



**AGENDA NO: C-1**

**MEETING DATE: March 28, 2017**

**THE FOLLOWING PUBLIC CORRESPONDENCE  
WAS RECEIVED BY THE CITY COUNCIL  
FOLLOWING POSTING OF THE AGENDA**

Item C-1

**Dana Swanson**

RECEIVED  
City of Morris Bay

**From:** betty winholtz [REDACTED]  
**Sent:** Tuesday, March 28, 2017 3:02 AM  
**To:** Jamie Irons; John Headding; Matt Makowetski; Marlys McPherson; Robert Davis  
**Cc:** Dana Swanson; Dave Buckingham; Rob Livick; Mike Nunley  
**Subject:** Re: Draft Master Water Reclamation Plan

MAR 28 2017

City Clerk

City Council,

Here are 7 addition questions/comments.

Betty

- 19--Last paragraph on page 7-2, where is the data behind this statement?  
"Reducing dependence on imported water by offsetting demand or supplementing with recycled water...could reduce long-term costs."
- 20--First paragraph on page 7-3, this statement sounds like it has not been investigated before suggesting it:  
"The City may be able to maintain their SWP allocation, and arrange contracts to transfer their allocation of water to other SWP customers." Is it true that the City has an ongoing financial commitment to the SWP beyond 2021, whether or not we take water from it?
- 21--Second paragraph of 7.2, why are we only looking at "using industry standard technologies" rather than newer technologies?
- 22--Second paragraph of 7.3, this isn't just expected, it was ordered, "effluent limitations are expected to require full secondary treatment at a minimum."
- 23--Bottom of page 7-28 a recommendation is made, but no vote is being asked for from the council. When will this vote happen? Doesn't this vote need to happen before the rate structure is submitted?
- 24--Last paragraph in 8.1, this sounds good, but offers no information, "an estimated reduction of \$XXXX in State Water Project costs, assuming...."
- 25--Generally under Financing, there is no comment about offsetting costs by sale of property or water.

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**From:** Jamie Irons <jirons@morrobayca.gov>  
**To:** betty winholtz [REDACTED]  
**Cc:** Dana Swanson <dswanson@morrobayca.gov>; Dave Buckingham <dbuckingham@morrobayca.gov>; Rob Livick <rlivick@morrobayca.gov>; Mike Nunley <mnunley@morrobayca.gov>  
**Sent:** Monday, March 27, 2017 9:32 PM  
**Subject:** Re: Draft Master Water Reclamation Plan

Betty,

Thanks for the email, received and read.

Dana, please include in agenda correspondence.

Rob, Mike, Can you please to Betty's questions or be prepared to respond at council meeting?

Thanks - Jamie

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**From:** betty winholtz [REDACTED]  
**Sent:** Monday, March 27, 2017 3:10 PM  
**To:** Jamie Irons; Matt Makowetski; John Headding; Robert Davis; Marlys McPherson  
**Cc:** Rob Livick  
**Subject:** Draft Master Water Reclamation Plan

Dear Council,

Below are my initial questions and comments regarding the draft report. I have not finished the Draft. I noticed that the zoning map being presented to the joint City Council/Planning Commission tomorrow afternoon, Tuesday has the Tri-W property across from the roundabout corrected, so I assume the map in this draft will be corrected as well.

Betty

1--Was No Name Creek in north Morro Bay purposely omitted from all maps beginning with figure 2-1?

2--The land use designation map, Figure 2-2, contains errors. Besides omitting No Name Creek, there is no visitor serving zoning on the Tri-W property across from the roundabout. There may be other errors, but it is difficult to tell since there are no street designations.

3--First sentence of 3.1 is missing a word.

4--The first sentence of the last paragraph before 3.3 makes it sound like brackish treatment replaced desal treatment. Not until the end of the paragraph, "both systems," is it clear that brackish was added to the desal, not replacing it.

5--Why would you measure Tables 3.2 and 3.3 in acre-feet, then switch in GDP in the accompanying text?

6--Table 3.5 is surprising in that you increase population, (it is unstated if you did so arithmetically or geometrically, yet you didn't change the "losses" by the same method.

7--First paragraph of 4.3 covers all the bases from secondary to tertiary to advanced tertiary without defining which it is going to be: this has been the problem all along, no project description. It even allows for dumping tertiary water into the ocean!

8--First sentence under Figure 4-3 is missing a word.

9--Only 2 treatment alternatives are mentioned in 4.3, one of which is almost 50 years old, not up to date technology.

10--The build out number for Table 4-2 is not mentioned; is it still 12,000 or 12,500 population?

11--In the paragraph before Table 4-2 you have the population in 2018, 1 year from now, as having increased by 300 people. Really? We lost population in the last census.

