



**AGENDA NO: Special Meeting & Item C-2**

**MEETING DATE: September 26, 2017**

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

SEP 26 2017

Dear Morro Bay City Council Members,

City Clerk

As a long-time resident of Morro Bays . I am strongly opposed to the location and proposed destruction of the historic Agriculture zoned Righetti Ranch to be used as a Sewer Plant site.

There are many negative issues such as the destruction of a sensitive environmental zone. The Righetti Ranch has two blue-line streams as well as an active spring. Also the Nutmeg ridgeline is immediately adjacent to and dependent upon the stability of the land at the Righetti property. In addition to being unstable, it sits directly on an earthquake fault line that runs along Nutmeg Ave. and down into Righetti, and then further on to Rancho Colina.

Were also talking about the destruction of the gate way into our city and the destruction of prime neighborhoods view shed causing losses to real estate values, noise, traffic issues, and also having a construction zone for years in our back yards, and unknown environmental hazards.

I urge the council to strongly consider retrofitting our current sewer plant site.

I would hate to wake up and see a cyclone fence in my backyard.... that is not what I would call a good neighbor.

Sincerely,

Jacqueline D. Marie

## Dana Swanson

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**From:** Dan Podesto  
**Sent:** Tuesday, September 26, 2017 10:48 AM  
**To:** Council  
**Cc:** Bobbie Cunningham  
**Subject:** WRF Site

Dear MB City Council Members,

Our household emphatically encourages you to reject any site West of Highway 1 ONCE AND FOR ALL.

The CCC has made it abundantly clear, most recently in their letter dated 9/22/2017, that they will not approve the old site, and in the unlikely event they did, it would be "considered temporary... to allow local governments the time to plan for and pursue relocation." Please take these comments from the CCC seriously. Continuing down this path will not garner the desired results, and will only increase the cost of this project for all MB residents.

Please move forward expeditiously with the South Bay site selected by the prior Council. Also, please keep in the mind the filing deadline for the low-interest EPA loan which will greatly reduce the cost of the project.

Respectfully,  
Daniel Podesto and Bobbie Cunningham

## Dana Swanson

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**From:** B. Doerr  
**Sent:** Tuesday, September 26, 2017 10:22 AM  
**To:** Jamie Irons; John Heading; Matt Makowetski; Marlys McPherson; Robert Davis; Dana Swanson; Martin R. Lomeli; Rob Livick  
**Subject:** Choose Dynegy WRF Site

DATE: 9-26-017

TO: Mayor & City Council

FROM: Barbara Doerr

SUBJECT: 4pm Special Council Meeting - WRF

6PM Council Meeting (C2) - Item - WRF

At this point, the proposed **Dynegy WRF site** appears to be the best option for the new Morro Bay Sewer Treatment Plant.

- Cost is \$19 Million less than the South Bay site.
- Better location than the current site as it is at a higher elevation, is not subject to sea level rise and shoreline “erosion to the same extent as the Hanson site,”
- Site is zoned Industrial

The proposed Dynegy sewer plant site would be located adjacent to another industrial use, the PG&E Switching Station. I don't think there are plans to move it? Portions of Dynegy's energy related lands could be/will be needed in the future for onshore support facilities or staging for the Trident Energy offshore floating wind generators.

In summary, the Dynegy site has not been denied by the California Coastal Commission, is further from the High School, further from the ocean, and would not need rezoning. And again, it is so much cheaper and will fit right in with other proposed Public Institutional uses, or nearby commercial fishing industry uses.

The GPAC is considering land use changes to the Dynegy site: Public Institution (PI) for the Fishing Museum area and PG&E Switching Station, with the remainder as Mixed Use, and along the Embarcadero, a small strip of visitor-serving commercial. The land area west and south of the Dynegy sewer plant site, currently zoned industrial, could be designated as a Commercial Fishing overlay zone.

