

City of Morro Bay

City Council Agenda

Mission Statement

The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life. The City shall be committed to this purpose and will provide a level of municipal service and safety consistent with and responsive to the needs of the public.

**REGULAR MEETING
TUESDAY, FEBRUARY 10, 2015
VETERANS MEMORIAL HALL - 6:00 P.M.
209 SURF ST., MORRO BAY, CA**

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

- Economic Vitality Corporation (EVC) Presentation

PUBLIC COMMENT - Members of the audience wishing to address the Council on City business matters not on the agenda may do so at this time. For those desiring to speak on items on the agenda, but unable to stay for the item, may also address the Council at this time.

To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Mayor, please come forward to the podium and state your name and address for the record. Comments are to be limited to three minutes.
- All remarks shall be addressed to Council, as a whole, and not to any individual member thereof.
- The Council respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in City Council meetings is welcome and your courtesy will be appreciated.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (805) 772-6205. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

A-1 APPROVAL OF MINUTES FOR THE SPECIAL CITY COUNCIL MEETING HELD ON JANUARY 21, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE SPECIAL CITY COUNCIL MEETING HELD ON JANUARY 27, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON JANUARY 27, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF MINUTES FOR THE SPECIAL CITY COUNCIL MEETING HELD ON JANUARY 28, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 STATUS REPORT OF A MAJOR MAINTENANCE & REPAIR PLAN (MMRP) FOR THE EXISTING WASTEWATER TREATMENT PLANT; (PUBLIC WORKS)

RECOMMENDATION: Receive and file.

A-6 WATER RECLAMATION FACILITY (WRF) PROJECT UPDATE; (PUBLIC WORKS)

RECOMMENDATION: Receive and file.

A-7 RESOLUTION NO. 08-15 ADOPTING A NEW CITY SEAL; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 08-15

A-8 AWARD OF CONTRACT TO ELLISON ENVIRONMENTAL, INC. DBA FLUID RESOURCE MANAGEMENT OF GROVER BEACH, CA FOR THE PROJECT NO. MB2015-WC01: LIFT STATION 1 MAINTENANCE AND REPAIRS; (PUBLIC WORKS)

RECOMMENDATION: Award contract as recommended.

A-9 AUTHORIZATION FOR ATTENDANCE AT THE C-MANC ANNUAL WASHINGTON, D.C., "WASHINGTON WEEK" MEETINGS; (HARBOR)

RECOMMENDATION: Approve Authorization for a Three-Person Delegation to Attend the C-MANC "Washington Week" Meetings in Washington D.C.

A-10 RESOLUTION NO. 06-15 AUTHORIZING EXECUTION OF A DEED OF TRUST FOR THE LEASE AGREEMENT ON LEASE SITE 144/144W (1287 EMBARCADERO); (HARBOR)

RECOMMENDATION: Approve Resolution 06-15 Authorizing Execution of a Deed of Trust.

B. PUBLIC HEARINGS - None

C. UNFINISHED BUSINESS / SECOND READING AND ADOPTION OF ORDINANCES - None

D. NEW BUSINESS

D-1 2014 ANNUAL WATER REPORT AND ALLOCATION OF 2015 WATER EQUIVALENCY UNITS; (PUBLIC WORKS/COMMUNITY DEVELOPMENT)

RECOMMENDATION: Adopt Resolution 07-15, approving the Allocation of 2015 Water Equivalency Units, as recommended.

D-2 PRESENTATION OF THE DRAFT CONCEPT PLAN FOR THE CITIZENS FINANCE COMMITTEE FOR THE CITY OF MORRO BAY; (ADMINISTRATIVE SERVICES DIRECTOR)

RECOMMENDATION: Review the report and provide direction to staff.

D-3 APPROVAL OF THE 2015/16 BUDGET CALENDAR; (ADMINISTRATIVE SERVICES DIRECTOR)

RECOMMENDATION: Review and adopt the 2015/16 Budget Calendar.

D-4 DISCUSSION OF 2015-16 CITY GOALS AND PROGRAM OBJECTIVES;
(ADMINISTRATION)

RECOMMENDATION: Review the report and provide direction to staff.

D-5 UPDATE AND DISCUSSION OF CITY OWNED PROPERTIES FOR POTENTIAL
SALE; (PUBLIC WORKS)

RECOMMENDATION: Review the report and provide direction to staff.

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

F. ADJOURNMENT

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 772-6205 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION AT CITY HALL LOCATED AT 595 HARBOR STREET; MORRO BAY LIBRARY LOCATED AT 625 HARBOR STREET; AND MILL'S COPY CENTER LOCATED AT 495 MORRO BAY BOULEVARD DURING NORMAL BUSINESS HOURS.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE THAT REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL MEETING – JANUARY 21, 2015
MORRO BAY VETERAN’S HALL
209 SURF STREET – 6:00 P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	John Heading	Councilmember
	Matt Makowetski	Councilmember
	Noah Smukler	Councilmember
STAFF:	David Buckingham	City Manager
	Dana Swanson	City Clerk
	Rob Livick	Public Works Director
	Joe Woods	Recreation Director
	Eric Endersby	Harbor Director
	Amy Christey	Police Chief
	Susan Slayton	Administrative Services Director
	Scot Graham	Community Services Manager

ESTABLISH QUORUM AND CALL TO ORDER

PUBLIC COMMENT RE: ITEMS ON THE AGENDA

The public comment period was open; seeing none, the public comment period was closed.

SPECIAL MEETING AGENDA ITEM:

LOCAL ECONOMIC ACTION PLAN (LEAP) PROJECT STATUS WORKSHOP #2

A public workshop was held providing information on the current LEAP initiatives and providing the public an opportunity to provide input and share new ideas.

At the close of the public workshop, Mayor Irons reopened the public comment period.

Barbara Jo Osborne appreciated the evening meeting and the opportunity to “like” various ideas. She feels the parklet is too small, need another one or two; she enjoys having places for people to sit. She suggests Morro Bay needs to stay opened past 6pm to attract both residents and tourists.

Susan Stewart, Morro Bay, noted the fishing and maritime area had been neglected, but many new ideas were added tonight.

Jeff Eckles, Morro Bay, congratulated staff and Council for the success so far and challenged business owners to bring their A-game.

Jeremiah O'Brien, representing the Morro Bay Commercial Fishermen's Organization noted the fishing industry was noticeably absent from the current initiatives, and thanked both the current and past City Councils for their support. He noted the fishing industry is one of the top 5 employers in the County and asked for continued support of the Council and community.

Jennifer Redman, Morro Bay business owner and resident, encourages those watching from home to get involved with the LEAP initiatives.

The public comment period was closed.

ADJOURNMENT

The meeting adjourned at 8:16 p.m.

Recorded by:

Dana Swanson
City Clerk

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL MEETING – JANUARY 27, 2015
MORRO BAY VETERAN’S HALL
209 SURF STREET – 4:00 P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	John Heading	Councilmember
	Matt Makowetski	Councilmember
	Noah Smukler	Councilmember
STAFF:	David Buckingham	City Manager
	John Fox	Assistant City Attorney
	Dana Swanson	City Clerk
	Rob Livick	Public Works Director
	Joe Woods	Recreation Director
	Eric Endersby	Harbor Director
	Amy Christey	Police Chief
	Susan Slayton	Administrative Services Director
	Scot Graham	Community Services Manager

ESTABLISH QUORUM AND CALL TO ORDER

PUBLIC COMMENT RE: ITEMS ON THE AGENDA

The public comment period for Item I was opened.

Lynda Merrill, Morro Bay, spoke regarding Morro Bay’s special natural resources and asks the Quality of Life section of the goals include an environmental component for preservation and protection of those important resources.

Robert Davis, Morro Bay, spoke regarding the importance of rehabilitation and maintenance of the City’s bike and pedestrian paths and asked this be included under Goal #2 or Goal #10. He also encouraged the Council consider co-sponsoring the 4th of July celebration to include a bike parade, skateboard race and activities at Tideland’s Park; fireworks aren’t needed.

Ric Deschler, Morro Bay, stated the term “complete streets” under Goal 2b concerns him if it leads to another surge to install sidewalks in residential areas, noting cars drive faster unless there are other traffic calming measures.

Walter Heath, along with his north Morro Bay neighbors, spoke regarding Goals 2b and 2c, requesting the Traffic Management Plan be adopted early in the cycle to address the lack of controlled intersections in the neighborhood near Del Mar Elementary School.

Kenny Blackwell, Morro Bay, stated he had reviewed the list of goals and did not find anything about neighborhood compatibility guidelines. He has spoken with many people who are concerned about losing public view sheds and homes going up that do not fit with character of the neighborhood. He asks the Council seriously consider this very important item.

Council and staff noted neighborhood compatibility guidelines are included in Goal 3G.

Dr. Jim Lipsett, Morro Bay, spoke regarding concerns with streets, specifically the intersection of San Jacinto/Main Street/Hwy. 1 which is becoming increasingly dangerous. He uses this intersection several times a day and is very concerned.

City Manager Buckingham responded to public comment and encouraged Ms. Merrill and Mr. Davis to help craft specific Program Objectives related to the issues they had addressed. Director Livick spoke regarding sidewalks and intersection issues, noting the “complete streets” initiative is intended to provide equal access for all citizens, including persons with disabilities, and the City is required to follow those guidelines; also, the intersection of San Jacinto/Main Street/Hwy. 1, as well as Hwy 41/Atascadero Road, are being addressed with CalTrans.

The public comment period was closed.

SPECIAL MEETING AGENDA ITEM:

- I. STUDY SESSION TO AFFIRM, AND AS REQUIRED, MODIFY AND REPRIORITIZE THE CURRENT 10 CITY GOALS AND EXTEND THOSE GOALS THROUGH JULY 2016.

City Manager Buckingham presented the staff report and responded to Council inquiries.

Council reviewed the Program Objectives presented by staff and provided direction for staff to bring back at the February 10 Council meeting for adoption.

The meeting was recessed to the Regular City Council Meeting at 5:58pm

The meeting was reconvened at 10:25pm

ADJOURNMENT

The meeting adjourned at 10:42 p.m.

Recorded by:

Dana Swanson
City Clerk

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JANUARY 27, 2015
VETERAN’S MEMORIAL HALL – 6:00P.M.

PRESENT:	Jamie Irons	Mayor
	John Headding	Councilmember
	Christine Johnson	Councilmember
	Matt Makowetski	Councilmember
	Noah Smukler	Councilmember
STAFF:	David Buckingham	City Manager
	John Fox	Assistant City Attorney
	Dana Swanson	City Clerk
	Rob Livick	Public Works Director
	Joe Woods	Recreation Director
	Eric Endersby	Harbor Director
	Amy Christey	Police Chief
	Susan Slayton	Administrative Services Director
	Scot Graham	Community Development Manager

ESTABLISH QUORUM AND CALL TO ORDER
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CLOSED SESSION REPORT

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

- Chamber of Commerce Quarterly Presentation

Kelly Wells, Executive Director for the Chamber of Commerce, provided the October – December 2014 quarterly report. The Chamber of Commerce supports incubator businesses by providing office space for 5-8 hours per week to the City Resource Connection, Estero Bay Radio Station 97.3 “The Rock,” Morro Bay Community Quota Fund, and conference room usage for various non-profit organizations. During this quarter, the Chamber provided event support for the first annual Morro Bay Downtown Trick-or-Treat event, Morro Bay Boat Parade and Tree Lighting, and ongoing Morro Bay 50th anniversary events, including last week’s wrap-up celebration. Time was spent collecting information and promoting a possible New Year’s Eve fireworks display, disseminating information on the business license audit and amnesty program, sign ordinance and permitting information, and participating in the LEAP program. She continues to network with out-of-area chambers to investigate programs that are successful in other areas and the research and analysis of a new website and data management system.

- Morro Bay in Bloom Presentation

Walter Heath, President of Morro Bay in Bloom, along with Judith Carlson, Robert Davis, Jan Goldman, Eileen Sweeny, Donna Stoll and Chuck Stoll presented Council and staff with the “Michelen star” award for civic beautification from American in Bloom, and provided a brief history of the “in bloom” movement, which originated in France in 1900. America in Bloom was founded in 2001 and Morro Bay in Bloom was founded in 2013. The City was evaluated on 60 different items comprising six criteria: floral displays, landscaped areas, urban forestry, environmental efforts, heritage preservation and overall impression and earned 831 points out of 1,000 possible. It is uncommon for a city to be so highly rated in its first year of participation.

- Update on the Progress of the LEAP Program

Don Maruska provided an update on the LEAP Program. It is estimated over 100 people attended the January 21st LEAP workshop; the video for this workshop is available on the City website for those who were unable to attend. Ten initiatives have been identified so far and teams are working on revised plans. He encourages folks at home to get connected and involved with a current initiative and/or identify something new. The LEAP Program will be brought to Council in March for further review and endorsement.

PUBLIC COMMENT

The public comment period was open.

Barbara Wolak from Abri Waterfront Restaurant provided the business spot. They are located at 571 Embarcadero and are open for breakfast, lunch and dinner 7 days a week, from 8:30am to 8:30 pm. They have a large variety of menu offerings including gluten-free items, a spectacular view and pet-friendly dining.

Rigmore, Morro Bay, spoke in favor of the Main Street parklet. There is plenty of parking available one or two blocks away, which allows you to stroll freely, breathe fresh ocean air and an opportunity to see other stores you may not have been to. She noted there are areas with wide streets that could be modified to increase parking. Also, with regard to the sewer plant, Morro Bay needs full control.

Linna Thomas, Morro Bay, submitted a petition including seven pages of signatures objecting to parklet for the following reasons: 1) it eliminates valuable parking, 2) it appears city funds have been used to benefit one business, 3) it is too close to fast moving traffic, and 4) it disregards a community gathering place across the street that is subsidized by the city.

Bill Martony, Morro Bay, spoke regarding the parklet. He feels it is a great idea that could be cut in half or placed at a different location. With regard to the Wastewater Treatment Plant, he asks the City consider new MBR technology, which would reduce labor costs.

Robert Davis, Morro Bay, spoke regarding bicycle and pedestrian needs. SLOCOG is asking for list of bicycle and pedestrian improvement requests for presentation at their February 4th

meeting. Morro Bay has accomplished some cool things this past year, including being named a Bicycle Friendly Community. The Citizen's Bike Committee has identified several new items they will submit those improvement requests to SLOCOG.

Janice Peters, Morro Bay, spoke regarding Item D-1, expressing preference for simplicity with regard to the City seal. She feels the numbers are flawed as they did not provide the opportunity to keep current seal. Fishing and the Rock need to be emphasized.

The public comment period was closed.

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

A-1 APPROVAL OF MINUTES FOR THE SPECIAL CITY COUNCIL MEETING HELD ON JANUARY 13, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON JANUARY 13, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF A NEW LICENSE AGREEMENT WITH CAL POLY CORPORATION, INC. FOR DEDICATED DOCKAGE SPACE ON THE NORTH T-PIER FOR A FLOATING RESEARCH AND EDUCATIONAL DOCK; (HARBOR)

RECOMMENDATION: Approve the License Agreement with Cal Poly Corporation, Inc.

A-4 APPROVAL OF EXTENSION OF CONSULTANT AGREEMENT BETWEEN THE CITY OF MORRO BAY AND LISA WISE CONSULTING, INC. FOR COMPLETION OF BOATYARD AND HAULOUT MARKET ANALYSIS STUDY; (HARBOR)

RECOMMENDATION: Approve an extension of the contract with Lisa Wise Consulting, Inc.

The public comment period for the consent calendar was open; seeing none, the public comment period was closed.

MOTION: Councilmember Johnson moved the City Council approve Items A-1 through A-4 from the Consent Calendar, as presented. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

Ayes: Irons, Headding, Johnson, Makowetski, Smukler

No's: None

B. PUBLIC HEARINGS - NONE

C. UNFINISHED BUSINESS / SECOND READING AND ADOPTION OF ORDINANCES - NONE

D. NEW BUSINESS

D-1 CONSIDERATION AND SELECTION OF UPDATED CITY SEAL;
(ADMINISTRATION)

City Manager Buckingham presented the staff report and responded to Council inquiries.

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

Bill Martony, Morro Bay, was unaware we were changing the City seal. He noted that Buz Kidwell still living in Morro Bay and probably has the original design. He likes the old seal just as well, simpler and cleaner is better.

Barbara Spagnola, Morro Bay, spoke regarding the validity of the survey monkey response; for a population of 5,000 if you are willing to accept 5% margin of error, you need 370 respondents.

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

Council discussed the importance of the City seal and noted the input received was statistically significant and valid. Version B was the clear and significant leader based on votes submitted, it represents the essence of the community, and it is important to respect the process.

MOTION: Councilmember Johnson moved the City Council select Version “B” as the updated Morro Bay City Seal and direct staff to bring a Resolution adopting Version B to the February 10, 2015 City Council meeting. The motion was seconded by Councilmember Headding and carried unanimously, 5-0.

Ayes: Irons, Headding, Johnson, Makowetski, Smukler

No’s: None

D-2 RESOLUTION NO. 05-15 AUTHORIZING THE 2014/15 MID-YEAR BUDGET AMENDMENTS, THE PRESENTATION OF THE CITIZENS OVERSIGHT COMMITTEE REPORT DATED DECEMBER 31, 2014, AND REVIEW OF THE PORTFOLIO PERFORMANCE AND CONTRACT SERVICES PAYMENTS THROUGH DECEMBER 31, 2014; (ADMINISTRATIVE SERVICES)

Administrative Services Director Slayton presented the staff report and responded to Council inquiries.

Barbara Spagnola of the Citizens Oversight Committee (Measure “Q”) provided a summary of their report, as presented in the City Council agenda packet.

Homer Alexander of the Citizens Oversight Committee (Measure “Q”) provided concluding remarks and asked Council to bring forward an item regarding whether Measure Q funds should be used to fund Federal or State mandated costs. He suggests the public go to City website and check out pavement management plan charts, and asks Council continue to honor the promise made to the voters in 2006, that this extra money only be used for projects to improve public safety, improve streets and protect the ocean and bay from toxic run off.

The public comment period for Item D-2 was opened; seeing none, the public comment period was closed.

Council expressed concern about the \$200,000 transfer request from General Fund reserve given other priority work to be done through the goals process, the magnitude of projects coming forward, and unfunded mandates from CalPERS. Council discussed a desire for a budget oversight committee to ensure work with staff and communicate information back to Council and the community. The option to reduce the Pavement Management project by \$200,000 was discussed and staff noted advancing the \$200,000 this year while the contractor is on site provides a much greater value. Although cautious about spending down reserves, Council discussed and agreed there is more value to getting the street work done now.

MOTION: Mayor Irons moved the City Council accept staff recommendations, approve Resolution No. 05-15 and accept the Citizens Oversight Committee’s recommendations. The motion was seconded by Councilmember Headding and carried unanimously, 5-0.

Ayes: Irons, Headding, Johnson, Makowetski, Smukler
No’s: None

D-3 INITIATION OF AN ORDINANCE AMENDING SECTION 17.44.020 OF THE ZONING ORDINANCE TO ALLOW FOR A USE CHANGE WITHIN EXISTING COMMERCIAL BUILDINGS, LOCATED WITHIN THE BEACH STREET SPECIFIC PLAN AREA, WITHOUT THE REQUIREMENT FOR ADDITIONAL PARKING SPACES; (COMMUNITY DEVELOPMENT DEPARTMENT)

Community Services Manager Graham presented the staff report and responded to Council inquiries.

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

MOTION: Councilmember Smukler moved the City Council adopt Resolution 04-15 and direct staff to prepare a Zoning Ordinance Text Amendment altering the parking requirements for commercial building reuse in the Beach Street Specific Plan area. The motion was seconded by Councilmember Headding and carried unanimously, 5-0.

Ayes: Irons, Headding, Johnson, Makowetski, Smukler
No’s: None

D-4 PLANNING AND BUILDING DIVISION STATUS UPDATE

Community Services Manager Graham presented the staff report and responded to Council inquiries.

The public comment period for Item D-4 was opened; seeing none, the public comment period was closed.

Council expressed appreciation for the work that had been done so far and agrees the tracking system will improve efficiency. They would like staff to bring this back in a year as an update. No action was taken.

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Smukler requested a report exploring and reviewing options for a Council financial subcommittee with a citizen's advisory committee to provide oversight during budgeting process; Mayor Irons and Councilmember Johnson concurred.

Councilmember Smukler requested the citizen's petition submitted at the January 13, 2015 meeting for intersection control at Pacific & Main be submitted to the Public Works Advisory Board for review, and then brought Council.

Councilmember Smukler requested a report on the use of integrated pest management to reduce pesticide application. He would like to review the cost/benefit to implement such a process. Councilmember Johnson concurred "as time allows."

Councilmember Smukler requested a discussion of safety issues at the intersection of San Jacinto & Main Street and review of 2008 Resolution related to this issue; Mayor Irons and Councilmember Johnson concurred.

Mayor Irons requested a historic resource analysis, staff agreed to explore the cost of such a study and bring back for discussion.

Mayor Irons requested a legal review and analysis of why State Parks located within the city limits do not pay TOT; staff will investigate and provide memo to Council.

ADJOURNMENT

The meeting adjourned at 10:25 p.m.

Recorded by:

Dana Swanson
City Clerk

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL MEETING – JANUARY 28, 2015
MORRO BAY VETERAN’S HALL
209 SURF STREET – 5:30 P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	John Headding	Councilmember
	Matt Makowetski	Councilmember
	Noah Smukler	Councilmember
STAFF:	Susan Slayton	Administrative Services Director
	Dana Swanson	City Clerk

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Irons read for the record a letter of excuse submitted by Taylor Newton asking to be considered as a member of the Tourism Bureau Improvement District or Public Works Advisory Boards although he was unable to attend the interviews.

MOTION: Councilmember Smukler moved the Council recognize the letter submitted by Mr. Newton as excusable neglect. The motion was seconded by Councilmember Makowetski and carried unanimously 5-0.

The public comment period was opened.

Steve Nukes, Morro Bay, spoke to endorse Jeff Eckles for the Harbor Advisory Board, stating Jeff has done an outstanding job and the City is very fortunate to have him as an applicant. His experience as a Merchant Marine, boat owner, his service to the harbor community and financial experience are very beneficial to the City.

Phil Kispersky, Morro Bay, concurs with Mr. Nukes and urges the Council to support Jeff Eckles for Harbor Advisory Board.

Leonard Gentieu, Morro Bay, concurs with previous speakers. He has a sublease and dock next to Harbor Hut and Jeff is a huge help and liaison between Harbor office and boat owners. During an emergency a few months ago where his hull had been breached, Harbor and Coast Guard both responded at 9:30 at night and Jeff Eckles was there as well. He recommends the Council bring Jeff back onto the Board.

Joan Solu, Morro Bay TBID Chair and Tourism Bureau President, spoke regarding the open hotelier positions on the TBID Advisory Board. The largest hotel is currently in transition, several properties are either in escrow or for sale, and some have brand new management and unable to commit at this time; however, all are interested. She asked the Council leave the hotelier positions open through this transition period, and re-open the application period in 90-120 days.

Jeremiah O'Brien, spoke on behalf of the Morro Bay Quota Fund and MB Commercial Fisherman's Organization. He is happy there were many applications for the Harbor Advisory Board vacancies and asks for continued support of Dana McClish and Jeff Eckles. They have worked well with the community and have proven themselves in their positions; he asks Council to reinstate them.

Drew Jacobson, Morro Bay, stated he is hopeful that over next two years he will see important changes in the department and the policies that affect the bay and those that use it. They need a Harbor Advisory Board that can remain independent and encourage and embrace community input. It has been refreshing to have a Harbor Advisory Board that is open to input from the community. Mr. Eckles, along with Ron Reisner and Bill Luffee have been an asset to the community. He would like to see Mr. Eckles continue to provide autonomy and leadership within the Harbor Advisory Board.

Ron Reisner, current member of the Harbor Advisory Board, encourages City Council to reappoint two existing members that have submitted applications. The current board has made dramatic efforts and produced results in making the Harbor Advisory Board more relevant than it has in some time. There are initiatives in place and underway that these gentlemen participate in, and more importantly a body needs an effective chair. He asks the Council keep these two gentlemen so the Board can keep momentum moving forward.

The public comment period was closed.

The City Council interviewed the following applicants for (2) two vacant seats on the Harbor Advisory Board, one representing Waterfront Leaseholders and one representing Recreational Boaters: Rich Buquet, Jeff Eckles, Michael Fiamingo, Neal Maloney, Dana McClish and James Zuur.

Council asked for clarification on which applicants were being considered for the Waterfront Leaseholder position. Mr. Maloney confirmed he is a current Waterfront Leaseholder; Mr. Eckles recently moved his business and is no longer a Waterfront Leaseholder.

