

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 28, 2023  
VETERAN'S MEMORIAL HALL – 5:30 P.M.

AGENDA NO: A-2  
MEETING DATE: March 29, 2023

PRESENT:	Carla Wixom Laurel Barton Cyndee Edwards Jennifer Ford Zara Landrum	Mayor ( <i>via teleconference per AB 2449</i> ) Council Member Council Member Council Member Council Member
ABSENT:	None	
STAFF:	Scott Collins Chris Neumeyer Dana Swanson Sarah Johnson-Rios Greg Kwolek Scot Graham Daniel McCrain Amy Watkins Paul Amico Dan Heimel	City Manager City Attorney City Clerk Assistant City Manager/Admin Services Dir. Public Works Director Community Development Director Fire Chief Police Chief WRF Program Manager, Carollo Engineering Contract Engineer, Confluence Engineering

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Wixom called the meeting to order at 5:36 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

Mayor Wixom announced she was traveling on City business and participating via teleconference from the California Marine Affairs and Navigation Conference (C-MANC) in Washington D.C.

<https://youtu.be/yBclwE2Cj50?t=95>

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/yBclwE2Cj50?t=133>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/yBclwE2Cj50?t=544>

PRESENTATIONS

<https://youtu.be/yBclwE2Cj50?t=816>

- Measure Q/E Report by CFAC Vice Chair Stephen Peck

PUBLIC COMMENT

<https://youtu.be/yBclwE2Cj50?t=1261>

Mary Ann Britton, Morro Bay, commented on differences between hosted home share vacation rentals versus un-hosted vacation rentals and asked the Council to consider a fee structure more proportioned to the amount of income received.

Jeanne Marie Colby, Morro Bay, commented on hosted versus un-hosted vacation rentals and requested reconsideration of the fee structure.

Terry Simons, Morro Bay, shared his appreciation for Mr. Collins, concurred with previous speakers' request to review hosted vacation rental fees, and asked that the City Attorney explain the process being moved through closed session regarding Market Plaza.

Rachel Wilson, Cayucos, urged caution with regard to potential harbor development associated with offshore wind energy.

Aaron Ochs, Morro Bay, thanked Mr. Collins for his contribution to the City and posed questions regarding Council negotiations related to proposed offshore wind and battery storage projects.

Ed Spera, Morro Bay, commented on traffic and safety concerns along Main Street, particularly from Olive Street to Piney Way.

Ray Riordan, Chair of the Morro Bay Chamber Board of Directors, announced the Annual Awards Gala event honoring Citizen of the Year, Living Treasure, Business of the Year and Non-Profit of the Year will be held Friday, April 21<sup>st</sup>.

Cherise Hansson, Vice-Chair of the Morro Bay Chamber Board of Directors, thanked City staff for participating in the Chamber of Commerce Squeaky Wheel event.

Shell Vorhees, Morro Bay resident and business owner, expressed appreciation for Chamber support and relationships with member businesses.

Erica Crawford, Morro Bay Chamber of Commerce President & CEO, commented on the role of the Chamber Board of Directors to advocate for and represent business interests to government agencies.

Barry Branin, Morro Bay, commented on the potential sale of Market Street property and need for a parking structure.

Bill Martony, Morro Bay, urged the City to pause on the sale of the Market Street property to develop a concept plan that would preserve and repurpose the Breakers building.

Lisa Marie, Morro Bay, advocated for a warming shelter for the unsheltered community during extreme weather events.

Karen Aguilar, Morro Bay Beautiful Board President, announced the organization will donate 25% of the profits from the sale of license plate holders to the Morro Bay National Estuary Program. Visit [morrobaybeautiful.org](http://morrobaybeautiful.org) for more information.

Nattalia Merzoyan, Morro Bay, commented on need to preserve the Giant Chessboard built by Morro Bay residents.

Betty Winholtz, Morro Bay, acknowledged the need for a warming shelter, commented on the Water Reclamation Center open house and Board of Supervisors' approval of a consolidated permit for the Pismo Beach recycled water project.

Paul Donnelly, Morro Bay, commented on paving issues and opposed Los Osos CSD's efforts to connect to the State Water pipeline.

Linda Donnelly, Morro Bay, requested an update on missing street signs, street striping, planting plan for the bike path, and reported a potential water main leak near Morro Shores Hotel.

Carole Truesdale, Morro Bay, thanked Mr. Collins for his service and inquired as to the amount of sewer surcharge funds collected and how those funds were being spent.

Linda Winters, Morro Bay, congratulated Police Chief Watkins and shared her appreciation for Mr. Collins, particularly his support for mobile home residents.