*This whole area north of Beach Street along the Embarcadero has been designed/preserved for commercial fishing uses/activities, which could potentially be warehouse or industrial, and compatible with new Sewer Plant. It could be used to expand commercial fishing and enhance City's Working Waterfront goals. The Measure D\* commercial fishing restrictions could be expanded further to the North. Development, public and/or private, in the area could be for needed commercial fishing industry amenities such as, cold storage facility or freezer facility, warehouses, , boat haul-out, more boat storage, Fish Markets, fishing related parking, or other facilities.*

These new commercial fishing related developments could be planned to blend and camouflage the new sewer plant by surrounding and blocking view of the Plant from the coastal tourist serving areas. The commercial fishing activities currently draw tourists to Morro Bay. If planned and presented properly to the Coastal Commission, they may even like it.

Thank you for considering my comments.

Barbara Doerr



RECEIVED  
City of Morro Bay

SEP 26 2017

City Clerk

September 25, 2017

Dear Mayor Irons and City Council Members,

We are writing with concerns about the possibility of the Righetti Ranch being chosen as the site for the city's Waste Water Treatment Plant.

Building a facility at that location will immediately cause a loss of fifty per cent of the value of the home that our family has lived in for forty-one years. At previous meetings we have heard many variations on how the effects of such a facility can be minimized, however after touring plants in Fillmore and Santa Paula, it became clear that odor and noise cannot be contained within the 600 feet that would separate the facility from our home. No neighborhood should have to endure the negative impacts of such a facility when there are other locations available. The presence of a waste water treatment facility at the Righetti Ranch, no matter how well designed, will adversely impact property values on Nutmeg and Ponderosa. If the Righetti site is chosen there will be a number of public hearings before regulatory agencies and we will be present at all of them to continue vigorous opposition in whatever form is available.

One of the other persons who has sent correspondence to you, for this meeting, suggested that perhaps neighbors who objected to the WRF being so close, as at Righetti, could be offered some compensation so that we would no longer object. We do not believe that the city can afford to compensate any of us for the loss of our quality of life and future health. An additional concern is the asbestos in the soil at the Righetti site. Again, the consultants have made statements that are difficult to trust. We were told that the soil would be removed from the tires of any vehicles before they left the property by first sweeping and then washing them with water. Does anyone really believe that this would be done in the busy traffic of a construction site?

Please find a solution that treats sewage, recycles water and can be afforded by the residents of Morro Bay. When a site is chosen, perhaps working with a designer/builder, there may be economies, (that have not been identified by the consultants), that would allow construction of what is needed at a price the city can afford.

Garry Kolb MD, Alice Kolb, and Kara Kolb  
Morro Bay

**From:** Melinda Rice  
**To:** [Council](#)  
**Cc:** [Melinda Rice](#); [Citizens for Affordable Living](#)  
**Subject:** CA/MB expenses rising / sewer costs too \$\$\$  
**Date:** Tuesday, September 26, 2017 9:32:22 AM

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Dear Morro Bay City Council Members,

We continue to remind you that the planned moving of our existing water and sewer treatment plant is a horrible idea. It's costs are not sustainable for most current citizens.

MB is only a tiny town with many on fixed incomes, the few young families, and roughly the 1/3 who are absentee owners will possibly be forced to move.

We long time residents, myself a retiree, cannot sustain any more local stretching of our budgets and with Gov. Brown passing the exorbitant gas tax, soon the cost of EVERYTHING is going to skyrocket. If you are paying attention you all ready know this.

I just received this current update from CA State Senator Jeff Stone, please read the following note to check out even MORE cost increases being heaped upon us Californians and other creepy changes in our laws. It's apparent, those Democrat lawmakers in control, never ever see a possible tax increase they don't salivate over, after all, Sacramento must cover those trillions owed in gov pensions, thanks to tax payers who must cover the greed.

Please do your part locally and protect your fellow citizens from being driven out of SLO County and possibly to another state. As a 4th generation Californian this is heartbreaking for me. PLEASE DO NOT select Reghetti, PLEASE understand that staying at the existing site is the BEST and least expensive choice, then repair, improve and keep Morro Bay beautiful.