For the Harbor Advisory Board member representing Waterfront Leaseholder, the City Council voted by written ballot and Administrative Services Director Slayton read the results:

Neal Maloney (5 votes – Mayor Irons, Councilmembers Headding, Johnson, Makowetski and Smukler); Neal Maloney was appointed to represent Waterfront Leaseholders on the Harbor Advisory Board with a term ending 1/31/19.

For the Harbor Advisory Board member representing Recreational Boaters, the City Council voted by written ballot and Administrative Services Director Slayton read the results:

Dana McClish (4 votes – Mayor Irons, Councilmembers Johnson, Makowetski & Smukler)
Jeff Eckles (1 vote – Councilmember Headding); Dana McClish was appointed to represent Recreational Boaters on the Harbor Advisory Board with a term ending 1/31/19.

The City Council interviewed the following applicants for (2) vacant seats on the Planning Commission: Jeffrey Cox, Gerald Luhr and Richard Sadowski.

For two (2) Planning Commission vacancies, the City Council voted by written ballot and Administrative Services Director Slayton read the results.

Gerald Luhr and Richard Sadowski each received five votes (Mayor Irons, Councilmembers Headding, Johnson, Makowetski & Smukler). Luhr and Sadowski were appointed to the Planning Commission with terms ending 1/31/19.

The following applicants were interviewed for two (2) Public Works Advisory Board vacancies: Jeffrey Cox, Taylor Newton (letter on file), Christopher Parker and Stewart Skiff.

The City Council voted by written ballot for two (2) Public Works Advisory Board vacancies, one with term ending 1/31/19 and one with term ending 1/31/16, and Administrative Services Director Slayton read the results.

For the term ending 1/31/19: Christopher Parker received three votes (Mayor Irons, Councilmembers Headding and Smukler); Stewart Skiff received two votes (Councilmembers Johnson and Makowetski). Christopher Parker was appointed to the Public Works Advisory Board with a term ending 1/31/19.

For the term ending 1/31/16: Stewart Skiff received two votes (Councilmembers Headding and Smukler); Christopher Parker received two votes (Councilmembers Johnson and Makowetski); Jeffrey Cox received one vote (Mayor Irons). Stewart Skiff was appointed to the Public Works Advisory Board with a term ending 1/31/16.

The following applicants were interviewed for the (2) Tourism Bureau Improvement District Advisory Board member-at-large positions were interviewed: Taylor Newton (letter on file) and Jack Smith.

The City Council voted by written ballot and Administrative Services Director Slayton read the results:

Jack Smith received five votes (Mayor Irons, Councilmembers Headding, Johnson, Makowetski and Smukler). Taylor Newton received three votes (Mayor Irons, Councilmembers Makowetski and Smukler). Smith and Newton were appointed as members-at-large for the Tourism Bureau Improvement District Advisory Board with terms ending 1/31/19.

ADJOURNMENT

The meeting adjourned at 9:12 p.m.

Recorded by:

Dana Swanson
City Clerk



AGENDA NO: A-5

MEETING DATE: February 10, 2015

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 30, 2015
FROM: Rob Livick, PE/PLS - Public Works Director/City Engineer
SUBJECT: Status Report of a Major Maintenance & Repair Plan (MMRP) for the Existing Wastewater Treatment Plant

RECOMMENDATION

Staff recommends this report be received and filed.

ALTERNATIVES

As no action is requested, there are no recommended alternatives.

FISCAL IMPACT

No fiscal impact at this time as a result of this report. Fiscal impact is addressed through the budget process.

BACKGROUND

This staff report is intended to provide an update on the development of the MMRP for the WWTP. At the February 14, 2013, JPA meeting the Council and District Board approved the development of an MMRP and made the following motion:

- Direct staff to prepare a time sensitive and prioritized MMRP for the WWTP with an anticipated rolling 2 year budget;
- The JPA solicit proposals from a qualified firm, or firms, to provide technical advice and analysis on an as needed basis as determined by Morro Bay's Public Services Director and Cayucos Sanitary District Manager; and
- The Morro Bay Public Services Director and Cayucos Sanitary District Manager report back to the JPA on a semi-annual basis on the progress and costs associated with the MMRP.

Development of an MMRP will assist the City and District in projecting the budgeting of expenditures required to keep the current plant operating in compliance with regulatory requirements.

Staff's focus has continued to be on developing and implementing work on the MMRP projects approved for the FY14/15 budget. The adopted FY14/15 budget contains \$1.221M in funding MMRP projects. The funds represent new MMRP projects as well as roll over from the FY13/14 budget for the headworks screening project and chlorine contact tank repairs. Staff is continuing to develop and refine the implementation schedule for projects funded in the FY 14/15 budget. This staff report includes a status report on the on-going MMRP projects.

Prepared by: RL/BK/RS Dept. Review: RL

City Manager Review: _____

City Attorney's Review: _____

DISCUSSION

Digester #1 Repair

Staff from Wastewater Solids Management completed the process of cleaning digester #1 and dewatering the solids on December 30. Staff from Earth Systems conducted non-destructive testing of the digester tank structure on January 9. They cored the tank at various locations and did a thorough inspection of the interior and exterior walls of the tank, and will be providing a report on their findings. Staff will continue to work with Mike Nunley & Associates (MKN) to develop a strategy for repairing and coating the tank interior and developing a bid package for the sandblasting and coating process.

Headworks Influent Screening Project

The headworks influent screening project has been completed. As noted in previous staff reports, the new influent screens have greatly reduced the amount of debris in the downstream plant processes by removing approximately two hundred pounds of rags, plastics, and debris on a daily basis.

Chlorine Contact Basin Improvements

This project has been postponed until after the winter months to ensure a good weather window for the work to be completed. Staff have executed a contract with the contractor, but insurance documents and logistical issues have delayed project implementation. In the event the project has to be performed in the next four months, the necessary equipment and supplies are on-site, and the wwtp crew is ready whenever the weather and logistical issues allow. The work will require by-passing the chlorine contact for at most a twenty-four hour period. By-passing of the tank will result in an effluent violation and the associated minimum mandatory penalty of \$3,000. During the time period the tank is off-line, staff will chlorinate and disinfect the effluent, but will not be able to dechlorinate the effluent resulting in the violation. Both staff at the Regional Water Quality Control Board and the California Department of Health Shellfish Division has been notified of our intent to delay the repair plans and the intent to by-pass the chlorine contact tank.

Rehabilitation of Primary Clarifier #2

Staff will be working with staff at MKN to prioritize projects on primary clarifier #2. The anticipated work includes repairs to the metal framework on the flights and skimmer cage assembly, repairs to the catwalk, repair and replacement of piping and valving, and other associated components.

Purchase and Installation of New Distributor Arms on Biofilter Improvement Project

Staff will be working with City Public Works Engineering staff and MKN for the purchase and installation of new distributor arms on biofilter #2 and replacement of the main bearing on the turntable. These units are a critical component of the secondary treatment system. This project was deferred from the FY13/14 budget to cover the costs of the emergency repairs to the auxiliary generator.

Floodwall Installation at the Biofilters and Interstage Pumping Station

Staff will be working with City Public Works Engineering staff on the design and installation of flood walls around the periphery of the two biofilters and interstage pumps to prevent inundation during a flooding event in accordance with the requirements of the existing and anticipated NPDES permit.

In addition, staff will be coordinating with City and District staff, as well as MKN, to identify priority projects and develop budgetary numbers for inclusion in the MMRP for next fiscal year's WWTP budget. The goal in developing the budget for the MMRP is to recognize that the City has a goal to have the new WRF operational during the life of the next NPDES operational permit. This goal will insure prudent spending on this facility and still maintain the high quality effluent that is discharged to the Estero Bay.

CONCLUSION

Staff will continue to bring a status report on the development of the MMRP at City Council meetings on a monthly basis.



AGENDA NO: A-6

MEETING DATE: February 10, 2015

Staff Report

TO: Honorable Mayor and City Council DATE: January 30, 2015

FROM: Rob Livick, PE/PLS - Public Works Director/City Engineer

SUBJECT: Water Reclamation Facility (WRF) Project Update

RECOMMENDATION

Staff recommends the Council review the information regarding the current status and the proposed next steps regarding the development of a WRF project proposal for the Rancho Colina site and for the Council to provide any further direction as necessary.

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

The following is a summary of the existing contract with specialty consultants used to assist in the WRF site selection.

<i>JFR Consulting – Site Selection/Project Management Assistance</i>	
Original Contract	\$117,256
Amendment #1	\$76,129
Amendment #2	\$91,336
Amendment #3	\$23,147
Total Contract	\$307,868
<i>Kestrel Consulting – Assessment Funding</i>	
Contract Amount	\$20,530
<i>Larry Walker and Associates – Permitting Constraints</i>	
Original Contract	\$24,970
Amendment #1	\$5,100
Total Contract	\$30,070
<i>Cleath-Harris Associates – Stream Flow Augmentation</i>	
Contract Amount	\$7,500
Amendment #1	\$6,500
Amendment #2	\$4,000
Total Contract	\$18,000
<i>Carollo Engineers – CMC Capacity, Siting Evaluation and Cost Estimate</i>	
<i>(Proposed to be Reimbursed by RWQCB using SEP Funds)</i>	

Prepared by: RL Dept. Review: RL/RS/BK

City Manager Review: _____

City Attorney's Review: _____

Total Contract	<i>\$101,945</i>
<i>Total Consultant Contract Amount</i>	\$478,413

DISCUSSION

Staff provides this report as a monthly update to the progress made to date on the new WRF project. With the denial of the permit for the WWTP project in its current location, the City has embarked on a process for a WRF. This staff report provides a review of what has occurred to date. See Attachment 1 for a brief review of dates, status and accomplishments on the WRF facility project. Note the italics/shaded information has been added since your last review.

ATTACHMENTS

1. Timeline of WRF events

Date	Action
<i>February 5, 2015</i>	<i>Planned Meeting between Morro Bay Council Subcommittee and Cayucos Sanitary District Board Sub Committee to Discuss the MOU for Now</i>
<i>February 11, 2015</i>	<i>WRFCAC Meeting to review MOU for Now</i>
<i>February 11, 2015</i>	<i>Scheduled Joint Meeting of Morro Bay City Council and Cayucos Sanitary District Board of Directors in Cayucos</i>
<i>January 29, 2015</i>	<i>Public Works Advisory Board – Water and Sewer Rate Study Workshop</i>
<i>January 26, 2015</i>	<i>Meeting with between Morro Bay and Cayucos Staff to discuss next steps and "MOU for Now"</i>
<i>January 26, 2015</i>	<i>Meeting with between Morro Bay Staff, JFR/MKN and City Council sub-committeeto discuss next steps and "MOU for Now"</i>
<i>January 13, 2015</i>	<i>City Council to review "Next-Steps" and provide direction to Staff.</i>
<i>January 8, 2015</i>	<i>Staff presentation of the "Next-Steps" to the City Council and CSD Board</i>
<i>December 11, 2014</i>	<i>Staff presented to the City Council and the CSD Board of Directors the Final JFR report, including the CMC evaluation by Carollo Engineers. The csd Board of Directors concured that based on the information presented that the Rancho Colina site appeared the most viable and cost effective.</i>
<i>December 9, 2014</i>	<i>City Council meets to review the Final JFR report, including the CMC evaluation by Carollo Engineers. The City Council expresses their preference for Rancho Colina as their preferred site for the New WRF. The cost estimates indicated that the CMC site was nearly double that of the Rancho Colina site.</i>
<i>December 8, 2014</i>	<i>Corollo Engineers releases their Technical Morandum regarding CMC WWTP capacity and necessary facility expansion to accommodate increase flows from City and CSD.</i>
<i>December 8, 2014</i>	<i>Meeting between MBNEP and City staff to discuss concerns regarding the siting of the WRF at CMC and increased pollutant loads to Chorro Creek.</i>
<i>December 8, 2014</i>	<i>Meeting between City staff and the WRF Technical Committee (Irons/Smukler) to review the project status.</i>
<i>December 1, 2014</i>	<i>Tour of the existing CMC facility with representatives from CDCR, CSD and the City.</i>
<i>November 19, 2014</i>	<i>Conference call between CDCR, CSD and Morro Bay staff regarding the logistics of siting at the CMC location.</i>
<i>November 18, 2014</i>	<i>Meeting between City and California Coastal Coastal Commission staff regarding a varieity of projects in Morro Bay including the WRF siting.</i>
<i>November 13, 2014</i>	<i>Staff presented to the City Council and the CSD Board of Directors the status of the CMC Capacity Analysis and also updated the CSD Board on the City Council meeting of November 12, 2014</i>
<i>November 12, 2014</i>	<i>The City Council reviewed the draft report from John Rickenbach Consulting regarding final site preference. As the result of the report being incomplete, without the Carollo CMC engineering analysis including comparable cost estimates, the City Council choose to delay their decision on final site preference until such time that the report is complete and the WRFCAC has had a chance to review and make a recommendation.</i>
<i>November 5, 2014</i>	<i>The WRFCAC met and reviewed the draft report from John Rickenbach Consulting regarding final site preference. As the result of the report being incomplete, without the Carollo CMC engineering analysis including comparable cost estimates, the WRFCAC moved to recommend to City Council to delay their decision on final site preference until such time that the report is complete and the WRFCAC has had a chance to review and make a recommendation to the City Council.</i>

Date	Action
October 28, 2014	Cleath-Harris and Associates presented the Hydrogeological Technical Memoranda regarding the relative benefits of a Creek discharge in the Chorro Valley and In-Lieu recharge in the Morro Valley to the City Council at their regular meeting.
October 22, 2014	Meeting of the WRFCAC where they reviewed the Hydrogeological Technical Memoranda by Cleath-Harris and Associates and toured the Rancho Colina site.
October 20, 2014	A conference call between Morro Bay, CSD, CMC, Regional Board and CDCR was held to discuss the viability and timing of a regional facility at CMC. At that meeting CDCR authorized the release of WWTP data to Carollo for their process modeling.
October 10, 2014	A project kick off meeting was held at the City's Public Services offices for the Carollo CMC work, City and CSD staff along with the City's consultants were in attendance.
October 9, 2014	Meeting between the Morro Bay City Council and the Cayucos Sanitary District Board of Directors Meeting in Cayucos. City Council directed, by motion, City staff to work cooperatively with Cayucos Sanitary District staff.
October 8, 2014	Meeting of the WRFCAC where they reviewed the LWA report regarding permitting constraints, Kestral Consulting report regarding financing and grants and they formed three technical subcommittees.
October 2, 2014	Meeting of the Morro Bay City Council Technical/Executive Committee and the Cayucos Sanitary District Board of Directors in Morro Bay
September 30, 2014	The Public Services director executed a contract with Carollo Engineers for the study of capacity and expansion capability at the CMC site.
September 26, 2014	Meeting with Bartle Wells (Sewer and Water Rate Consultant) regarding hearing schedule and additional data needs
September 25, 2014	Received final scope and estimated fee (\$101,945) from Carollo Engineers for the evaluation of the CMC option, Carollo requested changes to the standard City contract which are being reviewed by the City Attorney
September 23, 2014	City Council Special Meeting reviewed the Report by Larry Walker and Associates regarding the Water Quality permitting implications at each of the two final proposed sites. Council also discussed the potential of joint City Council/WRFCAC meetings and status of the CMC evaluation
September 11, 2014	Joint meeting of the Morro Bay City Council and the Cayucos Sanitary District Board of Directors Meeting in Morro Bay.
September 10, 2014	First Meeting of the WRFCAC
August 12, 2014	City Council confirmed Citizen Appointments to the WRFCAC
July 16, 2014	Kick off meeting with Larry Walker Associates regarding discharge permit requirements for various disposal/reuse options for the new WRF project.
July 10, 2014	Meeting with Cayucos Sanitary District staff to discuss the scope of work for the proposed Carollo Engineers CMC capacity evaluation study.
July 9, 2014	City Council conducted interviews for positions on the WRF Citizens Advisory Committee (WRFCAC). City Council appointed seven members to the WRFCAC.
June 30, 2014	Staff met internally to gather preliminary information for Bartle Wells Rate Study. Staff will have all info to Bartle Wells by the end of July.
June 27, 2014	Kick off meeting with Kestrel Consulting to discuss funding strategies for the new WRF project.
June 27, 2014	Meeting with Cleath-Harris to review draft Chorro Creek discharge study and effect on City water supply. Authorized Cleath-Harris to perform a similar study for the Morro Valley.

WRF Project Timeline
January 2013 - Present

ATTACHMENT 1

Date	Action
June 25, 2014	Meeting with John Rickenbach and Mike Nunley to discuss project schedule for the WRF project
June 20, 2014	City executed a contract with Larry Walker Associates in the amount of \$24,970 to advise the City regarding discharge permit requirements for various disposal/reuse options for the new WRF project.
June 15, 2014	City executed a contract with Kestrel Consulting in the amount of \$20,530 to develop funding strategies for the new WRF project.
June 14, 2014	Staff has met with a variety of alternative project delivery method firms to explore the requirements for this process, firm include: Corollo, CDMSmith; and Black and Veatch.
May 27, 2014	City Council adopted Resolution 34-14 that provides direction to staff regarding the "Rancho Colina" site, continuing parallel path discussion regarding the CMC site, and forming a Citizen's Advisory Committee.
May 23, 2014	Selected Bartle Wells as Water and Sewer Rate Study consultant. The estimated fee for the study is not to exceed \$67,440.
May 22, 2014	The City Clerk posted the notice of the formation of a new, limited term and scope, i.e. Water Reclamation Facility Citizen's Advisory Committee. Applications are due to the Clerk by Friday, June 13, 2014.
May 13, 2014	Council Approved New Water Reclamation Facility Project Report on Reclamation and Council Selection of a WRF Site and provided direction to staff to return to Council with a resolution that captured the motions made.
May 8, 2014	May JPA Meeting cancelled.
May 1, 2014	Scheduled site visit at Giannini site with WRF Subcommittee, JRF Consulting and Property Owner.
April 23, 2014	Meeting to review the "Rancho Colina" site with the Morro Bay and CSD Sub-Committees along with Water Board staff.
April 21, 2014	"Rancho Colina" site visit with staff and Council persons Leage and N. Johnson.
April 18, 2014	Letter sent to property owners of potential WRF sites, inviting a discussion regarding siting potential
April 11, 2014	"Rancho Colina" site visit with staff and Council person C. Johnson.
April 10, 2014	April JPA Meeting cancelled
March 21, 2014	Meeting between City of Morro Bay (Irons/Smukler) and CSD (Enns/Lloyd) Sub-Committees along with Morro Bay and CSD County and Water Board Staff to discuss overall project status and the CMC option.
March 20, 2014	WRF Sub-Committee meeting along with staff and property owner at the "Rancho Colina" Morro Valley site to get an overview of the potential for it as a project location.
March 10, 2014	March JPA Meeting cancelled.
March 6, 2014	Scheduled WRF Subcommittee meeting with staff to discuss grant opportunities and schedules.
February 28, 2014	Received a revised scope of work for a contract amendment received from Rickenbach recognizing the accelerated time schedule for the WRF. Estimated fees not to exceed \$76,129.
February 25, 2014	City Council received a status update on the New WRF and adopted Resolution 17-14 prescribing a 5-year time frame for the construction of the New WRF.
February 13, 2014	WRF Sub-Committee meeting to discuss the 5 year time schedule and grant opportunities.

New items are indicated as italics.

WRF Project Timeline
January 2013 - Present

ATTACHMENT 1

Date	Action
February 13, 2014	February JPA Meeting held.
February 11, 2014	Mid-year Budget adjustment to include additional funding for WRF alternative site analyses. \$100,000 was approved.
January 31, 2014	Status report preparation assigned to Public Services Director.
January 29, 2014	Received proposal from Rickenbach for a contract amendment to perform due diligence on alternative WRF sites for final site selection. Estimated fees not to exceed \$63,806.
January 23, 2014	Onsite staff meeting with property owner at Rancho Colina to tour a potential location.
January 23, 2014	Telephone discussion with City's Water Attorney regarding water rights to creek discharge of wastewater.
January 20, 2014	Received proposal from Cleath-Harris to study Chorro Creek discharge and effect on City water supply. Estimated fees not to exceed \$7,500.
January 16, 2014	January JPA Meeting canceled.
December 19, 2013	December JPA Meeting held – Verbal update by both CMB and CSD.
December 10, 2013	Presentation of Options Report to City Council.
November 19, 2013	Meeting with RWCQB Staff regarding project Status and Permit Renewal.
November 14, 2013	November 2013 JPA Meeting Cancelled.
November 12, 2013	Presentation of Options Report to City Council.
November 5, 2013	Second Public Workshop – Presentation of Options Report for Public Feedback.
November 4, 2013	Public Works Advisory Board – Options Report to Board for Public Feedback.
October 29, 2013	Release of Public Draft – Options Report.
October 21, 2013	Quarterly Coastal Commission/City of Morro Bay Meeting.
September 27, 2013	October 2013 JPA Meeting cancelled.
September 16, 2013	Biosolids and Treatment Options Workshop at MB Veteran's Hall.
September 12, 2013	September JPA Meeting held.
August 19, 2013	Week ofmWorkshop Summary posted on City's website. Comments Form available on City's website for additional comments on the workshop and/or project.
August 15, 2013	Community Workshop #1 held at MB Veteran's Hall.
August 8, 2013	August JPA Meeting Cancelled.
July 25, 2013	Stakeholder Interviews conducted by Rickenbach team.
July 19, 2013	WSC Report entitled <u>Conceptual Wastewater Treatment Alternatives Technical Memorandum</u> commissioned by the Cayucos Sanitary District (CSD) released on the CSD website and delivered to the City. Report located at the following address: www.cayucossd.org/documents/Conceptual%20WW%20Treatment%20AltTM_CSD.pdf
July 18, 2013	Quarterly Coastal Commission/City of Morro Bay meeting, Rickenbach Team participated in review and discussion of the status of the WRF project.
July 11, 2013	July JPA Meeting Cancelled.
July 3, 2013	Tentative Schedule from Rickenbach for the New WRF posted online and available.
July 3, 2013	Working with Coastal Commission staff to finalize date for quarterly meeting/teleconference.
June 28, 2013	Work with Rickenbach to determine updated schedule pursuant to the scope of work in the RFP. Determination of Stakeholder groups/individuals.
June 24, 2013	Kick-off Meeting with John Rickenbach and team members.
June 13, 2013	JPA Meeting – Cayucos Veteran's Hall.
May 28, 2013	Closed Session Item scheduled to discuss Righetti appraisal.

New items are indicated as italics.

WRF Project Timeline
January 2013 - Present

ATTACHMENT 1

Date	Action
May 15, 2013	Public Services staff continues to work with John F. Rickenbach, Consulting to finalize the consultant contract
May 14, 2013	City Council meeting – Approval of John F. Rickenbach, Consulting as the Preliminary Planning Consultant for the WRF project.
May 9, 2013	May JPA meeting held, “Verbal Report by the City and District on the Progress of the future WWTP” was on the agenda and discussed.
May 2, 2013	Interviews to recommend the individual/team for the WRF project manage.
April 29, 2013	WRF Study Session at Veteran’s Hall.
April 25, 2013	Quarterly Meeting with California Coastal Commission staff, WRF discussion and status report on the meeting agenda.
April 25, 2013	Initial meeting with Selection Committee for the RFP for Planning Services for the WRF.
April 23, 2013	City Council meeting for the reaffirmation of 5 members of citizen selection committee.
April 16, 2013	Study Session on WRF facility announced for April 29, 2013.
April 15, 2013	RFP due.
April 11, 2013	April JPA meeting held, “Verbal Report by the City and District on the Progress of the future WWTP” and Discussion and Approval to Terminate the Consultant Services Agreements with Delzeit; Dudek, McCabe and Company; and Montgomery Watson Harza (MWH)” were on the agenda and discussed.
April 10, 2013	Addendum to RFP issued, re: selection committee
April 9, 2013	City Council meeting - appointment of 5 citizens for the RFP selection committee at City Council meeting.
April 5, 2013	Citizen selection committee deadline.
March 27, 2013	Announcement placed on City website, etc. regarding citizen selection committee application period.
March 26, 2013	City Council meeting - City Council approves citizens to serve on the RFP selection committee.
March 18, 2013	RFP issued.
March 14, 2013	City Council goal session, WRF established as Essential City Goal.
March 14, 2013	March JPA meeting held, “Status Report on the Discussion with RWQCB Staff Renewal Process for the WWTP NPDES Permit No. CA0047881” and “Verbal Report by the City and District on the Progress of the future WWTP” were on the agenda and discussed.
March 11, 2013	City Council goal session, WRF established as Essential City Goal.
February 26, 2013	City Council meeting - draft schedule/project timeline presented to City Council.

New items are indicated as italics.