12--Assuming Tables 4-3 and 4-4 include Cayucos because they are representing historical numbers, upon what do you base the 5-year projection to be higher when there will be no Cayucos and Morro Bay's population is stable?

13--Table 4-7 lists 4 sources of salinity. The text only discusses two of these, "Self-regenerating softeners" and "Culligan", those with the smaller numbers. It is reasonable to assume that the label "Water supply", 46%, needs no explanation. However, the second highest number, 28%, "Residential and commercial," is given no explanation in the text.

14--I don't understand this sentence: "In surface applications of recycled water, it is especially important if advanced treatment technologies are not specifically required." Does the "not" belong in the sentence?

15--Table 6-1 states the "Costly distribution system would need to be constructed by the City." Why not the receivers, i.e. ranchers/farmers?

16--6.2.3 first paragraph gives no figures to back up this claim to not pursue this avenue.

17--6.2.4 and 6.2.5 do not identify why the farmers don't want to deal with the City. It could be the City's reputation, past actions, don't need the water, but it is not clear why. Better than dumping treated water into the ocean.

18--In Table 6-2, why is 300 at the bottom of the second column and 300-900 is in the bottom of the third column?

Item C-1

**Dana Swanson**

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**From:** Mike Nunley  
**Sent:** Monday, March 27, 2017 9:58 PM  
**To:** Dana Swanson  
**Cc:** Dave Buckingham; Rob Livick; Jamie Irons  
**Subject:** FW: Question-Water Reclamation Plan

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City of Morro Bay  
MAR 28 2017

City Clerk

Hi Dana - Mayor Irons asked me to forward this for inclusion in the City Council correspondence.

Thx,  
Mike

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**From:** Homer Alexander [REDACTED]  
**Sent:** Sunday, March 26, 2017 8:50 AM  
**To:** Mike Nunley  
**Cc:** John Rickenbach  
**Subject:** Question-Water Reclamation Plan

Mr. Nunley

Below is an email I sent to John Rickenbach on Friday afternoon. After reading the City Manager's piece in the *Bay News* I realize I should have sent the questions to you. I have several questions in addition to the ones I sent Mr. Rickenbach that hopefully you will be able to answer.

In section 7.6.2 (p.7-21) the first paragraph last sentence states "Pilot testing will allow the City to refine preliminary assumptions, design criteria and budgeting cost opinion". The issue of pilot testing and modeling is also referred to in the table 6-1 (page 6-3) in the comments section of the last two opportunities. Has the pilot testing been scheduled?

In section 7.7.2 1<sup>st</sup> paragraph last sentence (p. 7-25) states "The modeling also concluded that additional wells may be needed depending on how often the injection wells clog" According to table 7-15 (p.7-25) the injection wells + the electrical etc. cost \$300K each. Based on your experience can it be determined if the City will need more wells and if so how many? Also, what is the expected life of an injection well?

In both sections 7.6 & 7.7 when you discuss land acquisition and right of ways for the infrastructure for the injection wells you state "...a siting study would be required to identify and evaluate potential injection well locations". When do you plan to conduct the siting study?

At the WRF Committee meeting on 2/17/17 Mr. Sorenson gave an update on feasibility of indirect potable reuse, but conclusions were not definitive. When do you anticipate that GSI will publish their final report?

In either a normal or wet precipitation month will the aquifer described in alternative 4 (IPR-West) be able to except all of the injected treated water?

Email to John Rickenbach 3/24/17

I have two questions..

The fourth line item in the Phase I section (page 12-1) of the Facility Master Plan is Microfiltration/UV Facility. Is this line item included in the first line items in Tables 7-13 and 7-15 "Advanced Treatment etc." of the draft Water Reclamation Plan or is it still in the \$89.7M WRF Capital Cost?

In Mr. Sorenson's 2/17/17 presentation at the WRF Committee meeting he stated that in scenario 2A that the City could pump 1,119 acre feet from the injection wells on the west side of Hwy 1. In the Water Reclamation Plan in section 7.7.2 paragraph 3 (page 7-25) it states that when treating well water through the City's BWRO system there is a loss of 20%, therefore shouldn't the "Estimated Water Supply Benefits (AFY)" that is shown at the bottom of tables 7-15 be reduced by 20%?

I look forward to your response

Regards  
Homer Alexander



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**AGENDA NO: C-3**

**MEETING DATE: March 28, 2017**

**THE FOLLOWING PUBLIC CORRESPONDENCE  
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FOLLOWING POSTING OF THE AGENDA**

Item C-3

**Dana Swanson**

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**From:** Jamie Irons  
**Sent:** Monday, March 27, 2017 9:05 PM  
**To:** Cherise Hansonn  
**Cc:** Dana Swanson  
**Subject:** Re: RFQ

RECEIVED  
City of Morro Bay  
MAR 28 2017  
  
City Clerk

Cherise,

Your email is received and read. I have copied Dana Swanson our City Clerk to ensure this is part of agenda correspondence.