Thank You,  
Melinda Rice  
Morro Bay permanent resident since 1999  
A Lifetime visitor to this beautiful coastline

**Sent:** Thursday, September 21, 2017 1:46 PM  
**Subject:** California

Update today from Jeff Stone, Republican state senator on the further progressive destruction of CA:

Hello my friends,

Friday will be the end of this legislative year. Here are some of the highlights of this session:

1. SB-1: increases your gas taxes by approximately 20 Cents ([Nov 1](#)) and your vehicle license fees by an average of \$100 ([Jan 1st](#)).
2. Passed Cap N Tax which will increase gas 0.63 to 0.93 cents a gallon change and the taxes that go with it.
3. Proposed increase on a new tax every residence will pay for tap water in the State!
4. A \$3.46B parks bond to pay for parks in "disadvantaged communities" meaning Los Angeles. We will get the crumbs.  
The debt service will be over \$200 million a year. The good news is some money goes to help fix the Salton Sea which should have always been a State responsibility!
5. Law to release any lifer (murder, rape, child molestation, etc) who is :
  - A. 60 years old
  - B. Already spend 25 years in prison!Charles Manson qualifies today and the Melendez brothers that murdered their parents could be

released in about 12 years? What about victims?

6. A new \$10 charge on all residents living in a mobile home parks to address living condition enforcement in those parks? Why does the left embrace these regressive taxes on the poor?

7. We picked an official dinosaur of the State of California. Really ? Yes!

8. Blackmail Tesla to either unionize with the United Auto Workers Union or forfeit State incentives to buy their electric cars! Just another Union Grab!

9. Reduce from a felony to a misdemeanor the purposeful intent to transmit the AIDS virus to a unknowing partner.

10. Give preferential treatment to prisoners convicted of serious crimes that are less than 25 years old because their brains are not mature enough to understand right from wrong. Whaaat? My DAD's belt taught me right from wrong real early in my life ! If the brains of our kids don't mature until 25, why do we allow them to vote ?

11. A bill to require our true sex be omitted from drivers licenses? Whaaat?

12. Free legal services for illegal immigrants.

13. Establish safe "injection zones" run by government to oversee people injecting heroin! You have to be kidding me? Yep it passed!

Enough good news for today. Back tomorrow with an update on our last minute legislative surprises. It's an honor to represent you!

*God Bless America †*

**Dana Swanson**

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**From:** Chester Amyx  
**Sent:** Tuesday, September 26, 2017 8:01 AM  
**To:** Council  
**Subject:** WRF project

Dear Council Members,

We would hate to see Morro Bay make the same mistake Los Osos did in their repeated, lengthy, divisive, back-and-forth arguments that caused a 30 year delay in creating a WRF.

Therefore we highly recommend the city follow through with the current South Bay Boulevard plan. We should continue to work with and consider the CCC recommendations and reject any sight west of Highway 1.

Sincerely,

Chet and Guyla Amyx

## Dana Swanson

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**From:** C B  
**Sent:** Monday, September 25, 2017 11:00 PM  
**To:** Council  
**Subject:** WRF Site Location

Mayor Irons and Council Members.

I am writing in support of locating the new WRF plant with FULL water recycle on the EAST side of Hwy 1. (Righetti or South Bay)

The LEAST expensive solution will be a WRF location that can obtain the needed permits and obtain the lowest cost funding in the shortest timeframe. After review of the various recent reports and Coastal Commission communications it appears neither of the West side sites will meet those requirements and are fraught with RISK.

I encourage the council to make a site selection NOW but also continue aggressive review of the project for cost cutting opportunities at whatever site is chosen.

Thank You,  
Cindy Betonte

## Dana Swanson

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**From:** cbetonte  
**Sent:** Monday, September 25, 2017 9:58 PM  
**To:** Council  
**Subject:** WRF Location

Mayor Irons and Council Members,

I support locating the Water Reclamation Facility east of Highway 1 and oppose pursuing a site on the west side. In my view nothing significant has changed from the CCC's denial of permit and attempting to get approval for the Hansen site will result in additional expense to rate payers, time delays and wasted effort.

Morro Bay has many local "experts" and adhoc groups pressuring the council to adopt their positions on WRF site location and even on details of the design of the plant. Whatever decision council agrees to regarding the WRF will be criticized and likely become fodder for political opposition. However, we voted for all of you to make the difficult decisions that are in the best interest of the entire community. I urge you to make a decision on the WRF location without further delay. My preference is east of Highway 1 and I think the Righetti property should be reconsidered to reduce the project cost.