RESOLUTION NO. 08-15

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
ADOPTING A NEW CITY SEAL**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City of Morro Bay approved a City Seal designed by Mr. E.L. “Buz” Kidwell in January 1965; and

WHEREAS, there is no official record of the City Seal design that was approved in 1965; and

WHEREAS, several color variations of original City Seal have been in use since that time with no formal public input nor City Council approval; and

WHEREAS, the current City Seal is barely legible and has no Council-adopted color version; and

WHEREAS, the City surveyed the community using both an online survey and paper ballots, providing four alternative designs for consideration, each including the key themes of Morro Rock, the harbor, fishing and the environment; and

WHEREAS, nearly 400 Citizens of Morro Bay participated in the survey with a clear majority 38.8% selecting Version B; and

WHEREAS, the City Council reviewed the results of the survey at the January 27, 2015 City Council meeting and directed staff to prepare a Resolution adopting Version B as the new City Seal in accordance with the input received from the community.

NOW THEREFORE, BE IT RESOLVED, based on the final results of the public voting process, the City Council hereby recognizes the design below as the official City Seal of the City of Morro Bay and that this design shall replace all previous designs in use.



PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 10th day of February, 2015 by the following vote:

AYES:

NOES:

ABSENT:

Jamie L. Irons, Mayor

ATTEST:

Dana Swanson, City Clerk



AGENDA NO: A-8

MEETING DATE: February 10, 2015

Staff Report

TO: Honorable Mayor and City Council **DATE:** February 3, 2015

FROM: Richard Sauerwein, Capital Projects Manager
Bruce Keogh, Wastewater Collection Manager

SUBJECT: Award of Contract to Ellison Environmental, Inc. dba Fluid Resource Management of Grover Beach, CA for the Project No. MB2015-WC01: Lift Station 1 Maintenance and Repairs

RECOMMENDATION

- 1) Staff recommends the City Council award the project contract to Ellison Environmental, Inc. dba Fluid Resource Management, Inc. in the amount of \$194,384; and
- 2) Staff recommends the City Council allocate an additional \$20,000 from Sewer Accumulation funds, for a total of \$210,000, to cover project costs including an 8% contingency.

ALTERNATIVES

- 1) Reject all of the bids and re-bid the project, thereby delaying Lift Station #1 Maintenance & Repair until Fall 2015

FISCAL IMPACT

The project is funded from accumulated Sewer Revenues. The FY14/15 budget allocates \$190,000 for project costs. An additional \$20,000 from the sewer accumulation fund, for a total of \$210,000, will cover the lowest responsive bidder with an 8% contingency.

BACKGROUND and DISCUSSION

This project entails the maintenance and repairs of a wet well lift station constructed in the late 1990's, located in the Cloisters Tract, between Coral Avenue and Highway 1, in Morro Bay. Daily lift station capacity is to remain approximately the same. The proposed repairs to the lift station are entirely within the existing right-of-way.

The anticipated start date is May 2015. Delivery of the newly purchased pumps will take approximately four months, with construction activity lasting approximately three weeks. The

Prepared By: RPS

Dept Review: RL

City Manager Review: _____

City Attorney Review: DWB

existing facilities will not be in service while the repairs are ongoing, however, by-pass pumping will be in service 24-hours a day. There will be a newly lined wet well and the installation of a pre-rotation basin with two submersible pumps. The new pumps will replace the existing 15-year old pumps with the addition of a pre-rotation basin designed for low-flow/low-volume wet wells. Due to the use of modern pumps, the lift station will be more energy efficient and reliable. Overall, the replacement pumps with the pre-rotation basins at the lift station will increase worker safety and will provide vastly superior environmental protection.

Project bids were opened on January 29, 2015 with a total of nine bids received. Ellison Environmental, Inc. dba Fluid Resource Management, Inc. of Grover Beach, CA submitted the low bid in the amount of \$194,384. Bids ranged from the low bid to a high bid of \$271,600. Based on the number of bids received, and the range between bidders, staff believes the bid to be competitive. See the attached bid analysis for additional information.

CONCLUSION

Staff recommends the City Council award the Project contract to Fluid Resource Management, Inc. in the total bid amount of \$194,384.

ATTACHMENT

- 1) Bid Analysis

Morro Bay Lift Station 1 M&R

MB2105-WC01

FLUID RESOURCE MANAGEMENT	Lic.# 937346	\$ 194,383.91
WHITAKER	Lic.# 902179	\$ 199,420.00
PACIFIC COAST EXCAVATION	Lic.# 976372	\$ 209,933.00
DECHANCE	Lic.# 562824	\$ 222,111.00
SPECIALTY CONSTRUCTION, INC.	Lic.# 619361	\$ 222,485.00
SPIESS CONSTRUCTION	Lic.# 333989	\$ 235,655.00
V. LOPEZ JR. & SONS	Lic.# 607333	\$ 243,704.50
RAMINHA CONSTRUCTION	Lic.# 469531	\$ 252,230.00
BENSFIELD GENERAL ENGINEERING	Lic.# 991722	\$ 271,600.00



AGENDA NO: A-9

MEETING DATE: February 10, 2015

Staff Report

TO: Honorable Mayor & City Council **DATE:** February 3, 2015
FROM: Eric Endersby, Harbor Director
SUBJECT: Authorization for Attendance at the C-MANC Annual Washington, D.C.,
“Washington Week” Meetings

RECOMMENDATION

Staff recommends the City Council approve authorization for a three-person delegation (the Mayor, City Manager and Harbor Director) to attend the California Marine Affairs and Navigation Conference (C-MANC) “Washington Week” meetings in Washington, D.C. This year’s meetings are scheduled for March 9 - 11, 2015.

ALTERNATIVES

- A. Approve authorization for the historical two-person “Washington Week” C-MANC delegation.
- B. Do not approve authorization for the “Washington Week” C-MANC delegation.

FISCAL IMPACT

The total cost for airfare, hotel, and monetary contribution to the Golden State Reception for the “Washington Week” meetings is estimated to be \$10,413, including approximately \$1,500 in staff time in preparatory meeting attendance, grant preparation, and travel/meeting logistics. Staff expenses will be assumed by the Harbor Fund. The City has applied for a grant of \$8,913 from the Central Coast Joint Cable Fisheries Liaison Committee which will be used for reimbursement of actual travel, attendance and associated costs of attendance. The City has been successful in obtaining the Cable Committee Grant for the last several years, and is hopeful that this year will be no different. However, if we are not successful, we would need to come back to Council for a budget adjustment as those funds are not currently budgeted.

BACKGROUND

C-MANC annually hosts “Washington Week” meetings, where representatives of California Ports and Harbors have the opportunity to remind Congress of the importance of dredging projects, commercial

Prepared By: EE Dept Review: EE
City Manager Review: _____
City Attorney Review: DWB

fishing and other coastal-related legislation in California and nation-wide. The City of Morro Bay is a long-standing member of C-MANC, and for the past 20+ years, has sent representatives to the “Washington Week” meetings. Historically, Morro Bay’s delegation has consisted of the Mayor and Harbor Director, with the exception of 2012, where the City Manager went instead of the Mayor. In order to take advantage of our new City Manager’s contacts, relationships and expertise in D.C. from his previous 27 year U.S. Army career, in addition to using the opportunity to get the City Manager quickly up to speed on our critical dredging and other Federal issues, this year the Mayor and staff are proposing that the City Manager be included in Morro Bay’s delegation.

DISCUSSION

The opportunity for face-to-face meetings with our representatives to stress the critical need to fund navigational and entrance dredging is a high priority, and the annual “Washington Week” proceedings are the City’s most effective way to have Morro Bay’s voice heard.

Additional meetings will be scheduled, including office visits to federal agencies such as OMB, EPA, U.S. Fish and Wildlife, Army Corps of Engineers, U.S. Coast Guard, NOAA and other congressional offices, regarding the proposed FY16 budget appropriations. Also at this annual event, C-MANC members host the Golden State Reception, attended by over 200 elected and appointed Washington officials, for a “meet and greet” gathering, where agencies can meet with representatives and staffers of various levels to discuss their issues and concerns in a less formal setting.

For the current Federal fiscal year, FY15, C-MANC and the City recommended funding sufficient for Morro Bay’s harbor entrance dredging needs, and for testing, planning and permitting for our next whole-channel dredging project anticipated in the next one to three years. Due in large part to our D.C. efforts, the dredge ship YAQUINA is adequately funded to dredge the harbor entrance this spring, and funding for the amendment of the environmental document necessary for the whole-channel dredging was secured and the amendment completed.

CONCLUSION

With the flip of the House to a Republican majority, it will be especially important for the California C-MANC delegation to establish relationships with the many new committee leaders, in addition to bringing a unified voice to D.C. of the importance of all of California’s ports and harbors to the national economy and security. With our last whole-channel dredging project now at the five year mark, it is becoming crucial that we get in the Corps’ work plan funded to dredge our entire navigational channel within the next one to three years, and are recommending that Morro Bay be funded to the \$7M level in FY16 for that to be accomplished.

Staff is recommending approval of City Council authorization to send a three person delegation to C-MANC’s “Washington Week” proceedings this coming March. Staff has applied for grant funding to cover the trip’s costs, and is supplying “in-kind” City staff time as its share; therefore, no direct fiscal impacts are anticipated, provided the grant is approved.



AGENDA NO: A-10

MEETING DATE: February 10, 2015

Staff Report

TO: Honorable Mayor and City Council **DATE:** February 4, 2015

FROM: Eric Endersby, Harbor Director

SUBJECT: Resolution No. 06-15 Authorizing Execution of a Deed of Trust for the Lease Agreement on Lease Site 144/144W (1287 Embarcadero)

RECOMMENDATION

Staff recommends City Council adopt Resolution No. 06-15 allowing the Mayor to authorize the execution of a Deed of Trust for Lease Site 144/144W with Charles and Sandra Marciel and Morro Bay Oyster Company, LLC. ("MBOC") for refinancing and improvements at Lease Site 144/144W, located at 1287 Embarcadero, Morro Bay.

ALTERNATIVES

1. Do not approve the Resolution.

FISCAL IMPACT

There is no fiscal impact to this action.

BACKGROUND

On January 13, 2015, City Council approved the Assignment and Assumption of Lease Site 144/144W to MBOC from Chuck and Sandra Marciel, dba M&M Refrigeration. The Assignment and Assumption includes authorization to encumber the lease with a deed of trust.

DISCUSSION

As is true with most leases, conditions of this lease require the tenants to make significant financial commitments for improvements to the lease site. Lease purchases also often require financing and financial security agreements. The new tenants of this lease site are requesting City Council approval of a Deed of Trust with Charles and Sandra Marciel against the leasehold interest, which will generate capital for the required leasehold repair/maintenance and improvements. It will also be used to finance their purchase of the lease site. The Harbor Department Lease Management Policy stipulates the City will not approve financing related to the lease site, unless such financing is for

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: JWP

sole investment upon the lease site or for City requested public improvements. Resolution No. 06-15 will authorize the Mayor to allow MBOC to encumber the leasehold with a deed of trust.

CONCLUSION

Staff recommends the City Council adopt Resolution No. 06-15 to enable financing the leasehold interest of Lease Site 144/144W for investment, repair/maintenance and capital construction purposes.

EXHIBITS

1. Resolution No. 06-15
2. Map of premises
3. Deed of Trust with Assignment of Rents

RESOLUTION NO. 06-15

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
CONSENTING TO THE ENCUMBRANCE, WITH A DEED OF TRUST, OF THE
LEASE AGREEMENT FOR LEASE SITE 144/144W LOCATED AT 1287
EMBARCADERO BETWEEN THE CITY OF MORRO BAY AND MORRO BAY
OYSTER COMPANY, LLC, AS ASSIGNEE.**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City of Morro Bay (“City”) is the lessor of property known as Lease Site 144/144W located at 1287 Embarcadero; and

WHEREAS, through an assignment and assumption agreement approved by City’s City Council, Morro Bay Oyster Company, LLC is the current lessee of Lease Site 144/144W (the “Lease”); and

WHEREAS, Morro Bay Oyster Company, LLC is financing the acquisition of the Lease and the resources necessary for capital for improvements and repairs required as part of the Lease (the “Financing”); and

WHEREAS, Morro Bay Oyster Company, LLC’s lender, Charles and Sandra Marciel, is requesting approval of a Deed of Trust to secure the Financing; and

WHEREAS, the City Attorney has reviewed and approved the attached deed of trust.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the attached Deed of Trust for Lease Site 144/144W is hereby approved and the Mayor is hereby authorized to execute the deed of trust, as necessary.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 27th day of January, 2015 on the following vote:

AYES:

NOES:

ABSENT:

Jamie L. Irons, Mayor

ATTEST:

Dana Swanson, City Clerk

RECORDING REQUESTED BY

First American Title Company

AND WHEN RECORDED MAIL DOCUMENT TO:

Charles and Sandra Marciel
3420 Fallingstar Lane
Cayucos, CA 95450

Space Above This Line for Recorder's Use Only

A.P.N.:

File No.: _____

**DEED OF TRUST WITH ASSIGNMENT OF RENTS
(LONG FORM)**

THIS DEED OF TRUST, made this ___ day of February, 2015, between

TRUSTOR: **Morro Bay Oyster Company, LLC**

whose address is **15 Dunsmoor Court, Danville, CA 94526**

TRUSTEE: **First American Title Company, a California Corporation**

and BENEFICIARY: **Charles and Sandra Marciel**

WITNESSETH: For valuable consideration, Trustor irrevocably grants, transfers and assigns to Trustee in trust, with power of sale, for the benefit of Lender as Beneficiary, all of Trustor's right, title, and interest in, to and under the Lease described below (the "Lease") of the following described real property, (the "Real Property") located in San Luis Obispo County, State of California:

Lease Site 144/144W

A copy of said Map is attached hereto as Exhibit A and made a part hereof by reference.

The Real Property or its address is commonly known as Lease Site 144/144W, 1287 Embarcadero, Morro Bay, CA 93442.

Trustor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Trustor's right, title, and interest in and to the Lease and any future leases of the Property approved by the City of Morro Bay pursuant to the Lease ("Future Leases") and all Rents from the Property generated by the Lease or any Future Lease. This is an absolute assignment of Rents generated by the Lease or any Future Lease made in connection with an obligation secured by real property pursuant to California Civil Code Section 2938

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST.

A. To protect the security of this Deed of Trust, Trustor agrees:

- 1) To keep said property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.
- 2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
- 3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.
- 4) To pay, at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all cost, fees and expenses of this Trust

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may; make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

- 5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

- 1) That any award in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
- 2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require payment when due of all other sums so secured or to declare default for failure so to pay.

- 3) That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easements thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.
- 4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto".
- 5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right; prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collecting of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
- 6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of said having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of trustee and of this Trust, including costs of evidence of title in connection with sale, Trustee shall apply to proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount

allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

- 7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.
- 8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.
- 9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.
- 10) Trustor requests that copies of the notice of default and notice of sale be sent to Trustor's address as shown above.

Beneficiary requests that copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust be sent to Beneficiary's address, as set forth on page one of this Deed of Trust, as provided by Section 2924(b) of the California Civil Code.

If the Trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the Beneficiary being first had and obtained, Beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any Note evidencing the same, immediately due and payable.

MORRO BAY OYSTER COMPANY, LLC

by: Neal Maloney
Its: Managing Member

By: Dwight K. Maloney
Its: Member

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____)SS
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

This area for official notarial seal

-----DO NOT RECORD-----

REQUEST FOR FULL RECONVEYANCE

To be used only when note has been paid.

To: First American Title Company, a California Corporation , **Trustee**

Dated: _____

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith together with said Deed of Trust, to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

Mail Reconveyance to:

By _____

By _____

NOTE: Signatures on this Request for Full Reconveyance must be notarized.

**Do not lose or destroy this Deed of Trust OR THE NOTE which it secures.
Both must be delivered to the Trustee for cancellation before reconveyance will be made.**



AGENDA NO: D-1

MEETING DATE: February 10, 2015

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 30, 2015

FROM: Scot Graham, Community Development Manager
Rob Livick PE/PLS – Public Works Director/City Engineer

SUBJECT: 2014 Annual Water Report and Allocation of 2015 Water
Equivalency Units

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 07-15 approving the following:

1. Allocate the mix of residential units as 60 percent single-family and 40 percent multi-family units; and authorize the corresponding water equivalency allocation for residential uses at 50 WEUs (water equivalency units).
2. Process Residential Allocation limits on a first-come first-serve basis, based on the priorities contained in the current General Plan and Local Coastal Plan policies.
3. Authorize allocation of 130% of the residential water equivalency units, which is equal to 65 WEUs to commercial and industrial projects, within the priority categories consistent with the current Local Coastal Plan and General Plan policies.
4. Do not preclude the potential for rolling over unused water allocations to next year.
5. New WEUs requested for 2015 be offset on a two-to-one basis by providing retrofits to existing uses or paying In Lieu fees in the amount of \$2,900 per WEU. The Public Works Director is responsible for the review and approval of the proposed retrofits to ensure they offset the water supply requested by new development in accordance with Morro Bay Municipal Code (MBMC) Section 13.20.080.
6. Provide direction to staff to bring back revisions to MBMC Section 13.20.060 that reflects the realities of report preparation dates.

ALTERNATIVES

As an alternative to authorizing WEUs, Council can place a moratorium on new WEUs until the City receives its full allocation of State Water Supply and the Governor rescinds the drought declaration or the City develops significant new water supplies.

FISCAL IMPACT

There are no fiscal impacts directly associated with the allocation of WEUs. Staff performs the

01181.0001/2411

Prepared By: ___SG/RL___ Dept Review: ___SG/RL___
City Manager Review: _____
City Attorney Review: _____

annual water report and makes the recommendation on the authorization of water equivalency units as a routine annual task. Although, a moratorium on new WEUs will reduce the amount of revenue the City receives through building and planning fees, property taxes, sales taxes and other property related revenues.

BACKGROUND

Pursuant to the Section 13.20.060 of the MBMC, the Annual Water Report has been prepared by the Community Development Department and Public Works Department and forwarded to the City Council for consideration and adoption. This report describes the uses that have received water equivalency allocations in 2014 (Table 1), and provides the Director's recommendation regarding the building allocation for residential units and the suggested mix of multi-family and single-family residential units for 2015 as indicated in City Council Resolution No. 78-00. That Resolution indicates the City Council would continue to set an annual limit on residential units and their mix as set forth in Ordinance 266. In addition, this report provides a snapshot of the City's population (Table 2), water production (Table 3), per capita water use trends (Table 4), and water loss estimates (Tables 5 & 6).

DISCUSSION

History of the WEUs allocation:

Historically, the City Council allocated a total of 160 residential WEUs for both types of residential and 130 percent of that allocation to commercial and industrial until 2002. That number was increased to a total of 230 residential WEUs until the 2006 allocation approval when the Council reduced the total by half or to 115 WEU.

Water Management Plan:

On January 17, 2014, California Governor Jerry Brown declared an emergency due to drought conditions. That declaration called for a voluntary 20-percent reduction in water consumption. The Governor's declaration is in effect until May 2015, unless extended if drought conditions do not change. On January 22, 2014, the City of Morro Bay implemented Mandatory Water Conservation Requirements for Severely Restricted Water Supply Conditions. On January 15, 2015, the California Department of Water Resources informed the State Water Project contractors the allocation for 2015 is now officially at 15-percent, and stored water is available to make up the difference between delivery requests and demand. The City of Morro Bay has approximately 2,000 acre-feet of water stored in San Luis Reservoir. In 2014, the City reduced its overall water consumption to 104 gallons per person per day.

The City's other sources of water are also constrained. The Chorro Valley wells require stream flows in Chorro Creek to exceed 1.4 cfs in order to pump ground water from those wells; additionally, water pumped from those wells is high in nitrates and cannot be used without treatment or blending. The Morro Valley wells are also high in nitrates and require treatment at the City's water treatment plant to remove them. The salt water well, outfall and associated piping components of the City's Water Treatment Plant (desalinization and brackish water reverse osmosis) do not have a valid Coastal Development Permit. The Coastal Development Permit issued for those components in 1994 was valid for five years with conditions to make the permit permanent. Perhaps due to the availability of the seemingly endless supply of State Water in the late 1990's, the City did not renew that permit. That expired permit was discovered in 2012, during the permitting of the Wastewater Treatment Facility. City staff has

applied for a permanent Coastal Development Permit for the aforementioned water treatment component and is still working with Coastal Commission staff to address the new California Ocean Plan requirements and other issues prior to going to hearing later this year, where we expect to receive a new permanent Coastal Development Permit.

As stated in last year's report, in 2008 City Council reviewed the conditions of the community's long-term potable water supply and as a result approved the Water Management Plan Status Report. That report, performed at least every 5 years, looked at: "any changes in climatic, hydrological, technological, or political conditions that could affect the City's long-term water supply whether negatively or positively." It was determined, as a result of that review, the existing resources are adequate and sustainable for build-out of the community in accordance with the General Plan. While the findings of the Water Management Plan stated the City's water supplies are adequate for build-out, the report did not anticipate the drought conditions described above. Therefore, in 2014 new WEU requests were offset either on a two-to-one basis by providing retrofits to existing uses or through the payment of an "In-Lieu" fee in the amount of \$2,900. It is recommended that practice continue. Those retrofits can come in forms ranging from installation of rainwater catchment systems to dual/ultra-low flush toilets. The Community Development Manager and Public Works Director will review the proposed retrofits and ensure they offset the water supply requested by new development.

Potable Water Production Data:

As shown in Table 3, for calendar year 2014 no water was extracted from City's Chorro and Morro Basins; 1141 acre-feet were delivered from the State Water Project (SWP) and 41 acre-feet of treated Morro Basin well water were delivered from the water treatment (Brackish Water Reverse Osmosis) plant. Table 3 shows the total water production for this year was 1183 acre-feet, which is a reduction of 88 acre-feet from 2013.

Table 4 provides an historical record of water production and use from 1960 through 2014. Beginning in 1997, per capita water use has been re-calculated, based upon the amount of water delivered to customers (metered/sold) rather than gross production, to closely reflect actual community consumption practices.

Table 5 shows the calculations for this year's un-metered and unaccounted water loss, and Table 6 provides the history of unaccounted water loss from 1985 through 2014. Due to the City's proactive maintenance in leak repairs and replacement of under registering meters, unaccounted water loss continues to be less than five percent.

The 2014 average consumption was 103 gallons per capita per day (gpcd). In accordance with the Water Management Plan (page 1, Section 2), that consumption is below the 130-gpcd threshold.

Water Allocation Mix:

WEUs are allocated each year for residential, commercial and industrial uses. Tables 1 shows, historically, the majority of residential permits issued have been single-family units. The current allocation mix provides sufficient allocations for the single-family development while providing sufficient multiple family allocations to encourage and facilitate their development. The City's 2014-2019 Housing Element indicates for the period from 2014 to 2019, Morro

Bay's fair share of housing will be 155 residential units. Staff recommends, in 2015 the Council continue to allocate, as it has historically done in 2007-2014, 50 residential WEUs with 60 percent of those units allocated to single-family and 40 percent to multiple-family and 115 WEU's (130% of residential) be allocated to commercial/industrial uses, with the stipulation any new WEUs need to be offset by water conservation retrofits or payment of "In-Lieu" fees.

Summary of 2014 activity:

The Council authorized 50 WEUs for 2014 with 60 percent to be used for single-family dwellings and 40 percent for multiple-family dwellings with no rollovers. Those WEUs were allocated on a first-come, first-serve basis. The tracking of the WEUs utilized in 2014 indicates a total of 23.37 WEUs were used as follows:

- 4.03 Commercial
- 8.0 Single-Family
- 11.34 Multiple-Family

That is not a comprehensive list of all building activity, but rather a list of those activities which required a WEU allocation.

Additional Considerations

Chapter 13.20 of the MBMC requires the delivery of the annual water report to City Council in December with the allocations to be adopted in January of each year. Unfortunately, due to the complexities of the City's water supply, staffing constraints and when the State Water data is received, it is not possible to portray an accurate assessment of the City's water supply in December, especially if input is desired from the Planning Commission. Therefore, staff requests the City Council provide direction to make modifications to the MBMC that reflect the time to receive and process the data from the previous year.

CONCLUSION

By adopting Resolution No. 07-15, the Council will be following the guidelines provided in Ordinance 266, ensuring water usage will continue to be monitored.