Mayor Wixom closed public comment.

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

A. CONSENT AGENDA  
<https://youtu.be/yBclwE2Cj50?t=4847>

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 FEBRUARY 14, 2023, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (CITY CLERK)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL OF MINUTES FOR THE FEBRUARY 14, 2023, CITY COUNCIL MEETING; (CITY CLERK)

**RECOMMENDATION: Approve as submitted.**

A-3 FISCAL YEAR (FY) 2021-22 STATUS REPORT ON RECEIPT AND USE OF DEVELOPMENT IMPACT FEES; (ADMINISTRATIVE SERVICES DEPARTMENT)

**RECOMMENDATION: Staff recommends the Council adopt Resolution No. 08-23 accepting Fiscal Year (FY) 2021-22 status report on receipt and use of Development Impact Fees.**

A-4 AUTHORIZATION TO APPLY FOR AND ACCEPT THE GRANT, IF AWARDED, FROM THE DEPARTMENT OF HOMELAND SECURITY AND FEDERAL EMERGENCY MANAGEMENT AGENCY FOR FUNDING UNDER THE STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE (SAFER) GRANT; (FIRE DEPARTMENT)

**RECOMMENDATION: Staff recommends the Council authorize the Fire Department to apply for and accept the grant if awarded from the Department of Homeland Security and Federal Emergency Management Agency for funding under the Staffing for Adequate Fire and Emergency Response (SAFER) Grant for the hiring of limited term firefighters.**

A-5 APPOINTMENT OF REPRESENTATIVES ON DISCRETIONARY BOARDS AND APPROVAL OF REVISED COUNCIL SUB-COMMITTEES; (MAYOR WIXOM / CITY CLERK)

**RECOMMENDATION: Staff recommends the City Council:**  
**1) Accept the appointment of Council Member Edwards as the City's representative to the REACH Central Coast Economic Development Roundtable; and; 2) Designate the Mayor as the official representative of the City of Morro Bay on the California Joint Powers Insurance Authority (CJPIA) Board of Directors,**

**designate the Human Resources Manager as first alternate, and designate the City Manager as second alternate; and 3) Approve revised Council Sub-Committees for Chevron Property and BOEM Interagency Task Force / Wind Energy, as shown on the attached appointment list.**

A-6 ADOPTION OF RESOLUTION NO. 10-23 AUTHORIZING SUBMISSION OF RURAL TRANSIT FUND (RTF) GRANT APPLICATION AND EXECUTION OF RELATED DOCUMENTS UPON AWARD; (PUBLIC WORKS DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 10-23 authorizing submission of the Rural Transit Fund Grant Application and execution of related documents upon award.**

A-7 SECOND QUARTER INVESTMENT REPORT FOR FISCAL YEAR (FY) 2022-23 (PERIOD ENDING DECEMBER 31, 2022); (ADMINISTRATIVE SERVICES DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council receive the First Quarter Investment Report for FY 2022-23 (period ending December 31, 2022).**

A-8 PRESENTATION TO THE CITY COUNCIL REGARDING CFAC'S REVIEW OF FY 2021-22 UNAUDITED TRANSACTIONS FROM THE COLLECTION OF THE GENERAL PURPOSE LOCAL SALES TAX, COMMONLY KNOWN AS "MEASURE Q AND E"; (CFAC VICE CHAIRMAN STEPHEN PECK)

**RECOMMENDATION: Receive and file.**

Mayor Wixom opened public comment for the Consent Agenda.  
<https://youtu.be/yBclwE2Cj50?t=4864>

Barry Branin, Morro Bay, commented on Item A-7.

Betty Winholtz, Morro Bay, requested the Council pull and discuss questions raised regarding earmarked projects outlined in Item A-3.

Nattalia Merzoyan, Morro Bay, commented on need for road repairs on Little Morro Creek Road.

Terry Simons, Morro Bay, suggested the community may be better served to use excess reserve funds for capital improvements.

The public comment period was closed.

Council Member Landrum pulled Items A-3 and A-7.

MOTION: Council Member Barton moved approval of all items on Consent except Items A-3 and A-7. The motion was seconded by Council Member Ford and carried 5-0 by roll call vote.

A-3 FISCAL YEAR (FY) 2021-22 STATUS REPORT ON RECEIPT AND USE OF DEVELOPMENT IMPACT FEES; (ADMINISTRATIVE SERVICES DEPARTMENT)  
<https://youtu.be/yBclwE2Cj50?t=5731>

Staff responded to questions raised during public comment.

MOTION: Council Member Landrum moved approval of Item A-3. The motion was seconded by Council Member Ford and carried 5-0 by roll call vote.