David Betonte  
Morro Bay

## **Dana Swanson**

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**From:** Joe Birney  
**Sent:** Monday, September 25, 2017 5:51 PM  
**To:** Council  
**Subject:** City of Morro Bay's Water Reclamation Facility

Dear Mayor Irons and Council Members,

Please do not waste time pursuing any sites west of Hwy 1 for our new Water Reclamation Facility. I don't think there is any chance to get that approved by the California Coastal Commission.

Of course, pursue the Righetti site if there is still a possibility, as I believe that to be the best and most affordable site. Second choice would be the Tri W site, but you must find a way to reduce the costs significantly. I live in a senior mobile home park and many of us cannot afford the huge increase that would bring. And you must do everything in your power to secured the EPAs WIFIA loan.

Thanks you for listening to my advice, I am bullying for you all!

Sincerely,

Joe Birney

**Joe Birney**

**Morro Bay, CA 93442**

## Dana Swanson

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**From:** Jeffrey Bisely  
**Sent:** Monday, September 25, 2017 8:59 PM  
**To:** Council  
**Subject:** WRF

Would love to have sewer on east side of hwy 1 however, a city of 10000 people can not afford a 123 million (and growing still?)dollar wrf project. I signed on for this with Noah, etc. back when it was projected to cost much less. I would like to have money to buy food. Thank you.

Jeffrey Bisely

## Dana Swanson

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**From:** Doug Black  
**Sent:** Monday, September 25, 2017 6:01 PM  
**To:** Council  
**Subject:** sewer/water

I am Doug and I own my house debt free on \_\_\_\_\_ I have lived in MB for 30 years and owned a house here since 1998. This rate increase is not only ridiculous, but it is out of line with the affordable living concept which you do not seem to value for local working class people. In addition, there is a great number of fixed income retired folks who would be priced out by this proposed sewer project. I for one am totally against both the mayor and the snots at the coastal commission for not considering the existing sewer sight for tertiary upgrade because it is in a flood zone! Give me a break. When was there ever a flood at the sewer plant that resulted in a release of raw sewage? That said, who the hell approved the Cloisters development aye? You have already forced out the power plant due to once thru cooling killing sea habitat while we have a big eye sower of a nuclear power plant that stores waste on site and uses once thru cooling as a means of steam reduction just down the beach from us. Where is the logic in this people? I feel like there is a push to drive away people of medium to low income here so the few rich can monopolize this town. You will not run me off. I will put up and rent storage sheds in my driveway and put incinerator toilets in them and rent them out for \$400/mo to pay your exorbitant rates! How does that grab you? Do I sound angry? Saddle up folks. I am not the only home owner here who feels this way. Get used to it. See you on Tuesday.  
Doug (mad as hell and I'm not goin to take this anymore!)

## Dana Swanson

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**From:** Dori Cane  
**Sent:** Monday, September 25, 2017 3:42 PM  
**To:** Council  
**Subject:** Meeting at vets hall tonight about sewer/water

As a resident of Morro Bay I received a notice regarding a meeting at the Vets Hall this evening and it concerns me. We live in one of the most desirable places in the world and the location of our water treatment plant should absolutely NOT be decided primarily on the cost. We do NOT want the facility to be at the least expensive location, we want it at the BEST location to preserve property values and functionality at an optimal level.

Thank you.

Sincerely,

Russ and Regina Larsen

Morro Bay, CA

Sent from my iPhone

## Dana Swanson

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**From:** Greg Cordes  
**Sent:** Tuesday, September 26, 2017 9:59 AM  
**To:** Dana Swanson  
**Subject:** Cordes Letter for 9/26/17 CC meeting minutes re: WRF  
**Attachments:** Cordes Letter to MB CC re WRF 917.pdf

Dear Morro Bay City Council and Staff,

Please accept this letter as comment on the proposed WRF project and include it in the minutes / filed documents for the September 26, 2017 meeting on the issue.

Thank you for your consideration,

Greg Cordes

September 26, 2017

Capt. Gregory R. Cordes

Morro Bay, CA 93442

Morro Bay City Council and Project Staff  
[council@morrobayca.gov](mailto:council@morrobayca.gov)

Re: WRF Project – Righetti Property Site

Dear Morro Bay City Council and Staff,

I am a concerned Morro Bay citizen whose home at \_\_\_\_\_ puts my family in close proximity to the proposed WRF site.