EXHIBIT(S)

- A. Resolution 07-15

ATTACHMENTS

1. Table 1: Distribution of Water Equivalency Units
2. Table 2: Population
3. Table 3: Water Production
4. Table 4: Per Capita Water Use
5. Table 5: Unaccounted for Water Loss for 2014
6. Table 6: Historical Unaccounted for Water Loss

EXHIBIT A

RESOLUTION NO. 07-15

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
APPROVING THE 2014 ANNUAL WATER PROGRESS REPORT
AND ADOPTING A WATER ALLOCATION PROGRAM FOR 2015**

THE CITY COUNCIL
City of Morro Bay, California

WHEREAS, Chapter 13.20 of the Morro Bay Municipal Code, calls for the City Council of the City of Morro Bay to adopt a yearly Water Allocation Program based on a report by the Community Development Director and Public Services Director; and

WHEREAS, the Local Coastal Program Land Use Plan and Ordinance Number 266, requires the City Council to set an annual limit on new residential units and to prescribe the mix of multi-family and single family residences allowed within that limit; and

WHEREAS, on January 17, 2014, California Governor Jerry Brown declared a water emergency, due to drought conditions; calling for a voluntary 20-percent reduction in water consumption; and

WHEREAS, on January 22, 2014, the City of Morro Bay implemented Mandatory Water Conservation Requirements for Severely Restricted Water Supply Conditions; and

WHEREAS, the State Water Project allocation for 2015 has been set at 15-percent, and only stored water is available to meet delivery requests; and

WHEREAS, on the 10th day of February, 2015, the City Council did hold a duly noticed public hearing on the 2014 Annual Water Progress Report and the proposed 2015 Water Allocation Program.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Morro Bay, California, as follows:

A. The City Council of the City of Morro Bay hereby receives and accepts the 2014 Annual Progress Water Report as submitted by the Public Works Director and Community Development Manager, as incorporated herein as if attached hereto; and

B. A Water Allocation Program for the year 2015 is hereby adopted by the City Council of the City of Morro Bay containing the following elements:

1. Allocate the mix of residential units to 60 percent single-family and 40 percent multi-family units; and authorize the corresponding water equivalency allocation for residential uses at 50 Water Equivalency Units as are currently used for tracking project water usage.

2. Process Residential Allocation limits on a first-come/first-served basis, based on the priorities contained in the current General Plan and Local Coastal Plan policies. Unused multiple family residential WEUs may be rolled over to single family dwellings after September 30, 2015;
3. Authorize allocation of 130% of the residential water equivalency units to commercial and industrial projects, within the priority categories consistent with the current Local Coastal Plan and General Plan policies;
4. The potential for rolling over unused water allocations to next year is not precluded by this action.
5. New water allocations requested for 2015 be offset or in-lieu fees paid on a two-to-one basis (or 440 gallons per day) by providing retrofits to existing uses or providing non-required water savings features for new development that is seeking the water allocation. The Public Works Director is responsible for the review and approval of the proposed retrofits to ensure that they offset the water supply requested by new development. Retrofits may include any of the following water saving best management practices:
 - Irrigation Retrofits
 - Waterless Urinals
 - Waterless Toilets
 - Ultra-Low Flow Toilets
 - Lawn/Landscape Replacement Program
 - Gray water system installation in new construction
 - Installation of Rainwater Recovery Systems
 - Other Water Savings Best Management Practices as approved by the Public Services Director
 - Payment of an “In-Lieu” fee program of \$2,900 per Water Equivalency Unit

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 10th day of February, 2015 by the following vote:

AYES:

NOES:

ABSENT:

Jamie L. Irons, Mayor

ATTEST:

Dana Swanson, City Clerk

**Table 1
HISTORIC TRACKING OF ALLOCATIONS**

Allocations tracked on a calendar year basis

Allocation Year (January 1-December 31)	Total WEU Available	Number of Residential WEUs available	Single Family Residential WEUs allocated	Number of SFR Units	Multiple Family Residential WEUs allocated	Number of Multiple Family Units	Number of Commercial/Industrial WEU available	Commercial "A"	Commercial "B"	Industrial	Total WEU Allocated
2014		50	8	8	11.34	21	4.03				23.37
2013	115	50	20.54	20.54	0	0	0.37	0	0.37	0	20.91
2012	115	50	7	7	0	0	65		7.13	0	14.13
2011	115	50	4.54	5	0	0	65	3.85	0	0	8.85
2010	115	50	9.54	10	0	0	65	0.74	0	0	10.28
2009	115	50	2.62	5	2.62	0	65	0	0	0	2.62
2008	115	50	6.54	7	1.6	1	65	3.97	0	0	12.11
2007	115	50	25.7	28	10.2	18	65	1.15	0	0	37.44
2006	230	100	35.62	37	5.76	8	130	3	3.84	0	48.22
2005	230	100	40.48	46	6.17	10	130	15.5	1.63	0	63.78
2004	230	100	28	28	11.42	19	130	0	2.44	0	41.86
2003	262	100	54	54	8.86	15	130	7.56	0	0	70.42
2002	160	69.52	28	28	5.24	8	90	6.1	9.3	0	48.64
2001	160	69.52	63	63	6.89	11	90	4.77	0	0	74.66
2000	160	69.52	68	68	4.86	9	90	9.39	0	0	82.25
1999	160	69.52	53	53	1.32	2	90	0	0	0	54.38
1998	156	68	56.62	66	6.48	18	90	1.38	0	0	64.48

Allocations tracked on a fiscal year basis.

Allocation Year (July 1 of previous year to June 30 of the year shown)	Total WEU Available	Number of Residential WEUs available	Single Family Residential WEUs allocated	Multiple Family Residential WEUs allocated	Number of Commercial A WEU available	Commercial "A" allocated	Number of Commercial B WEU available	Commercial "B" allocated	Number of Industrial WEU available	Industrial allocated	Total WEU Allocated
1997	153.13	66.12	7.54	0.36	62.37	0.05	0.05	11.71	12.93	0	7.95
1996	153.13	66.12	23	0	62.37	62.37	11.71	2.63	12.93	0	88.00
1995	146.65	63.74	29.44	0	60.11	19.15	11.29	4.06	12.46	0	52.83
1994	147.6	63.74	29	0.36	60.11	0	11.29	0	12.46	0	29.36
1993	149.55	64.58	43	1.56	60.9	9.54	11.44	0.57	12.63	0	54.67
1992	149.55	64.58	46	10.25	60.9	0	11.44	8.07	12.63	0.43	64.75

Notes:

In 2003 there was a one time allocation for Colmer Tract 2285

In 1998, 2000, 2001 & 2002 there were residential rollover of WEUs

Commercial "A" (Commercial fishing/Agriculture, coastal dependent uses, coastal related, public, quasi-public and institutional uses, visitor accommodations, campgrounds)

Commercial "B" (Visitor-serving uses except visitor accommodations)

TABLE 2
PROJECTED GROWTH RATES VERSUS ACTUAL POPULATION INCREASES

Year	Population		Housing	
	Population Per Ord. 266/LCP ¹	Actual Population ²	Units Per Ord. 266 Projections	Actual No. Of Housing Units ³
1980	9425	9064	N/A	5180
1981	9705	9206	N/A	5298
1982	9998	9297	N/A	5302
1983	10298	9435	N/A	5326
1984	10400	9599	N/A	5363
1985	10505	9747	5440	5403
1986	10610	9881	5517	5473
1987	10716	9819	5594	5548
1988	10823	9975	5671	5638
1989	10931	10133	5748	5647
1990	11040	9664	5825	5694
1991	11150	9806	5902	5760
1992	11262	9736	5979	5760
1993	11489	9979	6056	5845
1994	11489	10071	6133	5877
1995	11604	9518	6210	5888
1996	11720	9687	6287	5922
1997	11837	9696	6364	5960
1998	11955	9845	6441	6005
1999	12123	9871	6518	6048
2000	12196	9981	6595	6104
2000	12196	10410 *	6595	6104
2001	12200 ⁴	10486	6672 ⁴	6178
2002	12200 ⁴	10510	6672 ⁴	6220
2003	12200 ⁴	10510	6672 ⁴	6289
2004	12200 ⁴	10522	6672 ⁴	6336
2005	12200 ⁴	10270	6672 ⁴	6392
2006	12200 ⁴	10491	6672 ⁴	6437
2007	12200 ⁴	10436	6672 ⁴	6483
2008	12200 ⁴	10506	6672 ⁴	6492
2009	12200 ⁴	10555	6672 ⁴	6496
2010	12200 ⁴	10608	6672 ⁴	6506
2010	12200 ⁴	10234*	6672 ⁴	6506
2011	12200 ⁴	10294	6672 ⁴	6511
2012	12200 ⁴	10274	6672 ⁴	6518
2013	12200 ⁴	10317	6672 ⁴	6538
2014	12200 ⁴	10276	6672 ⁴	6566

¹ This column represents population based on Ordinance 266's projected growth of 77 units per year. These figures indicate that the City's growth rate is behind the Ordinance 266 schedule. Actual population figures are taken from the California Department of Finance "Housing Estimates" report. The 1990 decennial census is the benchmark for the estimates prior to 2000. After 2000 the 2000 decennial census is used and a second entrée for 2000 shows the adjustment for the new census. Again the 2010 Census adjusts the population figure for 2010. The figures represent totals as of January 1st of each year indicated. The population figure includes an estimated 21% vacancy rate. A lower vacancy rate would result in a higher population.

³ The total number of Housing units includes the addition of all new residential units to the City's Housing Stock, as well as the deduction of all units lost through demolition, removal, or change of use from residential to non-residential.

⁴ This is the maximum population or housing under Ordinance 266 without an election to allow further building.

TABLE 3

WATER PRODUCTION DATA 1980 - 2014
(Acre Feet - AF)

Year	Chorro Basin	Morro Basin	** R/O Plant	State Water	TOTAL (AF)
1980	1079	672	*	*	1751
1981	1143	584	*	*	1727
1982	1061	526	*	*	1587
1983	995	537	*	*	1532
1984	1097	572	*	*	1669
1985	1108	582	*	*	1690
1986	1059	552	*	*	1611
1987	1124	531	*	*	1655
1988	1120	528	*	*	1648
1989	1047	512	*	*	1559
1990	963	564	*	*	1527
1991	808	449	*	*	1257
1992	1049	270	*	*	1319
1993	994	397	*	*	1391
1994	954	460	*	*	1414
1995	986	420	*	*	1406
1996	1261	240	*	*	1501
1997	985	249	*	301	1535
1998	38	*	*	1288	1326
1999	34	*	*	1359	1393
2000	4	*	*	1396	1400
2001	11	*	*	1399	1410
2002	1	32	48	1373	1454
2003	1	28	13	1379	1421
2004	49	213	10	1205	1477
2005	204	150	0	1007	1361
2006	257	80	25	1009	1371
2007	276	35	19	1116	1446
2008	184	52	28	1175	1439
2009	235	80	64	1069	1448
2010	74	54	258	873	1259
2011	14	0.5	84	1144	1243
2012	0	3.9	70	1129	1203
2013	0	27	107	1137	1271
2014	0	0	41	1141	1183

** R/O Plant Production numbers include both Morro Groundwater treated via Brackish Water Reverse Osmosis (BWRO) as well as Sea Water Reverse Osmosis (SWRO).

TABLE 4

TOTAL HISTORIC WATER PRODUCTION & RAINFALL
FOR THE CITY OF MORRO BAY

Year	Rainfall	City Population	Production in acre feet	Production in millions of gallons	Average daily production in millions of gallons	Average use in gallons per capita per day
1960	10.48	5,599	894	291	0.8	142
1961	8.6	*	842	274	0.75	*
1962	17.22	*	999	326	0.89	*
1963	18.52	*	840	274	0.75	*
1964	11.26	*	881	287	0.79	*
1965	16.08	6,400	1000	326	0.89	140
1966	11.24	6,500	1188	387	1.06	163
1967	20.09	6,600	1194	389	1.07	161
1968	9.64	6,750	1298	423	1.16	172
1969	28.74	6,900	1255	409	1.12	162
1970	9.84	7,109	1534	500	1.37	193
1971	14.2	7,450	1533	500	1.37	184
1972	7.41	7,517	1547	504	1.38	184
1973	27.51	7,725	1424	464	1.27	165
1974	22.35	7,942	1482	483	1.38	167
1975	14.43	8,165	1510	492	1.35	165
1976	11.38	8,394	1574	513	1.41	167
1977	8.35	8,525	1249	407	1.12	131
1978	29.68	8,625	1430	466	1.28	148
1979	17.06	9,150	1614	526	1.44	157
1980	20.99	9,064	1651	538	1.47	162
1981	13.11	9,206	1727	563	1.54	168
1982	20.01	9,297	1586	517	1.42	152
1983	35.01	9,435	1534	500	1.37	145
1984	10.08	9,599	1669	544	1.49	155
1985	10.02	9,747	1691	551	1.51	155[129]
1986	17.17	9,881	1614	526	1.44	146[120]
1987	12.29	9,819	1655	539	1.48	150[127]
1988	15.01	9,975	1648	537	1.47	147[124]
1989	10.88	10,133	1559	508	1.39	137[118]
1990	8.78	9,664	1527	498	1.36	141[115]
1991	16.01	9,806	1256	410	1.12	114[92]
1992	19.63	9,736	1319	430	1.18	121[98]
1993	24.21	9,979	1391	452	1.24	124[98]
1994	11.05	10,071	1414	462	1.26	126[106]
1995	40.01	9,518	1418	462	1.27	133[110]
1996	15.47	9,687	1501	462	1.34	138[110]
1997	18.56	9,696	1535	489	1.37	141[115]
1998	18.01	9,845	1326	432	1.18	120[102]
1999	13.11	9,871	1393	454	1.24	126[108]
2000	19.63	10,410	1400	456	1.25	120[103]
2001	16.04	10,486	1410	459	1.26	118[107]
2002	9.36	10,510	1454	474	1.3	123[108]
2003	13.75	10,485	1421	466	1.28	122[108]
2004	9.48	10,522	1477	481	1.32	125[105]
2005	30.19	10,270	1361	444	1.22	118[106]
2006	18.9	10,491	1371	447	1.23	117[104]
2007	7.24	10,436	1446	471	1.29	118[109]
2008	13.34	10,548	1439	469	1.23	122[111]
2009	12.25	10,555	1448	472	1.29	120[107]
2010	17.26	10,608	1259	410	1.12	106
2011	12.99	10,234	1243	405	1.11	108[102]

2012	10.16	10,327	1203	392	1.07	105[102]
2013	4.05	10,370	1349	440	1.21	117[104]
2014	12.62	10,234	1183	385	1.05	103

a: [average] determined from metered water sold, not water produced

TABLE 5

COMPUTATIONS: UNACCOUNTED FOR WATER LOSS TABLE - 2014
ACRE FEET (AF)

	AF
<u>WATER PRODUCED</u>	
From the City of Morro Bay Public Services	1,183
<u>WATER SOLD</u>	
From the City of Morro Bay Finance Department	1,137
<u>DIFFERENCE</u>	46
<u>CITY WATER USE/LOSS (Unmetered & Estimated)</u>	
Fire Hydrant Flushing	0
Fire Training	0.2
Fire Fighting	0.05
Sweeper	0.3
Hydrocleaner	1
Dead End Flushing, Water Leaks, Fire Hydrant/Line Breaks	0.5
Meter Error (estimated at 0% average)	0
TOTAL	2.05
<u>UNACCOUNTED FOR WATER LOSS</u>	43.95
<u>LOSS AS PERCENT OF PRODUCTION</u>	3.7%

TABLE 6

UNACCOUNTED FOR WATER LOSS
(Acre Feet - AF)

Year	Water Produced	Water Sold	Difference	City Water Use/Loss	Unaccounted for Water Loss	Percent of Production
1985	1690	1411	280	73	207	12.2%
1986	1610	1330	281	69	212	13.1%
1987	1655	1370	259	70	189	11.4%
1988	1641	1386	255	71	184	11.2%
1989	1559	1343	216	47	170	10.9%
1990	1527	1249	279	47	232	15.2%
1991	1256	1008	248	45	203	16.2%
1992	1319	1068	250	36	215	16.3%
1993	1391	1178	213	0.8	213	15.3%
1994	1414	1194	220	33	187	13.2%
1995	1418	1173	245	60	184	13.0%
1996	1501	1194	307	33	274	18.2%
1997	1535	1247	288	49	239	15.6%
1998	1326	1131	195	17	178	13.4%
1999	1393	1185	208	17	191	13.7%
2000	1400	1206	194	27	167	11.9%
2001	1410	1251	159	29	130	9.2%
2002	1454	1269	185	24	161	11.1%
2003	1421	1258	162	25	138	9.7%
2004	1477	1264	213	26	187	12.7%
2005	1361	1219	143	22	121	8.9%
2006	1371	1219	152	19.2	133	9.7%
2007	1446	1276	171	21.6	149	10.3%
2008	1439	1306	133	67.3	66	4.6%
2009	1448	1264	184	84.9	99	6.8%
2010	1259	1255	4	1.4	3	0.2%
2011	1243	1173	70	1.7	68	5.5%
2012	1203	1163	40	1.4	38.6	3.2%
2013	1246	1186	60	1.7	58.3	4.7%
2014	1183	1137	46	2.1	43.9	3.7%

Statewide unaccounted for water loss in municipal systems varies between 1 to 20 percent. The median is 10 to 15 percent.



AGENDA NO: D-2

MEETING DATE: February 10, 2015

Staff Report

TO: Honorable Mayor and City Council

DATE: January 30, 2015

FROM: Susan Slayton, Administrative Services Director/City Treasurer

SUBJECT: Presentation of the Draft Concept Plan for the Citizens Finance Committee for the City of Morro Bay

RECOMMENDATION

Staff recommends the City Council review the draft concept plan for a Citizens Finance Committee and direct staff accordingly.

ALTERNATIVES

1. City Council direct staff to move forward with establishing Citizens Finance Committee, as presented and amended at this meeting, and bring back a Resolution to formalize the Committee; or
2. City Council to table the idea of the Citizens Finance Committee.

FISCAL IMPACT

Unknown based on the amount of staff time involved in working with the Citizens Finance Committee, training the members on fund accounting, governmental revenues and expenditures, and budget practices and processes.

BACKGROUND:

In February 2013, the City Council requested a staff report on what a Volunteer Budget Review Sub-Committee would look like. Staff sent out inquiries to other cities, as well as performed an internet search, and this information was presented to the City Council at its September 10, 2013 meeting. The direction at that meeting was to bring back, for Council consideration, the following key elements for the Committee: mission, duties, structure, and scope of work. Council further directed staff to use the cities of Benicia and Piedmont, as guiding documents, to create a working document for the Citizens Finance Committee in the City of Morro Bay. For various reasons, this item was not brought back during the 2014/15 budget cycle; however, in response to discussion and direction received at the January 27, 2015 Council meeting, it is now being presented for your consideration and direction.

DISCUSSION:

Staff has reviewed the information from the cities of Benicia and Piedmont, and prepared the attached draft concept plan for the Citizens Finance Committee. Staff is requesting that the City Council review the draft plan, make amendments, and direct staff to either bring back a Resolution, formalizing the Citizens Finance Committee, or table the idea of the Committee.

Prepared By: SS

Dept Review: SS

City Manager Review: _____

City Attorney Review: _____

CITY OF MORRO BAY CITIZENS FINANCE COMMITTEE

MISSION, DUTIES AND STRUCTURE POLICY

Purpose

The purpose of the Citizens Finance Committee shall be an advisory body to the City Manager and City Council. The Committee will review financial documents, make recommendations, and project the financial needs of the City.

Mission Statement

The role of the Citizens Finance Committee is to provide citizen input to the City Manager, City Council and staff, regarding financial policy or process issues, including audits, financial budgets, contracts and financial reports. In addition, the Citizens Finance Committee's role is to help promote citizen participation with and understanding of governmental financial information and processes, such as the financial documents, audits, and budgets, as well as the financial condition of the City.

Duties

1. Annual review of the investment policy, with recommendations, as appropriate.
2. Annual review of independent financial audit, with recommendations, as appropriate.
3. Annual review of contracts, with recommendations, as appropriate.
4. Review existing budget document to determine long-term financial sustainability, and make recommendations, as appropriate.
5. Review and provide comments on the mid-year budget reports prior to presentation to City Manager.
6. Quarterly review of the City's investments, and make recommendations, as appropriate.
7. Monthly review of budget performance reports and financial disbursements, with particular interest paid to contract expenditures (both capital and non-capital in nature), to reasonably gauge compliance with established budgets and/or other documents, and make recommendations, as appropriate.
8. Review annual budget prior to presentation to the City Manager, and make recommendations, as appropriate.
9. Special financial projects, as directed by the City Manager.
10. Propose/recommend additional financial areas of study to the City Manager.
11. All recommendations are to be provided to the City Manager, in writing, unless otherwise requested, on no less than a quarterly basis.

12. Submit an annual work program to the City Manager for review and City Council approval.

Structure

1. The Committee shall be comprised of five members of the public. Two City Council members will be appointed as liaisons. The Administrative Services Director will act as a facilitator/advisor.
2. Of the five members, four shall be residents and one may be a non-resident business owner.
3. Two of the resident Members shall initially be appointed to a two-year term and the remaining three Members to four-year terms. Upon termination of those initial two-year terms, the appointments/reappointments to those positions shall be for a four-year terms.
4. Any member, who serves as a member of the Committee for more than eighteen months of an unexpired term, shall be considered to have served a full term.
5. Members shall be limited to a maximum of two four-year terms.
6. Committee members shall elect the Chairperson, who will serve a two-year term.
7. Elected liaisons shall be allowed full discussion privileges, but shall not have voting privileges.
8. This Committee Members will be subject to the California open meetings, public records and conflict of interest laws.
9. Staff reports shall accompany agenda items, when appropriate.
10. Decisions on agenda items shall be by majority vote of the entire Committee.
11. Minutes shall be recorded, approved, and forwarded to the City Manager.
12. The Committee shall meet, at minimum, on a quarterly basis, prior to the preparation of the quarterly financial reports. The exception is the fiscal year end, when a special meeting shall be held to review the year end results.



AGENDA NO: D-3

MEETING DATE: February 10, 2015

Staff Report

TO: Honorable Mayor and City Council **DATE:** February 4, 2015
FROM: Susan Slayton, Administrative Services Director
SUBJECT: Approval of the 2015/16 Budget Calendar

RECOMMENDATION

Staff recommends the City Council review the budget calendar, make any necessary changes and establish the budget calendar for the 2015/16 budget cycle.

ALTERNATIVES

Staff has no recommended alternatives to this calendar. Should Council make changes to the calendar, staff will ensure that the calendar is altered to fit those changes.

SUMMARY

The budget calendar is presented for City Council approval. Please review the calendar and make any necessary changes.

Budget calendar established	February 10 th
Worksheets provided to Departments	February 11 th
1 st Budget Workshop	Week of March 2 nd
Revenue and expenditure estimates due to Finance	March 16 th
Preliminary budget to City Manager	April 6 th
Preliminary budget to City Council	May 1 st
2 nd Budget Workshop	May 20 th
Additional Budget Workshop (if needed)	TBD
Adopt 2015/16 Budget	June 9 th or 23 rd

Prepared By: SS

Dept Review: SS

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: D-4

MEETING DATE: February 10, 2015

Staff Report

TO: Honorable Mayor & City Council

DATE: February 4, 2015

FROM: David W. Buckingham, City Manager

SUBJECT: Discussion of 2015-16 City Goals and Program Objectives

BACKGROUND/ DISCUSSION

Study sessions were held on January 13 and 27, 2015 to discuss, modify and reprioritize the current City Goals, identify program objectives for each, and extend those goals through July 2016. Based on those discussions, staff has prepared the attached document for Council review and further discussion.

Based on the direction received tonight, Staff will bring the final City Goals and Program Objectives for 2015-16 for adoption at the February 24 City Council meeting.

ATTACHMENTS

Draft Long-Term Goals with 2-Year Program Objectives

Prepared By: DWB

Dept Review: _____

City Manager Review: _____

City Attorney Review: DWB



City of Morro Bay

City Hall

595 Harbor Street
Morro Bay, CA 93422

Memorandum For: City Council and Staff

4 Feb 2015

Subject: 2015-2016 City Goals and Objectives (3rd Draft)

1. **Purpose.** The purpose of this document is to identify City of Morro Bay Goals and Objectives. These 10 goals represent areas of general interest and priority for the City.
 - a) These goals were initially developed in the spring of 2013 and were discussed, modified slightly and reaffirmed / adopted in January and February of 2015. These goals are intended to remain valid and in force through June 2016.
 - b) The program objectives under each goal identify a number of specific objectives the City intends to accomplish in the January 2015 to June 2016 time period. Accomplishing these objectives, however, is dependent on adequate resourcing – both staff time and money. Thus, some objectives may not be completed if adequate resources are not allocated during the budget process.
 - c) City staff intends to develop simple action plans, including milestones and basic metrics, for each of these program objectives. Staff will update the Council on the status of work on each objective in the autumn of 2015.
 - d) During 2015, the City intends to develop a strategic planning framework and adopt City Vision, Values and Mission. The City further intends to conduct a new goal setting process in the spring of 2016 to identify a new set of 5 year goals relevant for the second half of this decade, and specific 2-year objectives related to each goal. The City hopes the strategic planning framework will synchronize long term goals with 2-year objectives, a 2-year budget cycle, and the two year election cycle.
2. **Goals and Objectives.** Following are the City of Morro Bay's 10 Goals and subordinate program objectives:

Goal #1 - Develop New WRF

- a) **Public Input.** Ensure robust WRFCAC and public engagement for major WRF decisions.
- b) **Governance.** Bring a recommendation to City Council for the governance structure with the Cayucos Sanitary District for the future WRF.

