.

Jeff Clarin, Morro Bay Garbage, clarified the Prop 218 notice was a separate mailing and not included with the monthly bill.

MOTION: Mayor Heading moved to adopt Resolution No. 63-22, secondary to certification of a failure of majority protest to be logged. The motion was seconded by Council Member Ford and carried 5-0 by roll call vote.

- B-2 PUBLIC HEARING TO REPORT ON DELINQUENT SOLID WASTE COLLECTION ACCOUNTS AND ADOPT RESOLUTION NO. 57-22 AUTHORIZING SAN LUIS OBISPO COUNTY ASSESSOR TO ASSESS AMOUNTS DUE ON DELINQUENT SOLID WASTE COLLECTION ACCOUNTS AS TAX LIENS AGAINST THE PROPERTIES; (PUBLIC WORKS DEPARTMENT)

<https://youtu.be/EiYqPztjuYU?t=5156>

Public Works Director Kwolek provided the report and, along with Management Analyst Burlingame and Jeff Clarin from Morro Bay Garbage, responded to Council inquiries.

Mayor Heading opened the Public Hearing.

Mayor Heading opened Public Comment; seeing none, the public comment period and Public Hearing was closed.

MOTION: Council Member Barton moved to receive the report on delinquent solid waste collection fees and adopt Resolution No. 57-22. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

- B-3 ADOPTION OF RESOLUTION NO. 64-22 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS DEPARTMENT)

<https://youtu.be/EiYqPztjuYU?t=5690>

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

Mayor Heading opened the Public Hearing.

Mayor Heading opened Public Comment.

Betty Winholtz, Morro Bay, asked when the five new units will pay into the assessment district; she favors the assessment and an increase if there are overruns.

The public comment period and Public Hearing were closed.

MOTION: Council Member Addis moved to adopt Resolution No. 64-22, approving the levy of the annual assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District for Fiscal Year 2022/23. The motion was seconded by Mayor Heading and carried 5-0 by roll call vote.

- B-4 ADOPTION OF RESOLUTION NO. 65-22 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS DEPARTMENT)

<https://youtu.be/EiYqPztjuYU?t=6270>

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

Mayor Heading opened the Public Hearing.

Mayor Heading opened Public Comment.

Betty Winholtz, Morro Bay, noted North Point residents pay a smaller amount than Cloisters and suggested the City may need to raise their rates.

The public comment period and Public Hearing were closed.

MOTION: Council Member Ford moved to approve the levy of the annual assessment for the North Point Natural Area Landscaping and Lighting Maintenance District by adopting Resolution No. 65-22. The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

- B-5 PUBLIC HEARING, AND ADOPTION OF RESOLUTION NO. 66-22, FOR MINOR REVISIONS TO THE ADOPTED FISCAL YEAR 2022-23 (FY 2022-23) MASTER FEE SCHEDULE; (ADMINISTRATIVE SERVICES DEPARTMENT)  
<https://youtu.be/EiYqPztjuYU?t=6719>

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; seeing none, the public comment period and Public Hearing were closed.

MOTION: Council Member Addis moved to approve the proposed amendments to the Master Fee Schedule for FY 2022-23, and adopt Resolution No. 66-22, which updates the City's Master Fee Schedule for FY 2022-23 to correct liveaboard fees. The motion was seconded by Council Member Barton and carried 5-0 by roll call vote

The Council took a brief recess at 7:28 p.m. The meeting reconvened at 7:35 p.m. with all members present.

C. BUSINESS ITEMS

- C-1 ADOPT: RESOLUTION NO. 67-22 ADOPTING THE FISCAL YEAR 2022-23 OPERATING AND CAPITAL BUDGETS; RESOLUTION NO. 68-22 ADOPTING THE CITY'S MASTER COMBINED SALARY SCHEDULE; RESOLUTION NO. 69-22 READOPTING THE CITY'S INVESTMENT POLICY; AND, RESOLUTION NO. 70-22 ADOPTING THE FY 2022-23 GANN APPROPRIATIONS LIMIT.; (ADMINISTRATIVE SERVICES DEPARTMENT)  
<https://youtu.be/EiYqPztjuYU?t=7498>

Assistant City Manager/Admin Services Director Johnson-Rios provided the report and, along with City Manager Collins and Public Works Director Kwolek, responded to Council inquiries.