The strong citizen resistance to placing the WRF on the Righetti property should come as no surprise to the Council when one looks at what has been presented to the surrounding neighbors.

1. Contrary to the experience most everyone has had with ugly, foul smelling sewer plants, they are being told, “trust us”, this plant, unlike all the others you have ever seen, will look nice, not emit foul odors, nor subject nearby neighborhoods to chemical vapors or dangers.
2. They are then told to accept the fact that the city is considering putting an equipment yard on the property, with all of the unsightly parked vehicles, dust, diesel fuel, traffic and noise, placed next to our back yards. In many respects, this component of the plan is even worse than the WRF.
3. Then to top it off, for many of us, the purchase of the Righetti property by the city is viewed as opening the door to the development of the open spaces surrounding Morro Bay and adjacent to our homes, thereby not only putting in jeopardy one of the primary reasons many of us bought our homes in the first place, but also having the very real potential of destroying our property values as well.

Ask yourselves this; if you lived anywhere near the proposed site, what is there to like about this plan?

If the council really believes that this is the best site for a WRF than they may want to consider a few things that would ameliorate the negative impact on the surrounding neighbors.

1. Abandon the notion that this property would be suitable for parking the city equipment.
2. Make iron-clad assurances within the language of the permit itself that the Righetti property would be deeded and preserved as open space for perpetuity, and that this project would not be allowed to be growth inducing. Furthermore, make it part of the City's general plan that other than the WRF, no further development would ever be allowed on the Righetti property.

I appreciate your time and consideration.

Sincerely,

Greg Cordes

## Dana Swanson

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**From:** Tim Crowley  
**Sent:** Monday, September 25, 2017 4:43 PM  
**To:** Council  
**Subject:** WTF

The one takeaway I got from my year of wonkishly following the sewer plant drama a few years ago is that the state did not want us to, and would not permit us to build a new plant at the existing site. That feeling has undoubtedly been reinforced by a report sent to the State's Ocean Protection Council in April.

The first paragraph of an article on *Scientific American's* website describing the report reads: "Melting ice sheets in Antarctica will wallop California with greater sea-level rise than the world average, threatening the state's iconic beaches and important infrastructure, according to a report issued yesterday."

I don't think, you, me, we or CAL will change the states mind, and I don't want to. How about you?

See you tomorrow,

Tim

## Dana Swanson

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**From:** B. Doerr  
**Sent:** Tuesday, September 26, 2017 9:51 AM  
**To:** Dana Swanson; Jamie Irons; John Headding; Matt Makowetski; Marlys McPherson; Robert Davis; Martin R. Lomeli; Rob Livick  
**Subject:** San Diego 218 Vote w/Protest Ballot  
**Attachments:** San diego final 218 ballot.pdf

Whatever your decision on WRF location and/or costs, please consider including a **Protest Ballot** form for use by all residents/ratepayers receiving required Prop 218 information. See the above attachment with a ballot used by San Diego.

A YES vote is cast by doing nothing or by ignoring the whole issue, or being too busy or sick. If ratepayers don't vote, they are casting a YES vote. This may be legal, but unfair to Morro Bay resident - rich and poor.

**Please include a Protest Ballot** as was done in San Diego. Please be fair to all the resident/property owners/businesses- in Morro Bay. Know what your community wants for this once in a lifetime, very expensive, project.

NO voters, those wishing to protest city WRF decision, must create a ballot, make no errors, and mail or present within a time limit.

Please eliminate some confusion, and provide a Protest Ballot.

Thank you,  
Barbara & Bob Doerr

Att.



THE CITY OF SAN DIEGO

# Notice of Public Hearing for Proposed Water Rate Increases

The San Diego City Council will hold a public hearing to consider proposed water rate increases. Interested parties are invited to attend. Read inside to learn more.