- A-7 SECOND QUARTER INVESTMENT REPORT FOR FISCAL YEAR (FY) 2022-23 (PERIOD ENDING DECEMBER 31, 2022); (ADMINISTRATIVE SERVICES DEPARTMENT)  
<https://youtu.be/yBclwE2Cj50?t=5935>

Staff responded to questions raised during public comment.

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

B. PUBLIC HEARINGS - NONE

C. BUSINESS ITEMS

- C-1 CONSIDERATION OF CONDITIONAL APPOINTMENT OF GREG CARPENTER AS INTERIM CITY MANAGER AND CONDITIONAL APPROVAL OF EMPLOYMENT AGREEMENT BETWEEN THE CITY OF MORRO BAY AND GREG CARPENTER; (HUMAN RESOURCES)  
<https://youtu.be/yBclwE2Cj50?t=5969>

City Manager Collins provided the report and responded to Council inquiries.

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

MOTION: Council Member Barton moved appoint Greg Carpenter as the Interim City Manager contingent upon successfully passing the City's background check, and authorize the Mayor to execute the attached employment agreement following the same. The motion was seconded by Council Member Edwards and carried 5-0 by roll call vote.

- C-2 FISCAL YEAR 2022-23 MIDYEAR BUDGET AND FINANCIAL UPDATE; (CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENT)  
<https://youtu.be/yBclwE2Cj50?t=6633>

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

The public comment period for Item C-2 was opened.  
<https://youtu.be/yBclwE2Cj50?t=9027>

Paul Donnelly, Morro Bay, questioned annual funding obligations for WRF financing.

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

MOTION: Council Member Ford moved to adopt Resolution No. 11-23 authorizing the attached Budget Amendments. The motion was seconded by Council Member Edwards and carried 5-0 by roll call vote.

The Council took a brief recess at 8:12 p.m. The meeting reconvened 8:20 p.m. with all members present.

C-3 APPROVE WRF CONTRACT AMENDMENTS, AUTHORIZE AN INCREASE IN THE ANVIL CONTRACT BUDGET AND REVIEW AND COMMENT ON FISCAL YEAR 2023 QUARTER 2 WRF QUARTERLY REPORT; (PUBLIC WORKS DEPARTMENT)  
<https://youtu.be/yBclwE2Cj50?t=9915>

Public Works Director Kwolek, WRF Program Manager Amico, and Contract Engineer Heimel provided the report and responded to Council inquiries.

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

<https://youtu.be/yBclwE2Cj50?t=12735>

Jeff Heller, Morro Bay, stressed the importance of having a report that provides information the Council needs, agreed cost per acre foot for IPR is an important factor, and suggested Table 1 include the estimated cost to complete project.

Terry Simons, Morro Bay, expressed concern about operational costs and would like to see an analysis that compares the cost of full treatment to indirect potable reuse.

Linda Donnelly, Morro Bay, opposed approval of the Rincon contract and suggested the U.S. Bureau of Reclamation should accept the current environmental documents to satisfy NEPA.

Paul Donnelly, Morro Bay, raised several questions regarding the proposed contract amendments and construction.

Betty Winholtz, Morro Bay, suggested not changing the nomenclature for City projects as it was causing confusion.

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

There was Council consensus to continue the meeting past 9:30 p.m. but no later than 10:00 p.m.

Staff responded to questions raised during public comment.

The Mayor and Council Members provided individual comments.

MOTION: Council Member Ford moved to approve 1) Amendment No. 7 to the agreement with Anvil Builders, Inc. (Anvil) for the WRF Lift Stations and Offsite Pipelines construction for \$124,970, which results in a total not to exceed contract value for Anvil of \$34,968,314 and increase of the Anvil contract budget to that new contract value; and 2) approve Amendment No. 5 to the agreement with Waterworks Engineers (WWE) to continue to provide professional engineering services during construction for the Conveyance Facilities Project for \$75,000, which increases the total not-to-exceed contract value for WWE to \$2,615,113; and 3) Execute a new contract for Rincon Consultants, Inc. to provide professional environmental permitting consulting services for the Recycled Water component of the WRF Program in the amount of \$43,532. The motion was seconded by Council Member Barton and carried 5-0 by roll call vote.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS  
<https://youtube.com/watch?v=yBclwE2Cj50&feature=shares&t=15027>  
None

E. ADJOURNMENT

The meeting adjourned at 9:46 p.m.

Recorded by:

*Dana Swanson*

Dana Swanson

City Clerk

# A2 CC\_2023-02-28 Regular Meeting Minutes\_revised

Final Audit Report

2023-03-30

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