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

Betty Winholtz, Morro Bay, commented on information in the City Manager's budget letter, including funding for the Code Enforcement position, projected water delivery from the wells, the city's need for a Bocce Ball court, and outsourcing vs. in-house City services.

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

MOTION: Council Member Ford moved to 1) Adopt Resolution No. 67-22 adopting the Fiscal Year (FY) 2022-23 Operating and Capital Budgets; and Resolution No. 68-22 adopting the FY 2022-23 Master Combined Salary Schedule; and Resolution No. 69-22 readopting the City's Investment Policy; and Resolution No. 70-22 adopting the FY 2022-23 GANN Appropriations Limit with an amendment to designating that the additional \$10,000 go to youth services regarding the grant program (page 352, item 1) to be designated to youth. The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

C-2 PRESENTATION OF ANNUAL WATER SUPPLY AND DEMAND ASSESSMENT AND ALLOCATION OF WATER EQUIVALENCY UNITS (WEU) FOR FISCAL YEAR (FY) 2022/23; (PUBLIC WORKS DEPARTMENT)  
<https://youtu.be/EiYqPztjuYU?t=9021>

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

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

Paul Donnelly, Morro Bay, commented on the report.

Betty Winholtz, Morro Bay, commented on the report.

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

Staff responded to questions raised during public comment.

MOTION: Mayor Headding moved to 1) Maintain Stage 3 Mandatory Water Conservation Requirements and direct staff to continue monitoring drought impacts on water resources and return to City Council with updated recommendations on water conservation restrictions; 2) Include as a Short-Term Action in its Council Goal for Climate Action a comprehensive long-term water supply analysis and plan to identify long-range water supply strategies; and 3) Approve Resolution No. 71-22, to allocate 50 Water Equivalency Units (WEUs) for residential development and 65 for commercial development for a total of 115 WEUs for FY 2022/23. The motion was seconded by Council Member Addis.

Council Member Addis requested a friendly amendment on the timing of the water conservation recommendations to Council.

AMENDED MOTION: Mayor Headding moved to 1) Maintain Stage 3 Mandatory Water Conservation Requirements and direct staff to continue monitoring drought impacts on water resources and return to City Council with updated recommendations on water conservation restrictions quarterly until such time as we are out of the extended drought; 2) Include as a Short-Term Action in its Council Goal for Climate Action a comprehensive long-term water supply analysis and plan to identify long-range water supply strategies; and 3) Approve Resolution No. 71-22, to allocate 50 Water Equivalency Units (WEUs) for residential development and 65 for commercial development for a total of 115 WEUs for FY 2022/23. The motion was seconded by Council Member Addis.

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

- C-3 APPROVAL OF AMENDMENT NO. 6 TO CONTRACT SERVICES AGREEMENT WITH ALESHIRE & WYNDER, LLP FOR CITY ATTORNEY SERVICES; (CITY ATTORNEY)  
<https://youtu.be/EiYqPztjuYU?t=12614>

City Manager Collins 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 approve Amendment No. 6 to the contract services agreement with Aleshire & Wynder, LLP for city attorney services. 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/EiYqPztjuYU?t=12991>

Council Member Addis requested and received Council consensus to consider an official City policy to raise non-traditional flags with the intent of considering the first flag be the Pride flag raised in June 2023.

Mayor Headding requested and received Council consensus for a recounting of WRF Project cost increases, including the reason for those changes as part of the next WRF Quarterly Report.

- E. ADJOURNMENT

The meeting adjourned at 9:13 p.m.

Recorded by:

Dana Swanson  
City Clerk