Subject: 2015-2016 City Goals and Objectives (3rd Draft)

- c) **MOU for Now.** Bring a recommendation to Council for an interim agreement with the Cayucos Sanitary District defining the roles and responsibilities for the preliminary engineering and environmental review phase of the WRF project.
- d) **Fatal Flaws.** Complete a detailed “fatal flaws” analysis of the “Rancho Colina” site including: Cultural Resources, Biological Resources, Geotechnical and Groundwater.
- e) **FMP.** Complete the first phase of Facilities Master Plan, including: consultant team selection, decision regarding direction for the use of reclaimed water and a robust analysis of new treatment technologies that meet the anticipated requirements for use of reclaimed water.
- f) **Environmental Review.** Complete an Initial Study for the preparation of an appropriate environmental review document.

Goal #2 - Improve Streets

- a) **Streets Ballot Measure.** Research and bring to Council for decision a ballot measure for a district transaction tax, Bond measure or other financing mechanism that would provide revenue to secure financing to rebuild/repair all Morro Bay streets in 5 years.
- b) **Traffic Management Plan.** Prepare and bring to Council for adoption a neighborhood traffic management plan for both residential and commercial neighborhoods that is consistent with the State of California’s “Complete Streets” requirements and improves safety and access for all users: vehicles, bikes, and pedestrians. Implement five traffic safety and/or calming measures, as recommended in the adopted plan.
- c) **Traffic Control Measures.** Prepare an asset database and maintenance plan for all traffic control devices, including signs, signals, feedback devices and pavement markings.
 - i) Refresh marking of all crosswalks; stop bars; legends; parking stall markings; and bicycle lane marking in commercial districts, collector and arterial streets, designated pedestrian routes, and on all routes to schools.
 - ii) Replace 20-percent per year of the regulatory signs that do not meet FHWA’s retro-reflectivity requirements.
- d) **Pavement System.** Update the Pavement Management System software and inspection verification to evaluate streets for maintenance needs. Crack seal all applicable streets in the East Beach Tract (AKA Island Streets).
- e) **Bike Needs.** Bring one or more unmet bike needs and/or maintenance of existing bike paths to Council for funding consideration in the 2015/2016 budget process.

Subject: 2015-2016 City Goals and Objectives (3rd Draft)

Goal #3 - Review and Update Significant City Land Use Plans

- a. **GP/LCP.** Complete GP / LCP update and integration by December 2017.
- b. **Sign and Secondary Units.** Complete revision / update of the City's Sign and Secondary Unit Ordinances.
- c. **Neighborhood Design.** Develop and implement neighborhood design guidelines.
- d. **Old Town Specific Plan.** Update the Old Town specific plan with design guidelines for implementation and certification.

Goal #4 - Maintain Core Public Safety Services

- a) **CERT and EOC.** Complete four regional Community Emergency Response Team (CERT) courses with bi-monthly continuing education for our citizens and enhance our Emergency Operations Center (EOC) position training for City employees, volunteers, and City Council.
- b) **Drought Annex.** Complete the drought annex to Part II of our City's Multi-Hazard Emergency Response Plan.
- c) **IT Communication.** Create and implement IT solutions to enhance public safety communication to the community.
- d) **Code Enforcement.** Bring a proposal for a proactive code enforcement program to Council for decision and immediate implementation.
- e) **Emergency Plan Updates.** Complete all emergency plan updates presented by San Luis Obispo County Office of Emergency Services that affect our Mass Casualty, Nuclear, Hazardous Materials, and Tsunami events.
- f) **Body-Worn Cameras.** Complete implementation of body-worn camera technology for all police officers.
- g) **PD Strategic Planning.** Establish Police Chief's Advisory Committee and complete Police Department Strategic Plan to enhance organizational efficiency and community collaboration.
- h) **Public Safety Ordinances.** Bring to Council ordinances related to emerging public safety trends.
- i) **FD Strategic Plan.** Complete a Fire Department strategic plan update to improve organizational efficiency.

Goal #5 - Ensure Fiscal Sustainability

- a) **Budget Process.** Retool the City's budgeting process, improving transparency and simplicity while considering biennial and program-based budgeting. Develop a 5-year strategic budget forecast.
- b) **Financial Reporting and Oversight.** Bring to Council a recommendation to establish a Financial Oversight body. Develop an improved process for financial reporting that is transparent and easy to understand.
- c) **Capital Replacement.** Establish capital replacement accounts in FY 2015/16 for all major capital assets and include a minimum contribution to each account in the 2015/16 budget.
- d) **Fee Recovery.** Review and bring to Council for decision balanced cost recovery for City fees and charges (AS)
- e) **Management Partners.** Research and implement or bring to Council for adoption or rejection all Management Partners recommendations (AS)
- f) **Vehicle Leasing.** Research and decide on City vehicle leasing vs. ownership policy.
- g) **Energy.** Explore renewable energy projects that reduce energy costs.

Goal #6 - Support Economic Development

- a) **LEAP.** Provide a high degree of staff support and participation in the Local Economic Action Plan process; bring appropriate LEAP proposals to Council for action.
- b) **Economic Development Strategic Plan.** Bring to Council for decision, a proposal to retain a consultant to help the City create a 5-year Economic Development Strategic Plan.
- c) **High-Speed Fiber.** Coordinate and bring to Council for decision, options for a public / private partnership to deliver high-speed fiber connectivity in Morro Bay
- d) **Tri-W Property.** Research and bring to Council for decision and possible incorporation into the General Plan / LCP, partial business development of the "Tri-W" property while preserving a large portion of the space as a green belt and dedicating a portion to affordable housing.
- e) **Marine Services Facility.** Evaluate the ongoing boatyard studies and bring to Council for guidance, the feasibility and/or proposals for establishing a marine services facility in Morro Bay.
- f) **Event Coordination.** Implement, or bring to Council for decision, appropriate measures to improve event coordination and support in Morro Bay and consider an event coordinator function.

Subject: 2015-2016 City Goals and Objectives (3rd Draft)

- g) **Chamber of Commerce/Tourism Bureau Relationships.** Evaluate, analyze and present to Council alternate models for partnerships between the City and both the Chamber of Commerce and Morro Bay Tourism Board.
- h) **Projects.** Continue forward momentum on various projects including: Maritime Museum, Marine Research Center / Aquarium, and Coast Guard facility.

Goal #7 - Improve City Infrastructure, Facilities and Public Spaces.

- a) **Old Town Link.** Design and bring to Council for approval a specific plan to link the Embarcadero with Old Town at Centennial Parkway. If approved, begin work as soon as resources allow.
- b) **Embarcadero Promenade.** Develop constraints and cost analysis, then pilot, design and bring to Council for decision, an Embarcadero Promenade project to widen the west side Embarcadero sidewalk to ~15 feet as part of a Waterfront Master Plan.
- c) **Parking.** Leveraging the 2007 Parking Management Plan, begin implementation of specific parking management and improvement actions, including enforcement and targeted use of pay parking. Consider implementation of 60/90-degree angle center aisle parking to increase parking density. Consider lease of vacant lots for parking. Convert the “triangle lot” to temporary parking and plan for its future use.
- d) **ADA Compliance.** Complete a full ADA compliance assessment of all City facilities and develop a plan to address issues, budgeting and executing for an appropriate amount for ADA compliance in FY 15/16.
- e) **Needs Assessments.** Complete Harbor and Police Department’s needs assessment for recapitalization of department buildings.
- f) **City Property.** Research and bring to Council for consideration, best future use of all City properties.
- g) **Sidewalk Improvement.** Conduct a complete assessment of all City sidewalks and develop a plan for grinding and/or replacement with a focus on parks, school zones and business districts.
- h) **Sidewalk Responsibility.** Bring to Council for decision, a process for implementation of the California Streets and Highways requirements for street frontage maintenance.
- i) **Street Signs.** Design and bring to Council for decision, a distinctive design that captures Morro Bay’s image for new street name signs.
- j) **Way-Finding Signs.** Update and/or replace 20% of “way-finding” signs across all of Morro Bay.

Goal #8 - Enhance Quality of Life

- a) **New Pool.** Develop and implement a plan to operate the community-use portion of the new high school pool, including a new Joint Use Facilities Agreement with the San Luis Coastal Unified School District (SLCUSD).
- b) **Access to Healthcare.** Initiate outreach to appropriate healthcare providers with the goal of reestablishing a health center in Morro Bay that provides improved accessibility to our medically underserved residents.
- c) **Funding of Non-City Events.** Develop and bring to Council for approval, policies and procedures regulating the use of City funds for non-City events.
- d) **City Events.** Bring to Council for decision, a list of City of Morro Bay sponsored events. Focus resources to enhance those events.
- e) **QOL Survey.** Implement annual community quality of life/customer service surveys.
- f) **Community Needs Assessment.** Conduct a community needs assessment to reestablish recreational priorities for residents and visitors.
- g) **Recreation Program Improvements.** Improve marketing and execution of core recreation programs.
- h) **Environmental.**

Goal #9 - Improve Water Supply Diversification

- a) **State Water.** Conduct an assessment of the long-term requirements for continued participation in the State Water Project and what level of participation is appropriate.
- b) **DeSal Permit.** Complete the Coastal permitting of the City's existing desalination plant support infrastructure including the seawater wells and the outfall.
- c) **Rate Study.** Complete the ongoing water (and sewer) rate study and bring to Council for decision, a balanced plan to ensure the fiscal sustainability of City Water (and Sewer) Funds
- d) **WRF Water Usage.** Develop a reuse plan for WRF recycled water that protects and enhances the City's current water supply, while considering additional appropriate uses of recycled water in accordance with the City's approved Local Coastal Plan policies.
- e) **Regional DeSal.** Research and, if appropriate, bring to Council for information, the potential of a public-private partnership (3P) to design, build and operate a regional desalination facility (eg Poseidon Facility) that could sell drinking water into regional / state water system.

Subject: 2015-2016 City Goals and Objectives (3rd Draft)

- f) **Conservation.** Continue City implementation and community education to improve water conservation.
- g) **Groundwater Improvement.** Complete the permitting and installation of the Chorro Creek stream gauges.

Goal #10 - Improve City Operations

- a) **Public Input.** Provide opportunities for robust public involvement and input in all major City decisions.
- b) **Vision, Values and Mission.** Develop and bring to Council for adoption, City of Morro Bay Vision, Values and Mission Statement.
- c) **Strategic Planning.** Research and bring to Council for adoption, a City strategic planning framework.
- d) **Information Technology.** Fundamentally remake IT operations in the City - consider every approach, system, platform, software solution and best practice to gain efficiency, effectiveness, collaboration and transparency using IT solutions. Write IT Master Plan.
- e) **Public Information.** Measurably improve public information and public outreach, maximizing IT solutions while ensuring residents less tech-oriented have appropriate access to public information.
- f) **Water Metering and Billing.** Research and bring to Council for decision, a contracted arrangement for automated water meter reading and complete billing operations.
- g) **Customer Service.** Take customer service to world class level. Develop and implement employee customer service standards. Develop and implement an employee recognition system for providing great customer service.
- h) **Grants.** Research and apply for all possible grants to help fund renewal, operations and capital improvements.

David W. Buckingham
City Manager



AGENDA NO: D-5

MEETING DATE: February 10, 2015

Staff Report

TO: Honorable Mayor and City Council DATE: January 30, 2015

FROM: Rob Livick, PE/PLS - Public Works Director/City Engineer

SUBJECT: Update and Discussion of City Owned Properties for Potential Sale

RECOMMENDATION

Staff recommends the City Council review information regarding City-owned properties and provide direction to staff regarding any potential changes to the disposition of any City-owned property.

ALTERNATIVES

There are no recommended alternatives.

FISCAL IMPACT

No financial impact directly from this action, but may result in future impact depending on Council direction.

BACKGROUND/DISCUSSION

This item was requested as a future agenda item on September 23, 2014, where Council requested an evaluation of City properties that could be placed for sale.

The City of Morro Bay currently owns approximately 215 acres of real property in 73 parcels. Included in the 73 parcels are six parcels outside the City's corporate boundary. This does not include any of the City's Rights of Way or easements. Rights of Way and easements are only for the public use as long as they are needed for that purpose. Except in the case of fee owned Rights of Way, should the public's rights be abandoned or vacated, they revert back to the underlying property owner. As can be seen on Attachment 3 and listed on Attachment 2, 23 parcels have been identified to have some development/redevelopment potential, including the current Wastewater Treatment Plant site.

CONCLUSIONS

Council should consider the potential sale of City-owned property if there are no plans for its

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City Manager Review: _____

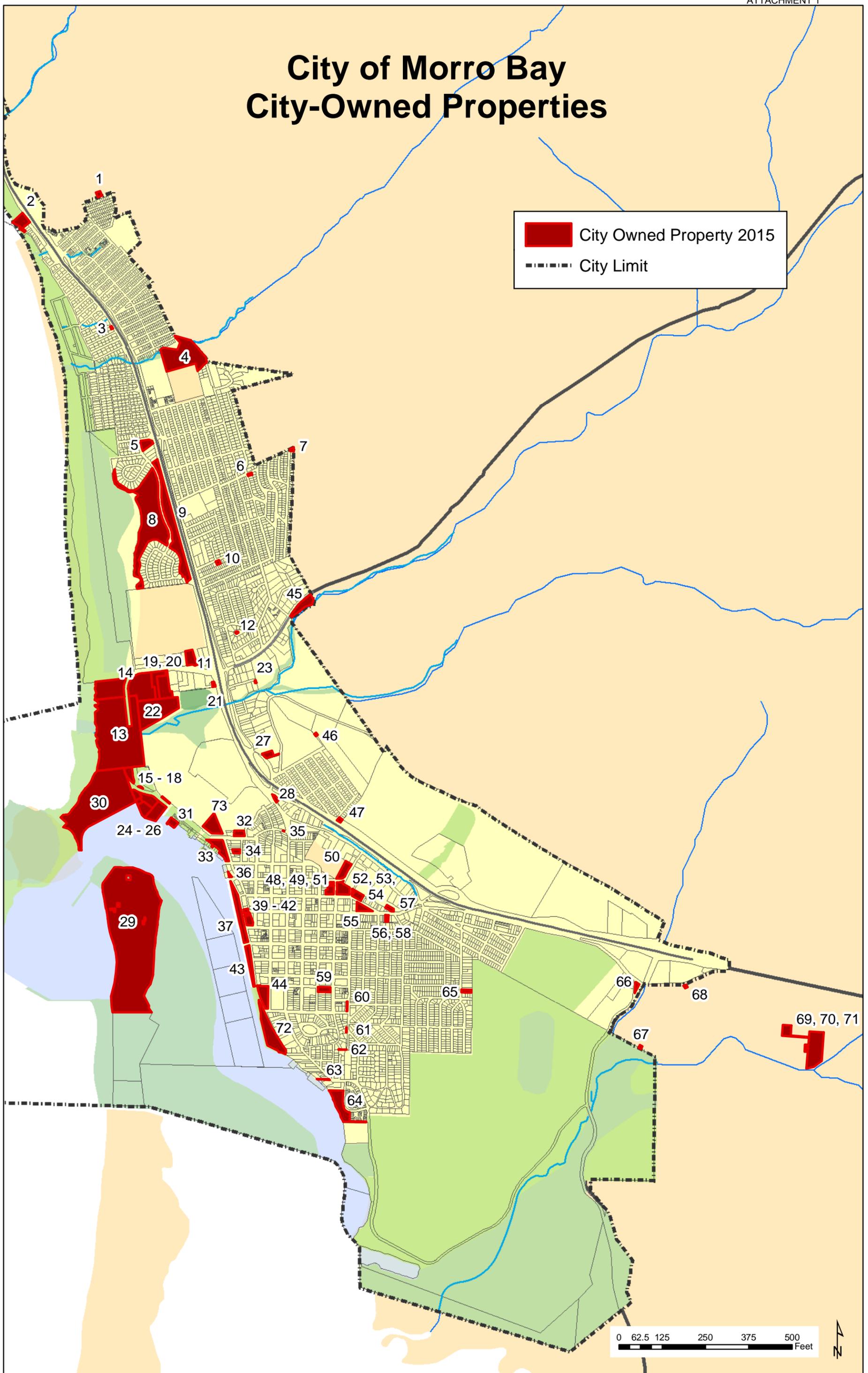
City Attorney's Review: _____

use as a benefit to the public. Additionally, the City could consider a lease of property it plans to hold until such time as the City decides it is no longer needed or is ready for its intended use.

ATTACHMENTS

1. City Owned Properties Location Map
2. Listing of City Owned Properties
3. City Owned Properties Individual Maps

City of Morro Bay City-Owned Properties



Real Property Owned By
City of Morro Bay

ID	APN	SITE ADDRESS	OWNER NAME	Use	EST. SQUARE FEET	LANDUSE CATEGORY	DEVELOPED	ZONING
1	073-075-001	BLANCA ST	CITY OF MORRO BAY	Water Tank Site	12,632	PUBLIC	Yes	Outside of CMB
2	065-082-020	TORO LN	CITY OF MORRO BAY	Open Space	47,916	VACANT LAND	No	OA-1/PD
3	065-113-066	MINDORO ST	CITY OF MORRO BAY	Vacant Residential	2,400	VACANT LAND	No	R-1/S-2A
4	065-149-017		CITY OF MORRO BAY	Del Mar Park	435,600	PUBLIC	No	OA-2/PD
5	065-386-015	HIGHWAY 1	CITY OF MORRO BAY	Vacant Cloisters Lot	43,124	VACANT LAND	No	CCR/GC/PD
6	068-258-010		MORRO DEL MAR WATER DISTRICT	Water Tank Site	3,485	PUBLIC	Yes	R-1/S-2
7	068-251-001		CITY OF MORRO BAY	Access to Water Tank	4,792	PUBLIC	No	R-1/S-2
8	065-386-016	HIGHWAY 1	CITY OF MORRO BAY	Cloisters Open Space	855,083	VACANT LAND	No	MMR/CRR/GC/PD
9	065-386-005	HIGHWAY 1	CITY OF MORRO BAY	Cloisters Open Space	353,707	VACANT LAND	No	MMR/CRR/GC/PD
10	068-262-042	460 BONITA ST	MORRO DEL MAR FIRE DISTRICT	Not Staffed Fire Station 54	3,049	PUBLIC	Yes	R-1/S-2
11	065-182-005	ATASCADERO RD	CITY OF MORRO BAY	Teen Center	59,475	RECREATIONAL	Yes	C-VS/PD
12	068-321-012		CITY OF MORRO BAY	Center of Sunset Court	436	PUBLIC	No	R-2
13	066-331-028	1700 EMBARCADERO	CITY OF MORRO BAY	Dunes, RV Park Openspace	1,305,545	PUBLIC	No	OA-1/PD
14	066-331-034		CAYUCOS SANITARY DISTRICT	Dunes, Open Space, WWTP	692,604	PUBLIC	Yes	OA-1/PD
15	066-461-004	EMBARCADERO	CITY OF MORRO BAY	Dunes	70,593	RECREATIONAL	No	OA-1/PD
16	066-461-003	EMBARCADERO	CITY OF MORRO BAY	Road, Dunes	1,359	RECREATIONAL	No	OA-2/CF/PD/ESH
17	066-461-005	EMBARCADERO	CITY OF MORRO BAY	Road, Park	23,958	VACANT LAND	No	CF/PD
18	066-461-012	EMBARCADERO	CITY OF MORRO BAY	Park	10,659	VACANT LAND	No	CF/PD
19	066-331-032	1281 EMBARCADERO	CITY OF MORRO BAY	Corp Yard	797,148	PUBLIC	Yes	CF/PD
20	066-331-033		CAYUCOS SANITARY DISTRICT	Defunct Cement Plant	1,319,868	PUBLIC	Yes	M-1/PD/I
21	066-332-008	HIGHWAY 1	CITY OF MORRO BAY	Well Site	5,663	PUBLIC	No	CVS/PD
22	066-331-038	EMBARCADERO	CITY OF MORRO BAY	RV Park, Trailer Storage	379,381	RESIDENTIAL	Yes	M-1/PD/I
23	068-291-010		MORRO DEL MAR WATER DISTRICT	Well Site	871	PUBLIC	No	C-VS
24	066-461-013	EMBARCADERO	CITY OF MORRO BAY	Parking, Harborwalk	59,242	VACANT LAND	No	CF/PD
25	066-461-007	EMBARCADERO	CITY OF MORRO BAY	Bay	61,420	VACANT LAND	No	CF/PD
26	066-461-008	EMBARCADERO	CITY OF MORRO BAY	Bay	100,188	PUBLIC	No	CF/PD
27	068-183-021	LITTLE MORRO CREEK RD	CITY OF MORRO BAY	Future Bike Park	15,682	VACANT LAND	No	M-1/PD/I
28	068-168-022		CITY OF MORRO BAY	Parking Lot	10,559	VACANT LAND	No	C-2
29	066-401-001		CITY OF MORRO BAY	Sand Spit	59,677	PUBLIC	No	ESH
30	066-461-011		CITY OF MORRO BAY	Dunes, Rock Parking Lot	719,611	PUBLIC	No	CF & OA-1/ PD
31	066-461-009	T PIER	CITY OF MORRO BAY	Harbor Lease Site	115,870	PUBLIC	No	CF/PD
32	066-331-019	209 SURF ST	CITY OF MORRO BAY	Vets Hall	28,750	PUBLIC	Yes	R-2/PD/SP
33	066-031-001	FRNT AVE	CITY OF MORRO BAY	Embarcadero, Parking Lots	79,715	PUBLIC	No	CF/PD & C-VS/S-4
34	066-034-011	1147 WEST ST	CITY OF MORRO BAY	Residential Lot	11,500	RESIDENTIAL	Yes	R-2/PD/SP
35	066-025-001	MAIN ST	CITY OF MORRO BAY	Vets Hall	436	PUBLIC	N/A	C-1/SF
36	066-033-003	FRNT AVE	CITY OF MORRO BAY	Harbor Lease Site	4,356	COMMERCIAL	Yes	WF/PD/S-4
37	066-322-001	901 EMBARCADERO	CITY OF MORRO BAY	Harbor Lease Sites	170,873	PUBLIC	Yes	WF/PD/S-4
38	066-321-007		CITY OF MORRO BAY	Chess Board	4,792	PUBLIC	No	C-VS/PD/S-4
39	066-321-008	EMBARCADERO ST	CITY OF MORRO BAY	Centenial Restroom	2,971	PUBLIC	Yes	C-VS/PD/S-4
40	066-321-026	MARKET AVE	CITY OF MORRO BAY	Parking Lot	2,796	COMMERCIAL	Yes	C-VS/PD/S-4
41	066-321-025	MARKET AVE	CITY OF MORRO BAY	Maintenance Shop, Residential Rental	2,360	COMMERCIAL	No	C-VS/PD/S-4
42	066-321-028	781 MARKET AVE	CITY OF MORRO BAY	Parking Lot	25,410	COMMERCIAL	No	C-VS/PD/S-4
43	066-137-001	501 EMBARCADERO	CITY OF MORRO BAY	Harbor Lease Sites	48,787	PUBLIC	Yes	WF/PD/S-4
44	066-172-002		CITY OF MORRO BAY	Open Space Morro Cove	70,062	VACANT LAND	No	OA-1
45	068-371-002	HWY 41 HOLW	CITY OF MORRO BAY	Open Space along HWY 1	104,792	VACANT LAND	No	M-1/PD
46	068-401-002		CITY OF MORRO BAY	UNK	436	PUBLIC	No	R-A/PD
47	068-159-016	DOWNING AVE	CITY OF MORRO BAY	Vacant Residential	39,640	PUBLIC	No	R-1/S-2

Note: Green highlighted cells may have the highest sale potential.