**November 17, 2015**  
**10:00 a.m.**

City Administration Building  
202 "C" Street, 12th Floor  
Council Chambers

Information Inside  
Rate Increases  
for Proposed Water  
Notice of Public Hearing

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THE CITY OF SAN DIEGO



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*The San Diego City Council will hold a public hearing to consider proposed increases to water, fire and recycled water rates. The public hearing will be conducted at the time, date and location specified to consider possible adjustments to the City's rates for its water service charges. This notice is being sent to all record owners of property upon which the proposed water and recycled water service charges will be imposed and any tenants who are directly liable for the payment of such charges (i.e. customers of record). The proposed rate adjustments will be applicable to all parcels that receive water service from the City of San Diego.*

## Proposed Rate Increases

The City of San Diego is dedicated to providing reliable water services in a cost-effective manner while protecting our water resources and the public's health. The City's Public Utilities Department (Department) strives to keep its costs as low as possible, however some costs, such as the price of purchasing imported water, are beyond the Department's control. Because local water supplies are very limited, the City must buy most of the water it supplies to its customers from the San Diego County Water Authority (CWA). The CWA bases any imported water price increases on the costs for its own infrastructure and operations and maintenance. The CWA increases also reflect the cost it pays to purchase water from the region's largest water wholesaler, the Metropolitan Water District of Southern California (MWD). When the CWA increases its water rates to the City, the City calculates the impact in total dollars, then passes through the impact on to the ratepayers in the form of higher rates.

Therefore, the Department is proposing a five-year rate adjustment for the Water Utility sufficient to pay for the increased cost of water, our water supply and delivery systems, and to continue to maintain appropriate debt service coverage levels necessary for our outstanding bonds and credit standing. Should the actual cost of any of these components (excluding the CWA pass-through) be less than their projected cost over the five years, the excess revenues will be allocated to the Pure Water program (find out more about the Pure Water program on the [Purewatersd.org](http://Purewatersd.org) website) and necessary water supply development and capital improvement projects as shown in the Cost of Service Study.

The following table shows the overall proposed increases needed from customer rate revenues for the next five fiscal years (FY 2016 through FY 2020). Your bill adjustments

FY2016	FY2017	FY2018	FY2019	FY2020
Effective	Effective	Effective	Effective	Effective
January	July	July	July	July
2016	2016	2017	2018	2019
9.8%	6.9%	6.9%	5.0%	7.0%

*The proposed rate revenue adjustments may differ due to the actual CWA pass-through amount. The CWA rate increase impact proposed to be passed through to the City ratepayers is projected to be 2.5% in 2017 and 2018, and 3.0% in 2019. The City will only pass through to its customers the actual CWA pass through rate increase; though in no event will it exceed 7.0% annually through 2019.*

will vary depending on your customer class, water meter size and water use during each billing period.

Scarcity in water supply continues to be a long-term concern to all water suppliers in Southern California, including the CWA. The price of water will continue to rise within San Diego County to meet future regional demands. The CWA has begun diversifying its water supplies to reduce reliance on water imported from the Colorado River and Sacramento-San Joaquin Bay-Delta. Within the rate adjustment percentages are projected costs associated with supply diversification and reliability efforts. One of these strategies includes the Carlsbad Desalination Project, which is expected to be completed by 2016. San Diego cost projections include the purchase of desalination water from this Carlsbad project, via the CWA, once it becomes operational. Another consideration is the initial implementation of the Pure Water program which is a part of the City's overall Water Capital Improvement Program.

The effect of the ongoing water supply challenges facing the State of California is also incorporated with the revenue and cost projections of the Water Utility. The Utility's water revenue requirement (revenues needed to meet operating, capital and debt expenses) is based on a number of factors including recent State-mandated water use restrictions and sustained customer usage patterns in response to conservation requirements. As most of you are aware, California is experiencing one of the driest periods in its history. Governor Jerry Brown has declared a water use state of emergency and called for all Californians to significantly reduce water use. The State is requiring that the City of San Diego reduce total consumption by 16%. In response to this declaration, California established statewide emergency water conservation regulations, and the City strengthened its existing Emergency Water Regulations. The Governor is also requiring monthly enforcement and reporting. Water agencies across the state are implementing water conservation measures to comply with these regulations and working with customers to help reduce water use wherever possible to preserve this vital, and limited, resource. The City of San Diego makes conservation a priority and considers customers its greatest ally in building a sustainable future.

Continued conservation ensures the region's water needs are met, now and in the future. However, a portion of the San Diego Water Utility's expenses does not vary based upon the quantity of water used by our customers. The proposed rates would assist the City to continue to generate sufficient revenues to operate, manage, and maintain its facilities and services, even in times of State-mandated water use restrictions.