Jamie

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**From:** Cherise Hansonn [REDACTED]  
**Sent:** Monday, March 27, 2017 5:36 PM  
**To:** Matt Makowetski; Jamie Irons; Marlys McPherson; John Heading  
**Cc:** Robert Davis  
**Subject:** RFQ

This is a revised version of my letter to the GPAC regarding including 87-88 lease site with market plaza RFQ.

It appears to not be a staff recommendation, but still a possibility of discussion for 3/28/17 council meeting. I appreciate your time in reading my submittal in opposition to abandoning current RFP. Thank you

My name is Cherise Hansson, owner of Under the Sea Gallery at 833 Embarcadero Rd since 1999. For the last year my partner, Travis Leage and I have deligitly been working on our proposal for my current lease site. In the past 17 years I have researched the needs and desires of all my patrons and the patrons I wish to have visit. We designed our proposal based on those responses and experiences. Our proposal also covers all the bases detailed in current workshops lead by city sources, especially in relation to our building facade, numerous public benefits and economy stimulating businesses.

The city council has requested that you analyze the possibility of abandoning a current RFP, the RFP I have responded to, and create a new RFQ that includes my property and the larger scale Market Plaza property. Besides the obvious setback to myself of losing all our hard work and money towards the previous RFP, this scale of a project would completely take out most interested Morro Bay residents to build this project. I believe it has been an utmost concern to make the effort to try and keep the money local. Secondly, my address and many others have had constant changing of rules in the development process. At this point no prospective developers are going to want to waste their time and money with a city that is known for changing the rules midstream. My address alone has had city representatives change their minds about second stories, conference centers, combining lease sites and now this, abandoning the current RFP; an RFP completed by three applicants who were all found to be qualified and viable choices. Thirdly, an RFQ including these two sites leaves Bert Caldwell's property in between the two sites. Caldwell has a current COL. The current RFP associates Caldwell with the developer John King as partners as one of the applicants. City officials

recommended the current RFP be given to John King and Caldwell because combining the sites would allow them more TOT. So if a new RFQ goes out and the only person who can possibly acquire the property in between is King, wouldn't city staff recommend King and associates? There would be no need for anyone else to apply. The RFQ would not be what it is meant to be, open and FAIR. Last point of consequence is that this is a large hub of property in the center of town and if the project fails for any reason, which there are many, our cities main source of income, the tourism industry, will be left in limbo.

As GPAC members your job is to set the tone of our future, based on what our city needs and wants. From listening to others and attending the workshops, I believe our city needs

- living wage jobs, business owners that live and work here
- family-oriented activities
- businesses that highlight our ocean
- revenue for our community

Our proposal maxes out on all of those important features. Our proposal has over 9 small business owner sites. The property will have waterfront viewing with activities for families with a large play area equipped with larger than life Sea Otters, Octopi with LED radiating tentacles, jellyfish that light up when you step on them, a cascading waterfall over the entrance to the dining room like the one at the Monterey Bay Aquarium, a bay platform to watch wildlife both on top and under the water using our reverse periscope. The buildings bottom floor will be all visitor serving and open to the public. As the center of the Embarcadero it should be lively and active, not be hallways of closed guest doors. Our numbers indicate very high revenues for the city comparable to rooms on the bottom floor. The use of hotel rooms and city TOT will still be maximized if our proposal is chosen. We have 7 large Morro Rock and Bay view rooms. If Caldwell's current COL moves forward, the combination of our rooms and his rooms would create 18-20 second floor rooms.

Not abandoning the current RFP would allow all of the above to be a possibility. The market Plaza can still go out for an RFQ on it's own. Everything we are working towards is a positive direction for our community. As Morro Bay residents and the parents of three young boys growing up here it is imperative that we do build the best future. We wish to be a part of the solution, so we all reap the benefits. As a small business owner on the Embarcadero for almost two decades, I have been the smiling face welcoming all who visit. Under the Sea Gallery is the direction we want to go, more small businesses is the way we need to go, we need activities for all, especially families. Please allow us to be part of the future of Morro Bay.

At this time I would also like to add:

The planning department seems to discourage hotels on the waterfront due to lack of public access. Any development with rooms or offices on the first floor will be met with numerous obstacles both within the Morro Bay Government and the Coastal Commission.

A new process of this size and infancy would leave a low-performing building in the center of the Embarcadero for over 3 years while waiting for permits, negotiations and eventually development. With no certainty and assurances for the property, new tenants are leary of renting. This site needs to know it's future.

Sincerely, Cherise Hansson