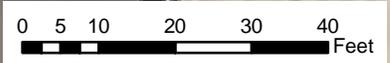
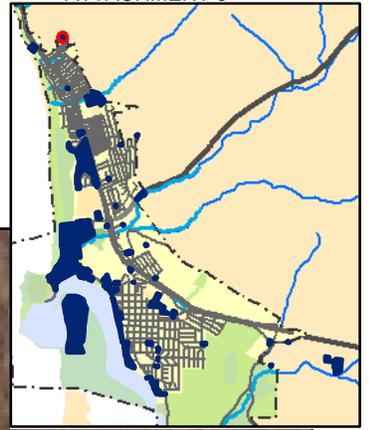
Real Property Owned By
City of Morro Bay

ID	APN	SITE ADDRESS	OWNER NAME	Use	EST. SQUARE FEET	LANDUSE CATEGORY	DEVELOPED	ZONING
48	066-280-025	555 HARBOR ST	CITY OF MORRO BAY	City Center	27,051	PUBLIC	Yes	G-O/S-4
49	066-065-012	570 DUNES ST	CITY OF MORRO BAY	Residential	3,872	RESIDENTIAL	Yes	R-4
50	066-280-023	1001 KENNEDY WAY	CITY OF MORRO BAY	Community Center	59,115	PUBLIC	Yes	R-4
51	066-065-003	985 SHASTA AVE	CITY OF MORRO BAY	Vacant Residential OLCP	3,872	RESIDENTIAL	No	R-4
52	066-280-024	625 HARBOR ST	CITY OF MORRO BAY	Library, Chamber, Parking	61,502	PUBLIC	Yes	G-O/S-4
53	066-071-035	715 HARBOR ST	MORRO BAY FIRE DISTRICT	Fire Station 53	2,178	PUBLIC	Yes	G-O/S-4
54	066-071-034		CITY OF MORRO BAY	Fire Station 53	2,614	PUBLIC	No	G-O/S-4
55	066-074-001	734 HARBOR ST	CITY OF MORRO BAY	City Park	18,295	PUBLIC	No	C-1/S-4
56	066-075-021	850 MORRO BAY BLVD	CITY OF MORRO BAY	PD	6,534	PUBLIC	Yes	C-1/S-4
57	066-280-018	MORRO BAY BLVD	CITY OF MORRO BAY	PD Anex, Water Yard	12,632	VACANT LAND	No	C-1/S-4
58	066-075-007	870 MORRO BAY BLVD	CITY OF MORRO BAY	PD	3,425	PUBLIC	Yes	C-1/S-4
59	066-184-001		CITY OF MORRO BAY	Monte Young Park	30,056	PUBLIC	Yes	R-2
60	066-187-006		CITY OF MORRO BAY	Vacant Strip	4,356	PUBLIC	N/A	R-2
61	066-225-028		CITY OF MORRO BAY	Vacant Strip	1,437	PUBLIC	N/A	R-1
62	066-225-027		CITY OF MORRO BAY	Storm Drain	2,500	PUBLIC	N/A	R-1
63	066-251-014		CITY OF MORRO BAY	Storm Drain, Access	4,792	PUBLIC	No	R-1
64	066-391-010	BAYSHORE DR	CITY OF MORRO BAY	Bay Shore Bluffs	220,218	PUBLIC	No	R-2/PD/SP
65	066-207-008	KINGS AVE	CITY OF MORRO BAY	Kings Tank Access	13,504	PUBLIC	No	R-2
66	066-371-004	BAY BLVD	CITY OF MORRO BAY	Remnant	10,502	VACANT LAND	No	R-2
67	073-133-010	SO BAY BLVD	CITY OF MORRO BAY	Well Site	3,600	AGRICULTURAL	No	Outside of CMB
68	073-133-009	QUINTANA RD	CITY OF MORRO BAY	Well Site	3,600	AGRICULTURAL	No	Outside of CMB
69	073-131-010		CITY OF MORRO BAY	Well Site	205,089	VACANT LAND	No	Outside of CMB
70	073-131-017		CITY OF MORRO BAY	Well Site	50,826	AGRICULTURAL	Yes	Outside of CMB
71	073-131-009		CITY OF MORRO BAY	Well Site	7,405	PUBLIC	No	Outside of CMB
72	ROW	300 EMBARCAERO		Tidelands Park	332,596	PUBLIC	No	Outside of CMB
73	PENDING	1200 EMBARCADERO		Triangle/Rhombus Lot	103,150	VACANT LAND	No	M-2/PD/I

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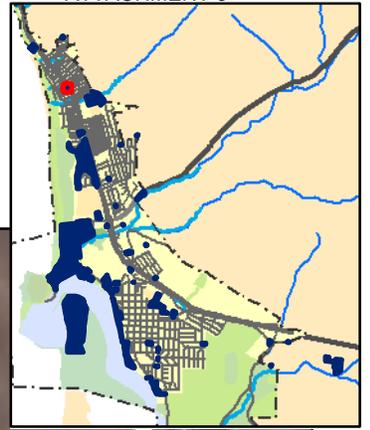
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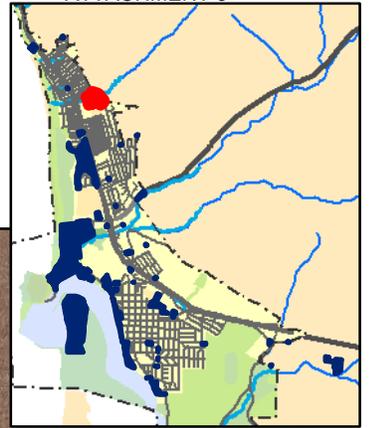


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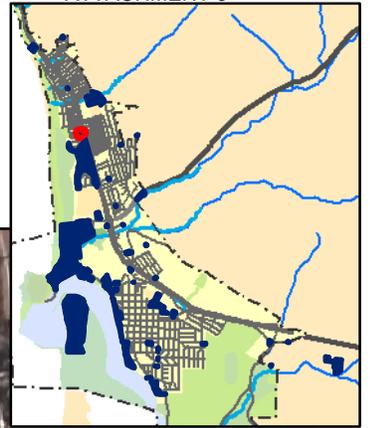
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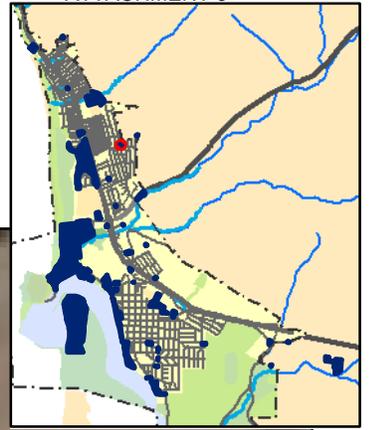
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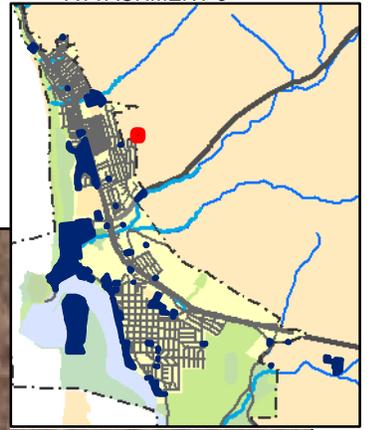
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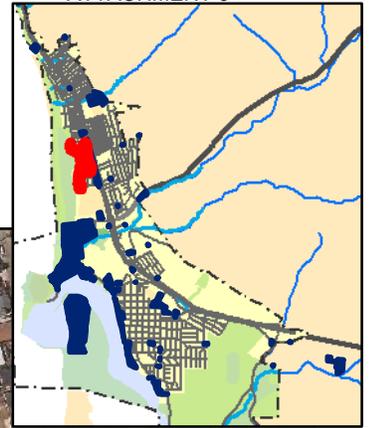
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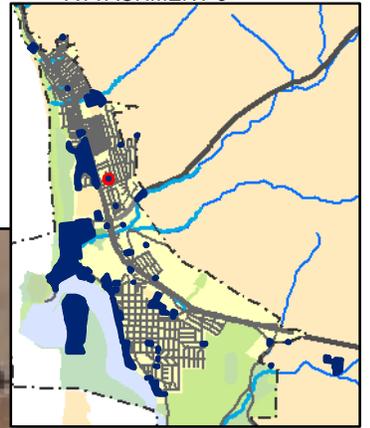
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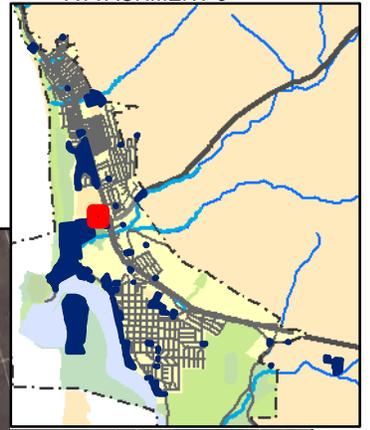
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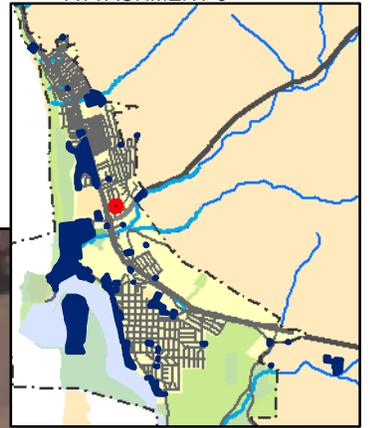
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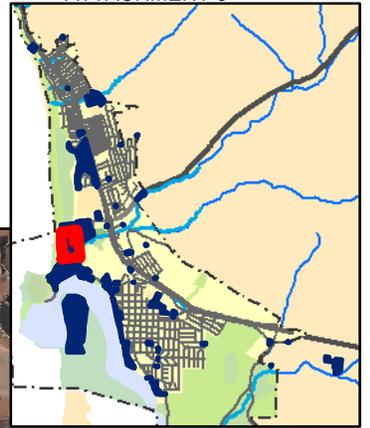
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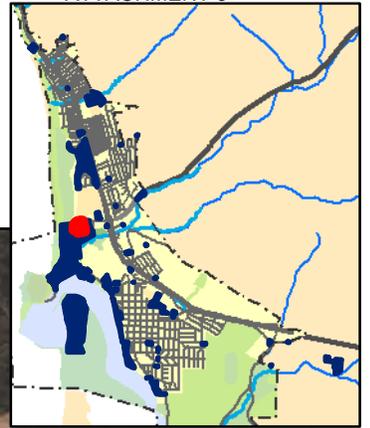
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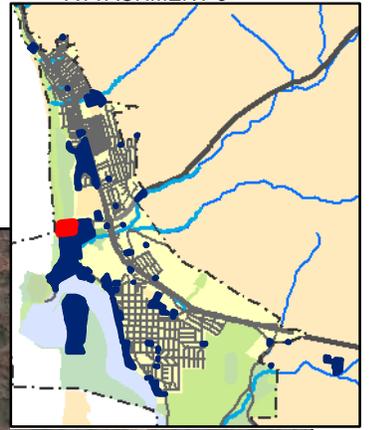
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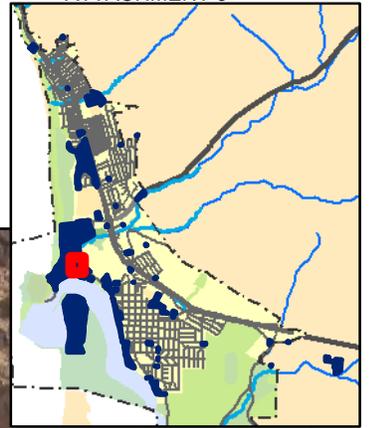
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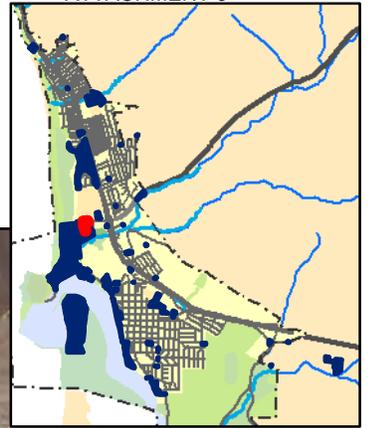
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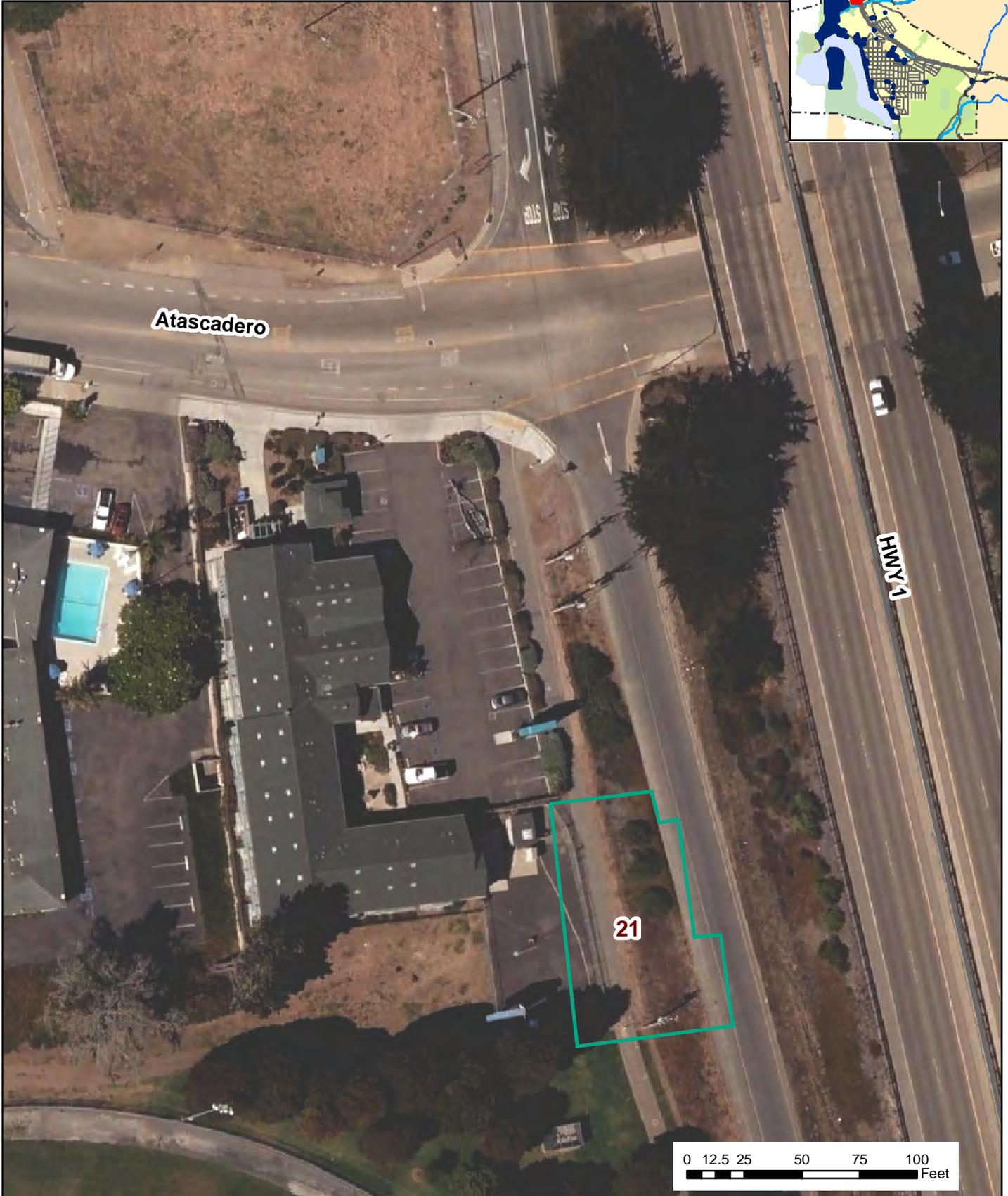
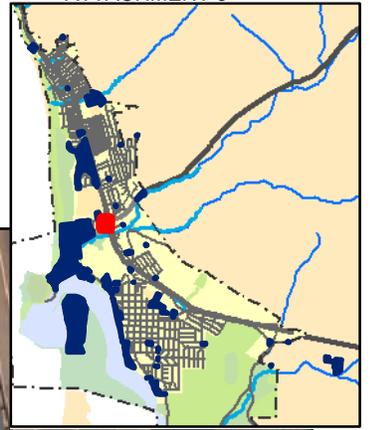
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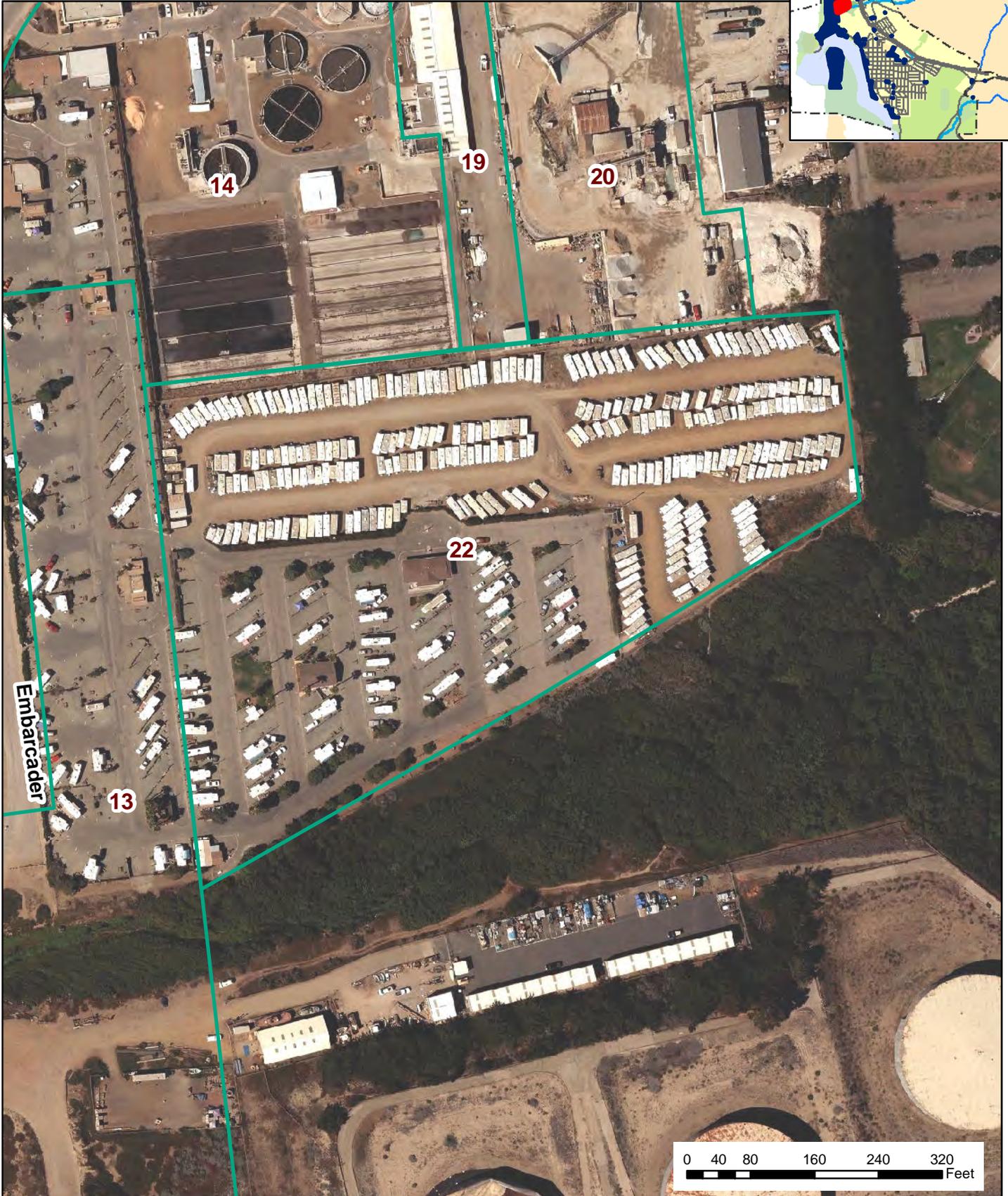
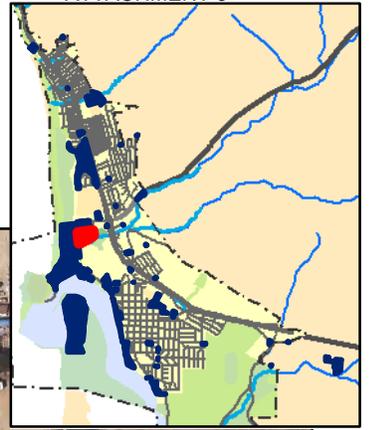
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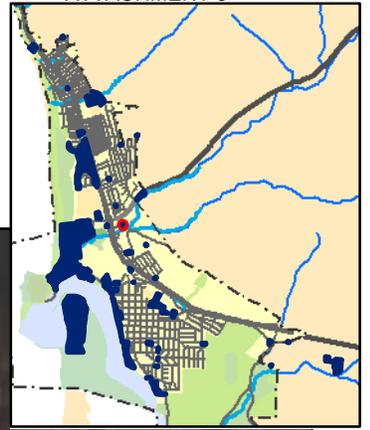
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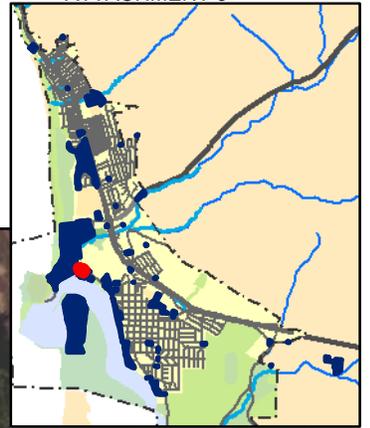
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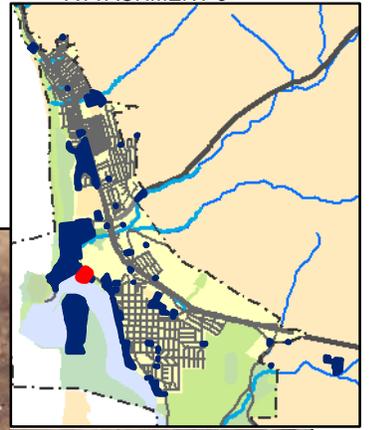
City of Morro Bay City-Owned Properties



City of Morro Bay City-Owned Properties

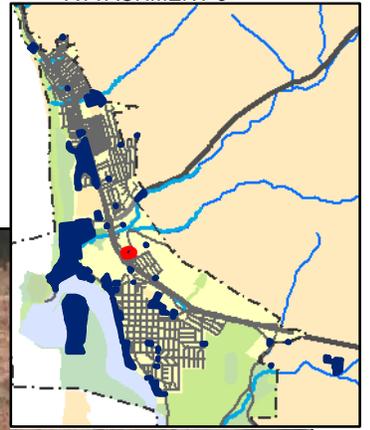


City of Morro Bay City-Owned Properties

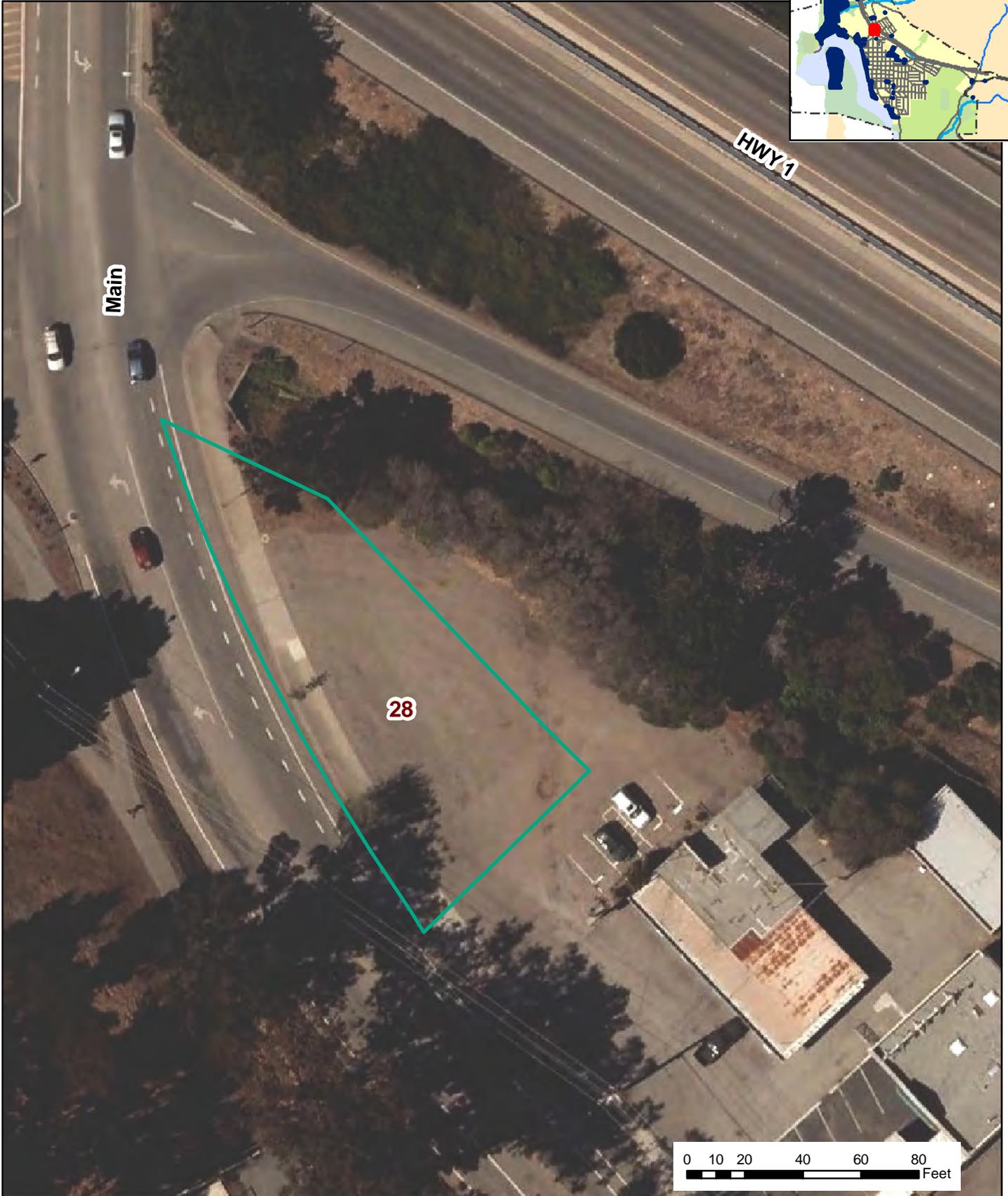
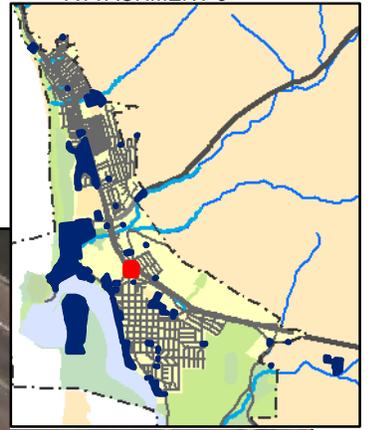