The Water Utility currently maintains strong credit ratings from bond rating agencies such as Standard & Poor's Rating and Moody's Investors Service. Maintaining a strong credit rating is imperative to obtain low-cost funding for the Water Utility's future capital needs. The proposed rate adjustments consider a targeted debt service coverage ratio to meet the contractual requirements of bondholders. This figure is the Water Utility's net operating income divided by the Utility's annual debt payments on bonds and loans it has used to fund capital projects in the past. In other words, it is the amount of cash available, after operating expenses have been paid for, that is used to pay for the annual principal and interest expenses.

City of San Diego water rates consist of two parts: the Base Fee (Meter Charge) and the Commodity Fee. The Base Fee charge is an amount based on meter size designed to recover a portion of the Utility's fixed costs, which do not vary with the volume of water used by a customer. Fixed costs include but are not limited to infrastructure, meter reading, customer billing, and debt service. The Commodity Fee is levied to recover the remaining fixed and variable costs based on the amount of water used by water system customers, including but not limited to, water purchase costs and debt service. The proposed rate changes will affect both the Base Fee and the Commodity Fee as shown in the tables below.

## Proposed Water Base Fee Increases

The following table shows how the proposed water rate recommendations affect the Base Fee (meter charge) for water customers.

Meter Size	METER CHARGE					
	Existing Rates	Proposed Rates				
Effective Date		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
		1/1/16	7/1/16	7/1/17	7/1/18	7/1/19
	(\$/monthly)	(\$/monthly)	(\$/monthly)	(\$/monthly)	(\$/monthly)	(\$/monthly)
5/8", 3/4"	20.31	22.26	24.75	26.05	27.56	29.46
1"	27.51	29.50	32.84	34.61	36.67	39.36
1.5"	43.96	46.04	51.33	54.18	57.49	62.01
2"	64.53	66.72	74.43	78.64	83.52	90.31
3"	112.86	115.32	128.74	136.13	144.70	156.83
4"	181.75	184.59	206.15	218.08	231.90	251.66
6"	352.44	356.23	397.94	421.11	447.97	486.60
8"	558.10	563.03	629.02	665.74	708.28	769.65
10"	798.72	804.98	899.38	951.95	1,012.86	1,100.83
12"	1,483.55	1,493.60	1,668.87	1,766.54	1,879.71	2,043.42
16"	2,580.72	2,596.85	2,901.66	3,071.61	3,268.50	3,553.53

**AN IMPORTANT NOTE:** The figures included in the table above are shown on a monthly basis. The majority of Single Family Residential customers have a 5/8 inch or 3/4 inch meter, and receive a bill every two months.

## Proposed Water Commodity Fee Increases

The following table illustrates how the proposed water rate recommendations affect the Commodity Fee for water customers. The proposed commodity rates are shown with accuracy to 3 decimal places for consistency with the level of accuracy used for rate entry and customer bill calculation in the Public Utilities Customer Care Solutions billing system. However, customers will see bill amounts rounded up or down to the nearest penny. Note that one 'hcf' represents approximately 748 gallons of water.

The tier breakpoints for Single Family Residential customers as shown in the following table are based on monthly water consumption. The precise tier breakpoints for Single-Family Residential customers who receive bi-monthly bills are as follows: Tier 1 is up to 8.00 hcf, Tier 2 is 8.01 to 24.00 hcf, Tier 3 is 24.01 to 36.00 hcf and Tier 4 is any water consumption above 36.00 hcf. For Single Family Residential customers who receive monthly bills, the precise tier breakpoints are: Tier 1 is up to 4.00 hcf, Tier 2 is 4.01 to 12.00 hcf, Tier 3 is 12.01 to 18.00 hcf, and Tier 4 is any water consumption above 18.00 hcf.