City of Morro Bay City-Owned Properties

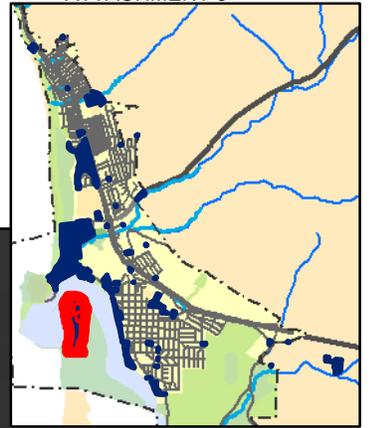
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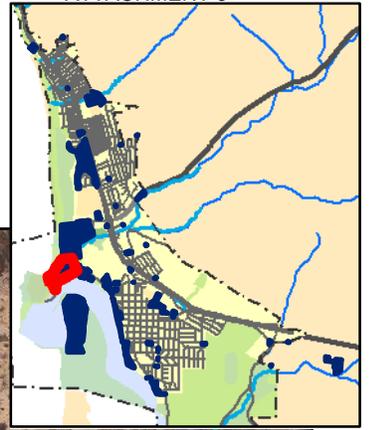
City of Morro Bay City-Owned Properties



City of Morro Bay City-Owned Properties

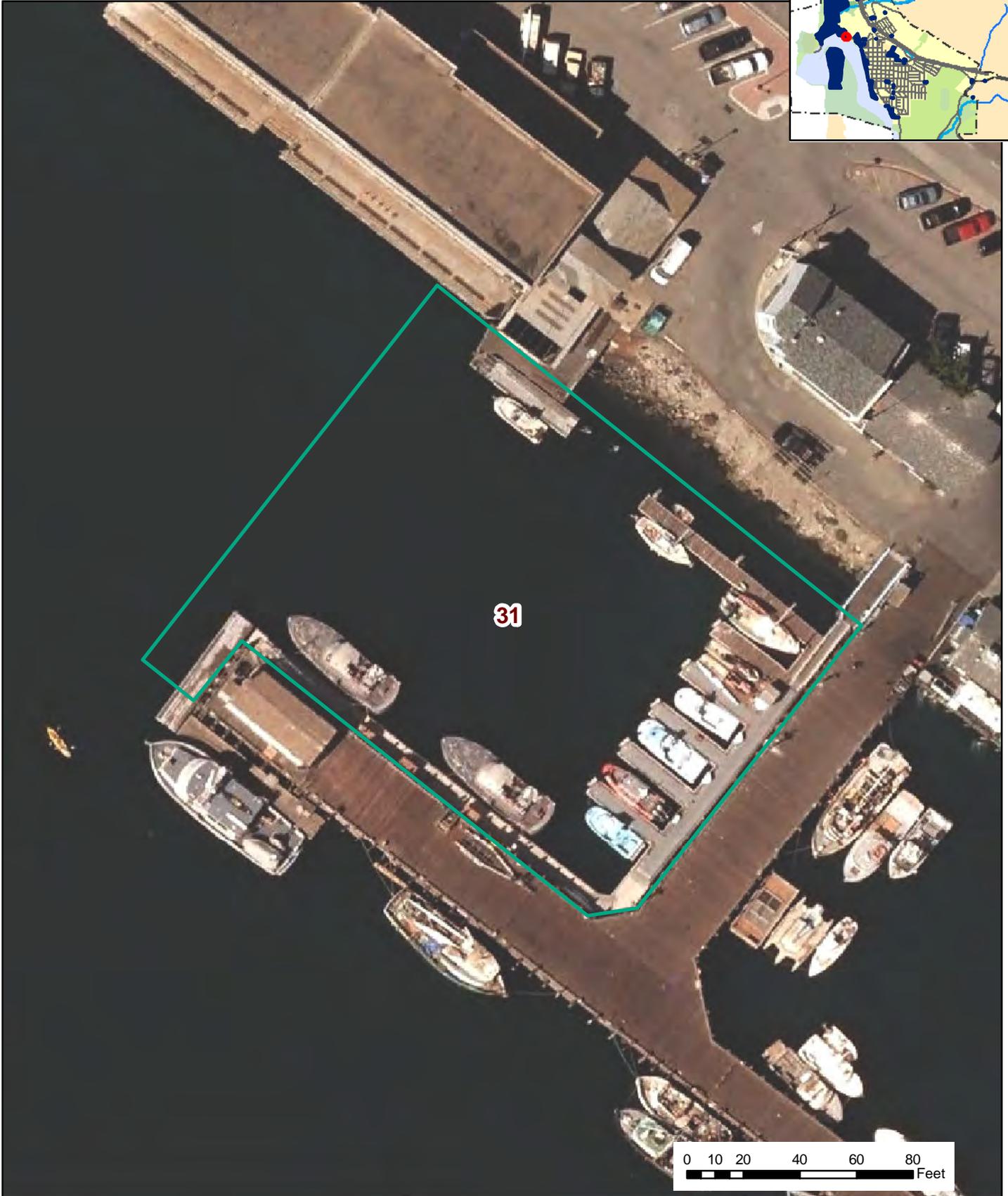
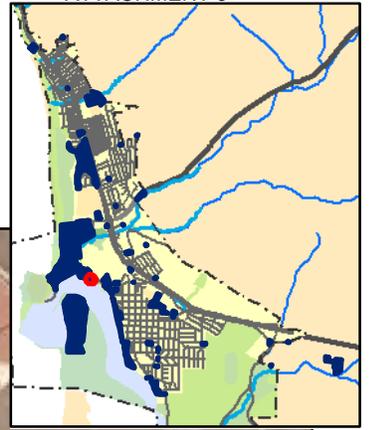


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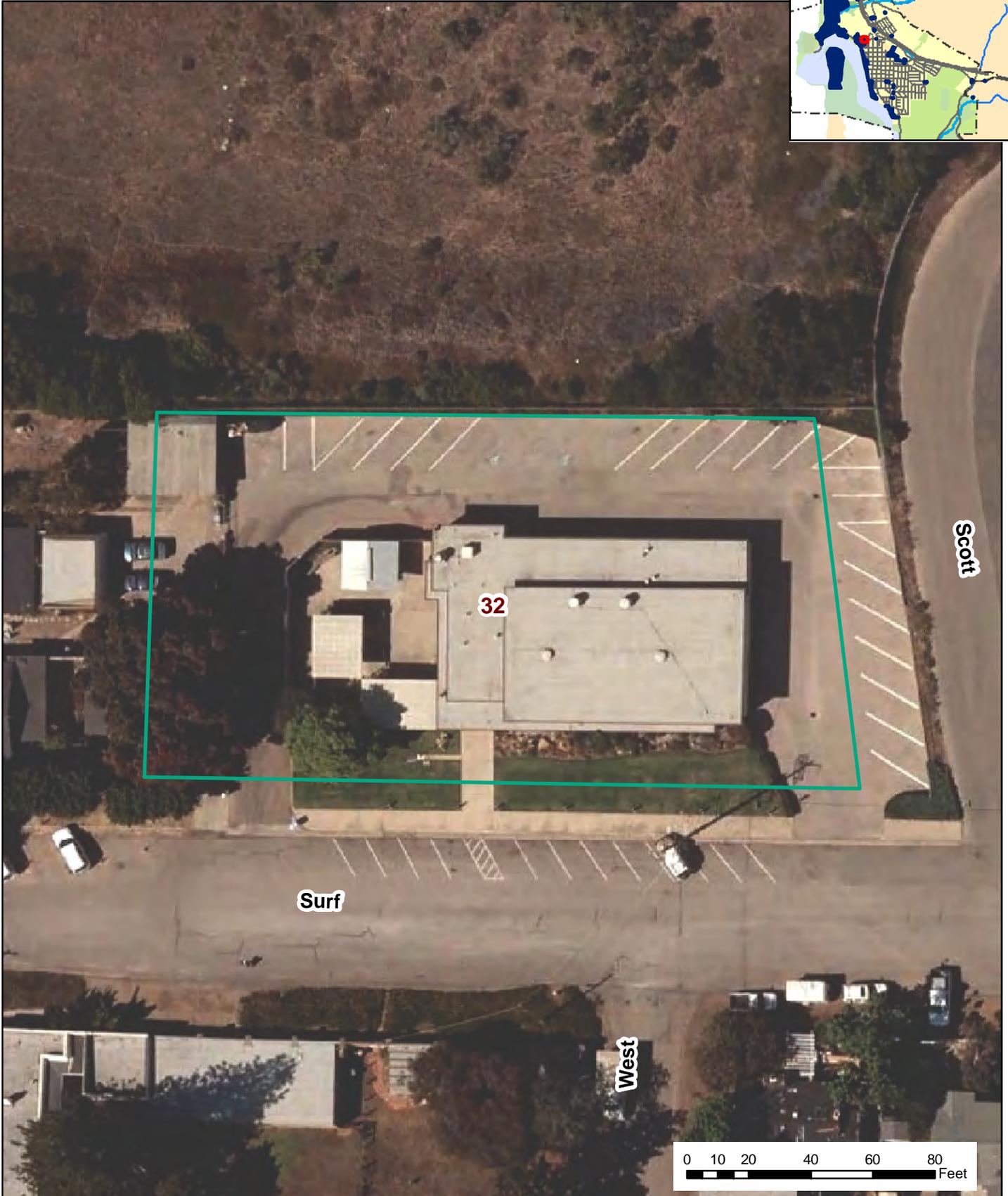
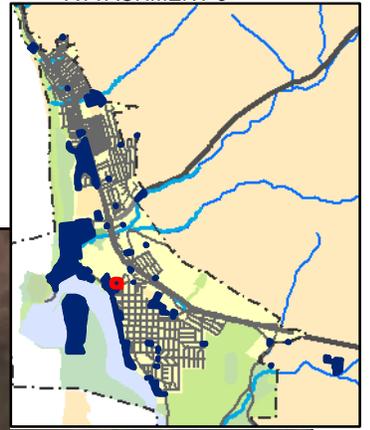


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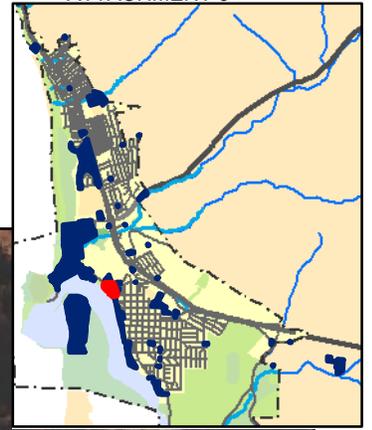
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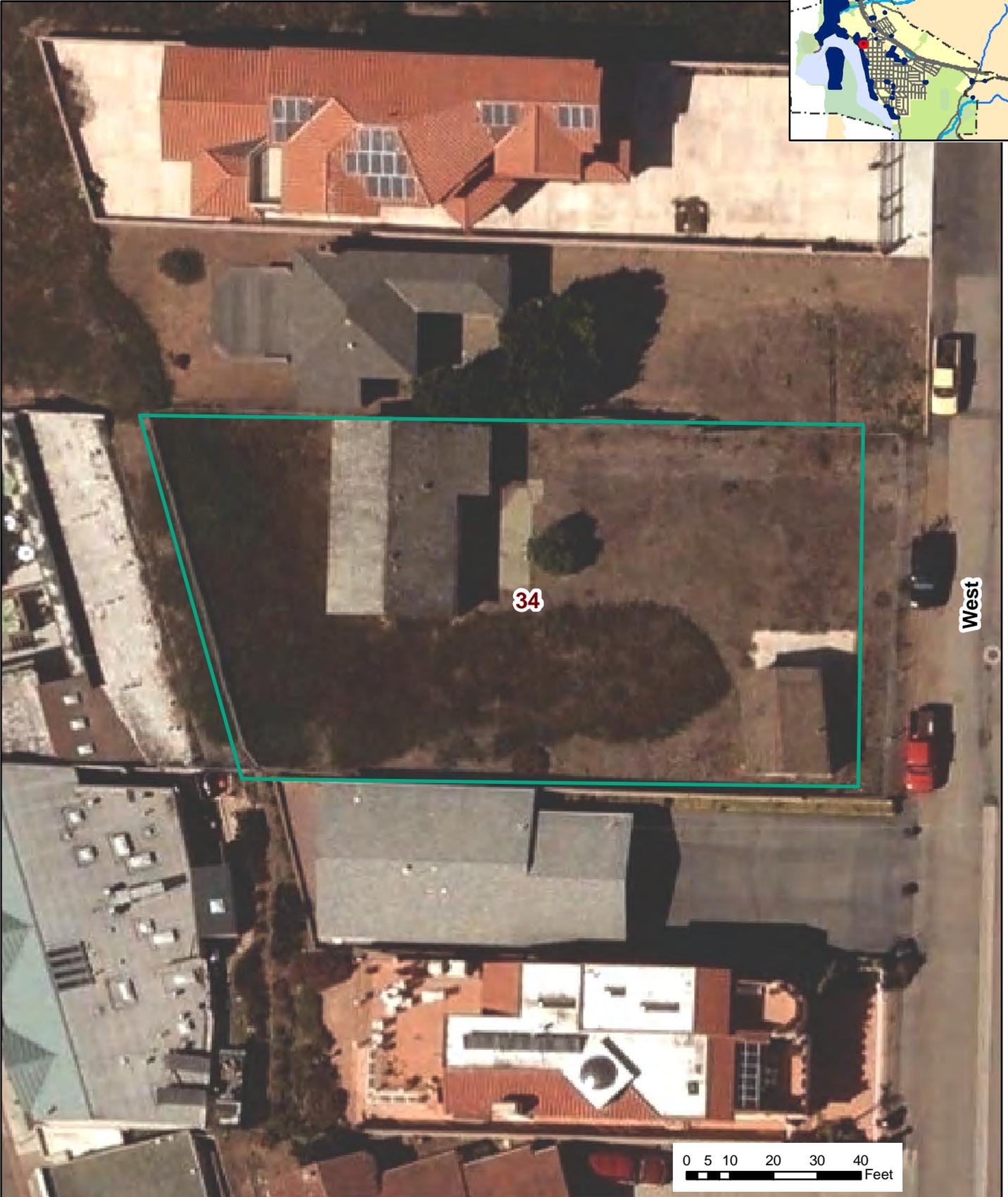
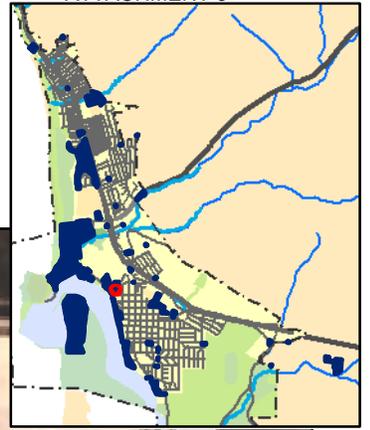
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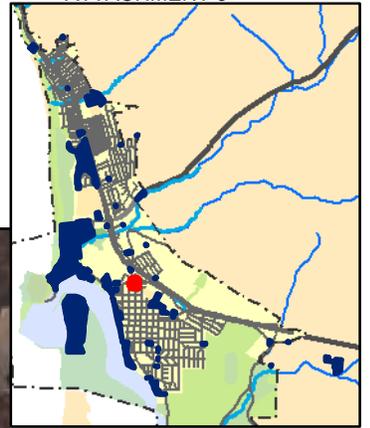
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City of Morro Bay City-Owned Properties

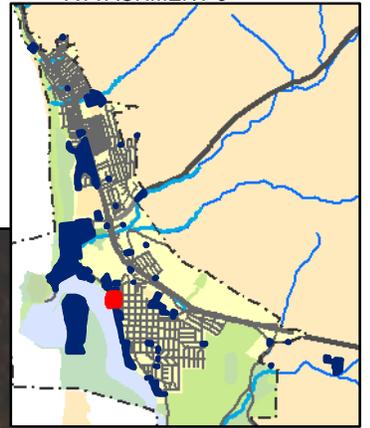


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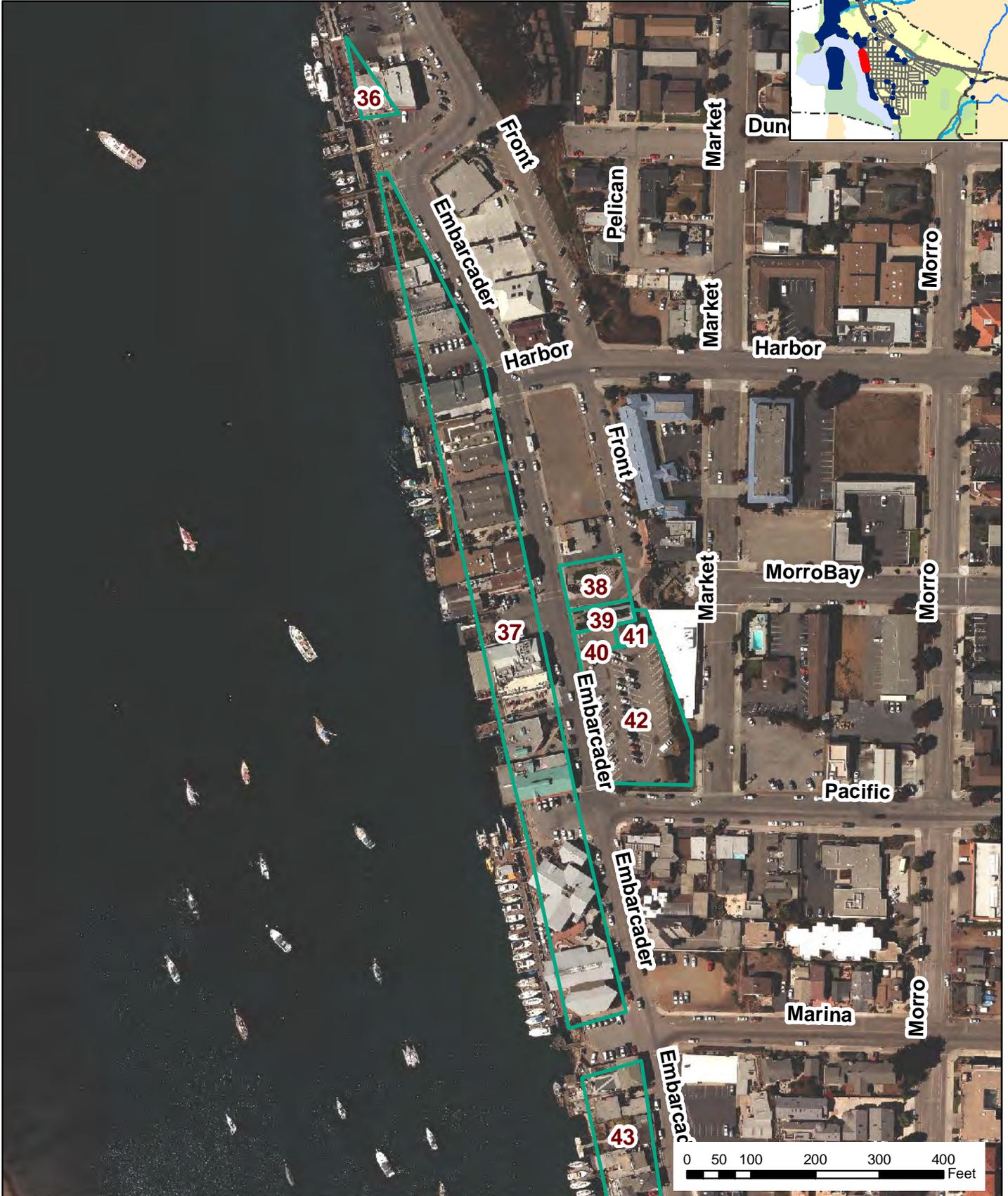
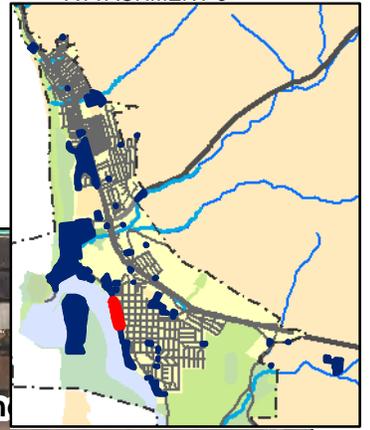


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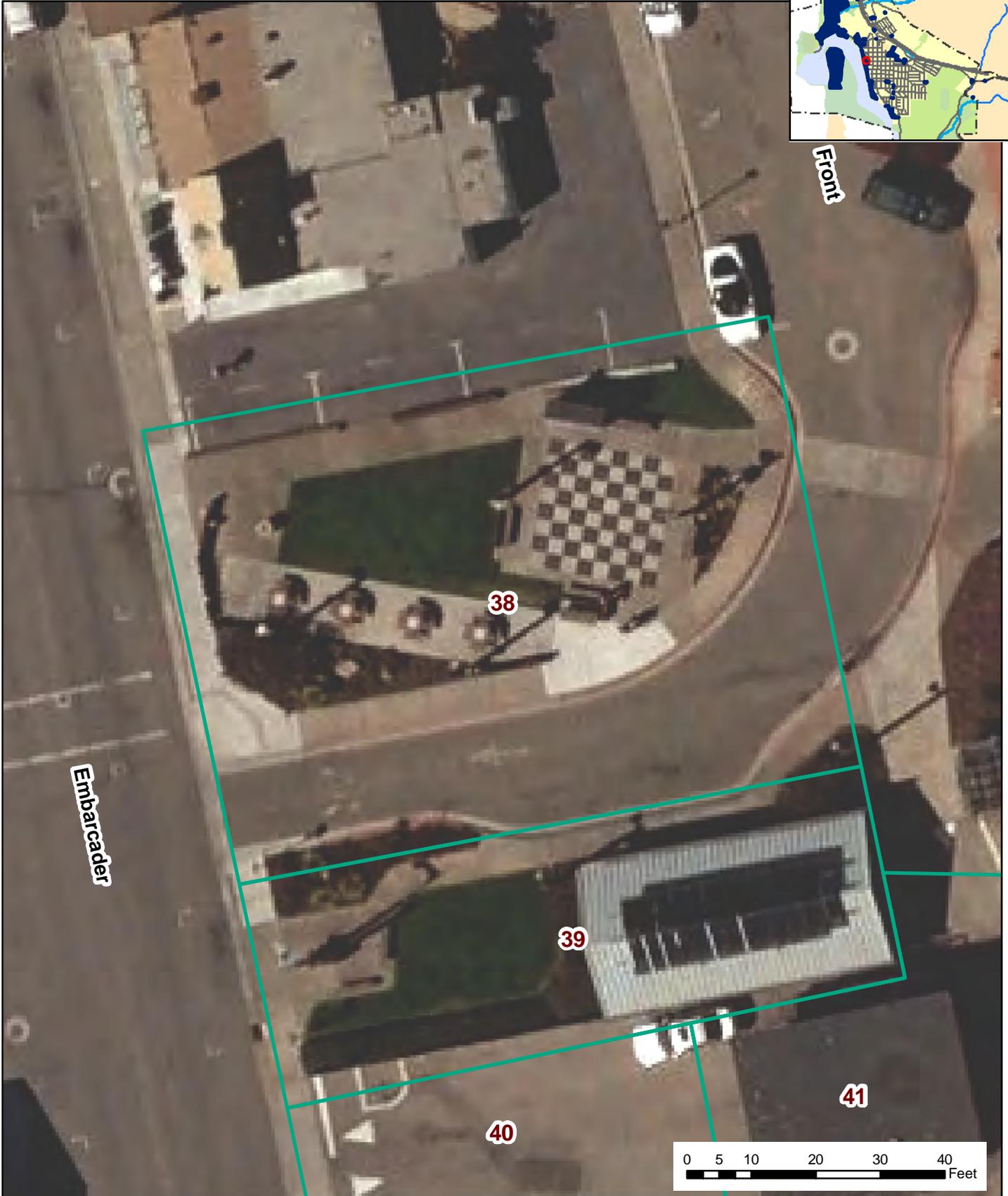
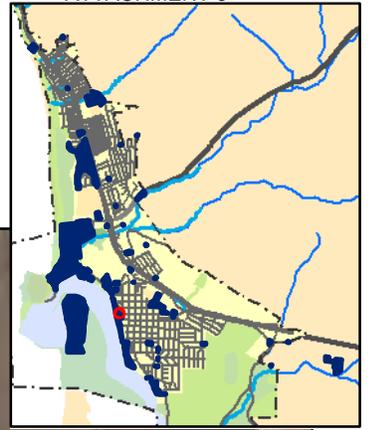
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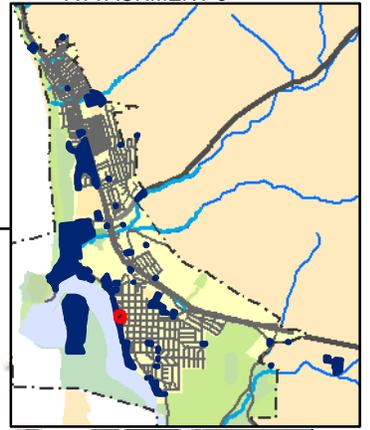
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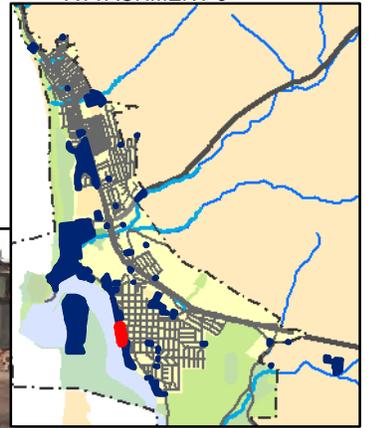
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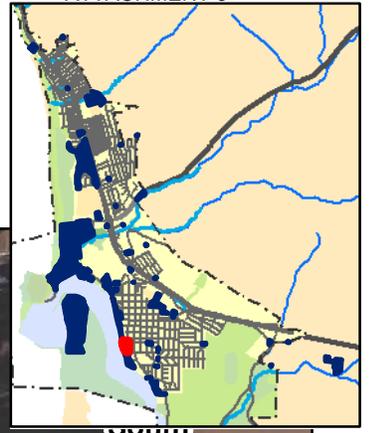
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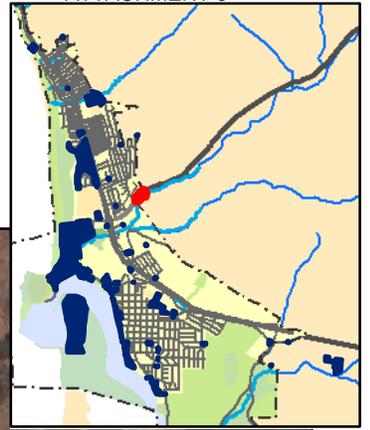
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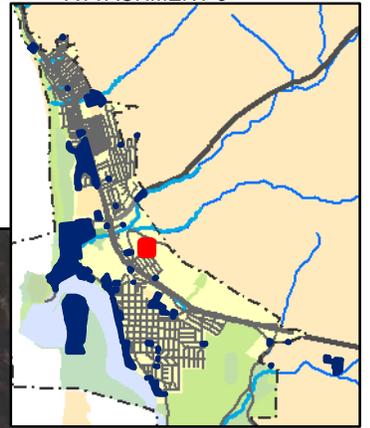
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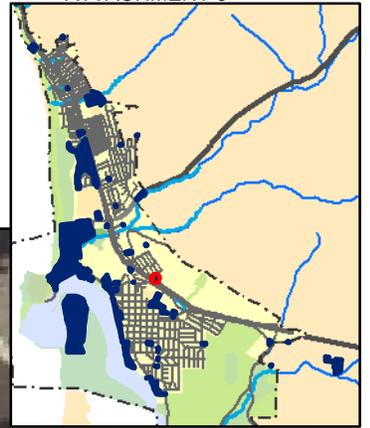
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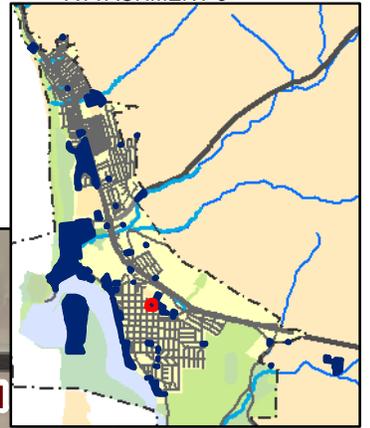
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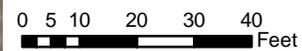
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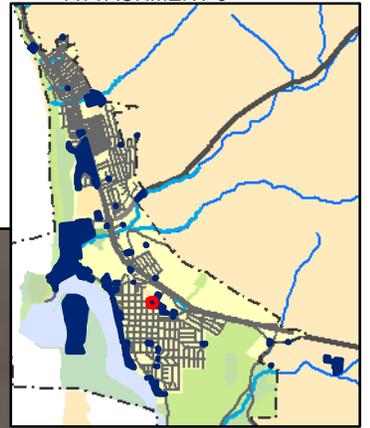
City of Morro Bay City-Owned Properties



Harbor



City of Morro Bay City-Owned Properties



Dunes

49

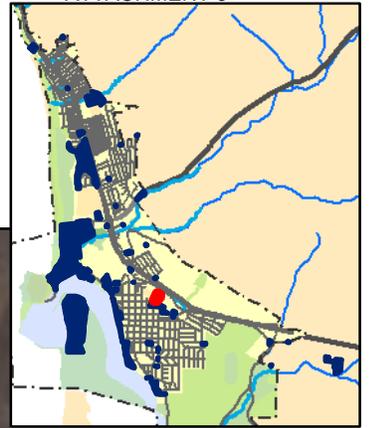
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Shasta

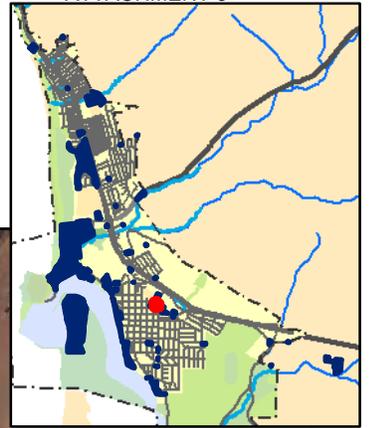
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0 4.75 9.5 19 28.5 38 Feet

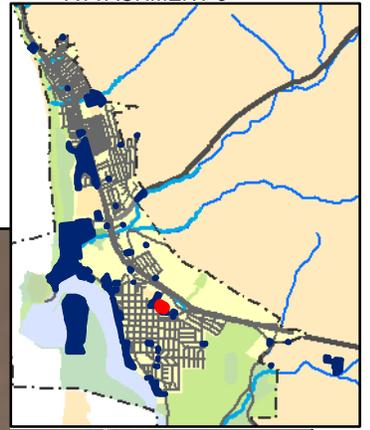
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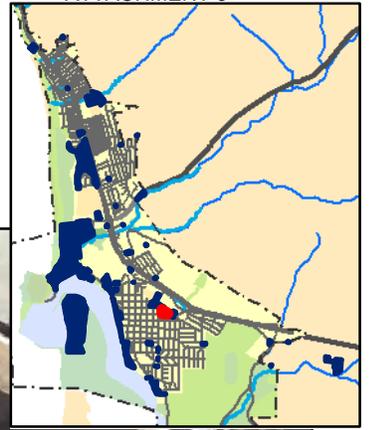
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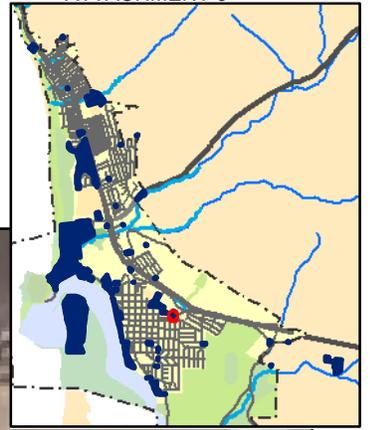


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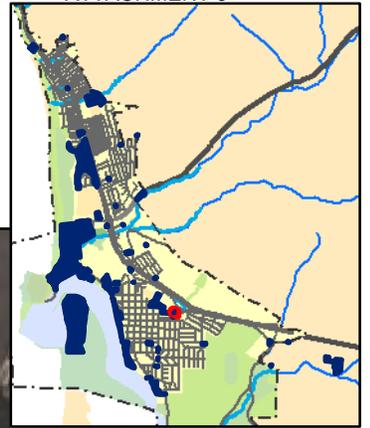


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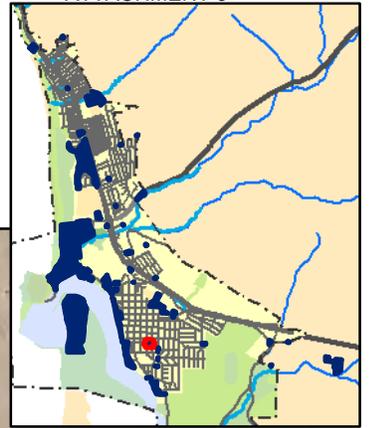
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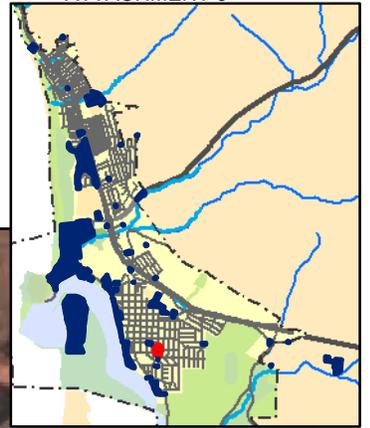
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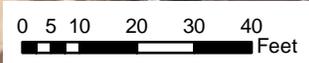


Olive

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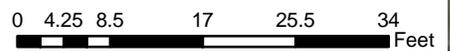
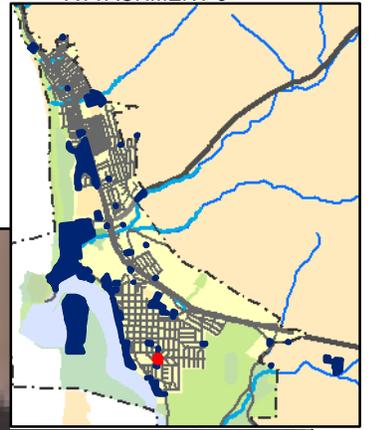
Piney

Olive

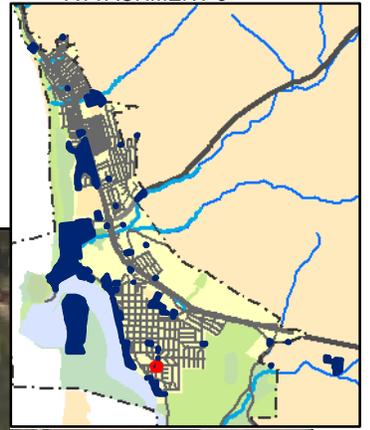


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City of Morro Bay City-Owned Properties



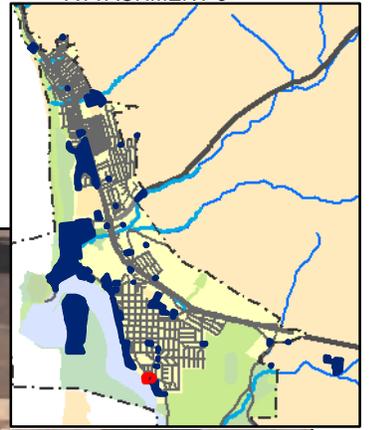
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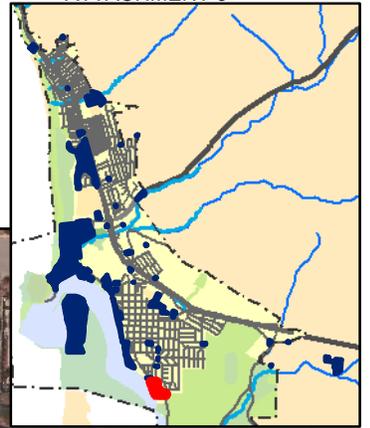
Barlow

0 5 10 20 30 40
Feet

City of Morro Bay City-Owned Properties

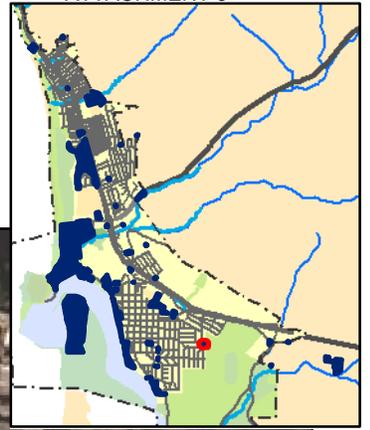


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City of Morro Bay City-Owned Properties

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Kings

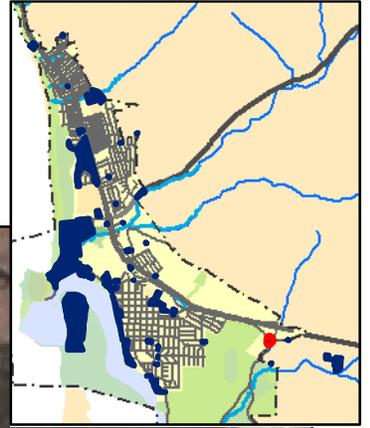
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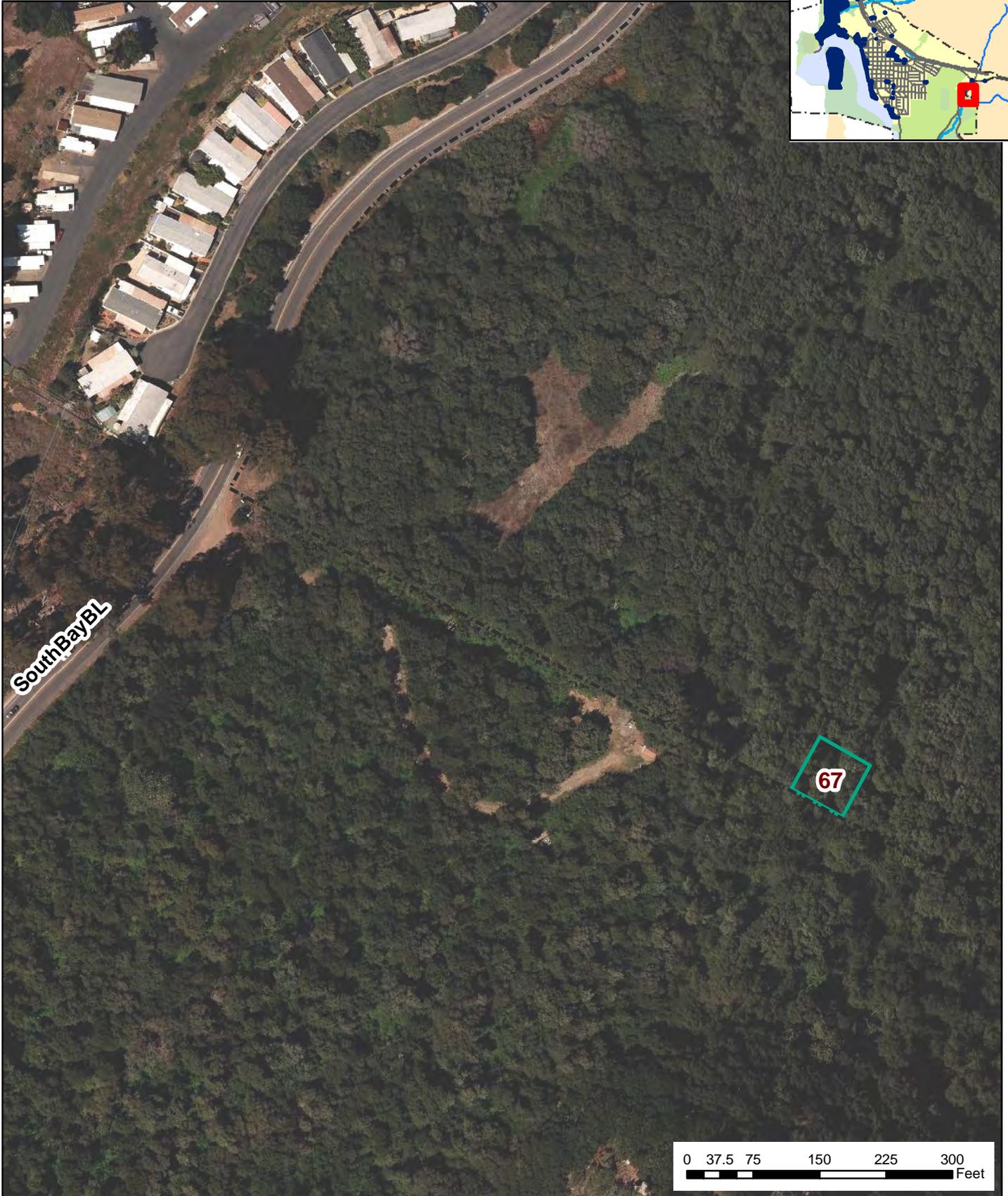
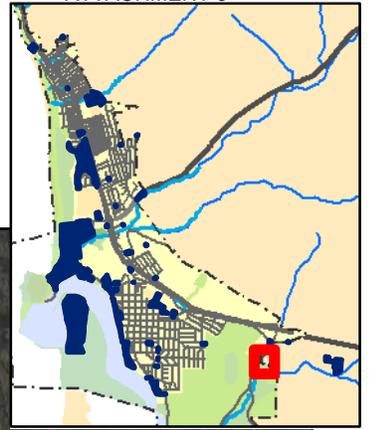
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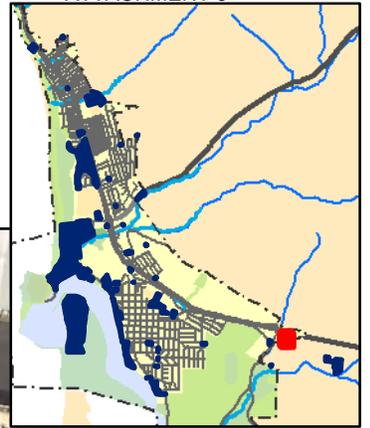
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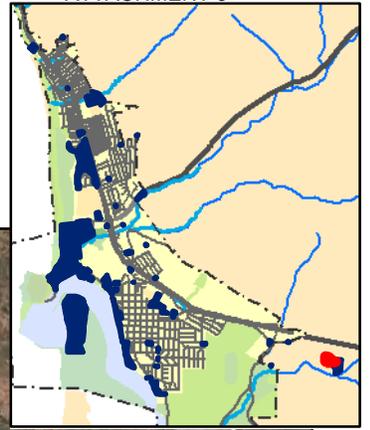
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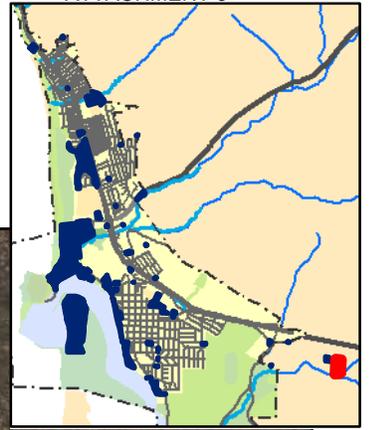
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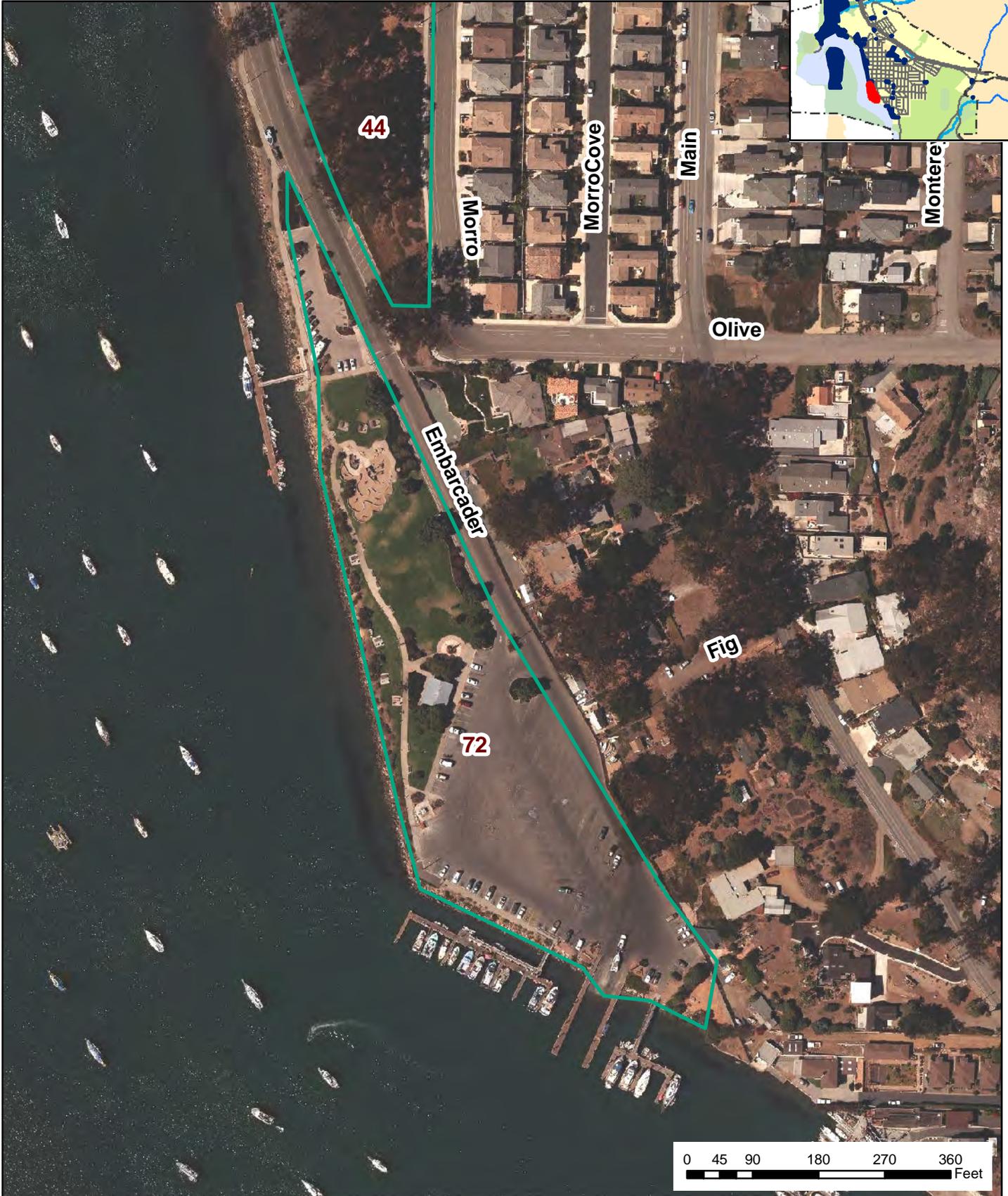
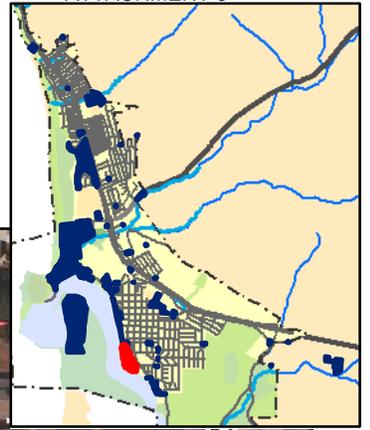
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