Class	COMMODITY RATE					
	Existing Rates	Proposed Rates				
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Effective Date	1/1/16	7/1/16	7/1/17	7/1/18	7/1/19	
	\$/hcf	\$/hcf	\$/hcf	\$/hcf	\$/hcf	\$/hcf
<b>Single Family</b>						
Tier 1 (0-4 HCF)	3.896	4.240	4.443	4.770	5.042	5.385
Tier 2 (5-12 HCF)	4.364	4.754	4.976	5.342	5.647	6.031
Tier 3 (13-18 HCF)	6.234	6.791	7.108	7.632	8.067	8.616
Tier 4 (19+ HCF)	8.766	9.550	9.996	10.732	11.344	12.117
Other Domestic	4.650	5.125	5.365	5.763	6.091	6.515
Non Residential	4.470	5.020	5.243	5.622	5.941	6.333
Construction	4.947	6.023	6.316	6.795	7.183	7.727
Irrigation	4.947	5.666	5.941	6.390	6.755	7.256

*Single-family Bill Example: The proposed adjustment on January 1, 2016 will effectively raise total water rates for a typical Single Family Residential customer using 12 HCF/month by approximately 9.10% (\$6.44 per month). The exact amount of increase will vary among customers because of varying levels of water consumption.*

Typical Bill Calculation @ 12 HCF per Month		
Description	Existing Bill	Proposed 1/1/2016
Single-family with 3/4" Meter	\$70.81	\$77.25
Adjustment		9.10%

**NOTE:** The City bills the majority of its Single Family Residential customers on a bi-monthly basis. This means each bill these customers receive includes charges for two months of service.

The following table shows the proposed Fire Service Charges for those properties that utilize a private fire protection lead line separate from the property's main water line. If your property does not have a private fire line lead, you are not subject to this charge.

### Proposed Fire Service Charge Increases

Fire Line Size	FIRE PROTECTION					
	Existing Rates	Proposed Rates				
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Effective Date	1/1/16	7/1/16	7/1/17	7/1/18	7/1/19	
	(\$/monthly)	(\$/monthly)	(\$/monthly)	(\$/monthly)	(\$/monthly)	(\$/monthly)
1"	2.58	2.82	3.23	3.62	3.85	4.43
1.5"	2.58	2.82	3.23	3.62	3.85	4.43
2"	4.00	4.37	5.01	5.61	5.97	6.87
3"	15.50	16.92	19.38	21.72	23.10	26.58
4"	19.82	21.63	24.77	27.77	29.53	33.98
6"	29.27	31.95	36.60	41.01	43.62	50.19
8"	41.34	45.12	51.68	57.92	61.60	70.88
10"	53.41	58.29	66.76	74.83	79.58	91.57
12"	63.74	69.57	79.68	89.31	94.98	109.29
16"	103.35	112.80	129.20	144.80	154.00	177.20
20"	128.67	140.44	160.85	180.27	191.73	220.61

## Pass-through Rates based on the CWA Water Purchase Costs

As noted earlier, the City purchases a greater part if not all of its water supply from the CWA via the MWD. Statewide and regional water supply scarcity has impacted the cost of imported water and the availability of water supplies. During water shortages, the MWD may establish water supply allocations for the amount of water that the MWD will deliver to the CWA and other retail water agencies. If the City exceeds its allotted amount of water to purchase, the MWD may impose surcharges or penalties on the CWA for the water it purchases which will then be passed on to the City. In addition to any MWD surcharge that may be imposed, the City anticipates that the MWD and the CWA may increase the rates of wholesale water sold and delivered to the City and may impose other charges on the City related to wholesale water service. The cost for water purchased from CWA is known for 2016, however, the costs for water purchased in years 2017 through 2019 are estimated. The estimates are included as factors in the proposed rate increases. The CWA rate increase impacts to the City are projected to be 2.5% in 2017, 2.5% in 2018, and 3.0% in 2019. In the event that each annual CWA rate increase impact to the City is different than the projected amounts described above for years 2017 through 2019, the City will only pass through the actual CWA rate increase impact to the ratepayer, up to a maximum of 7.0% for each of these years.

Should the CWA rate increase impact to the City ratepayers be 7.0% in years 2017 through 2019, the following rates as shown in the tables to the right could be implemented by the City. If the CWA increase impacts to the City ratepayers were in an amount higher than 7.0%, the City would not implement rates any higher than those shown in these tables.

Prior to implementing any Pass-Through Adjustment to the rates, the City will provide all customers a notice of the adjustment at least 30 days prior to its effective date. This notice will appear in your billing statement or through a direct mail notice.

## Proposed Water Base Fee Increases at Maximum 7.0% CWA Pass Through

Meter Size	METER CHARGE		
	Proposed Rates		
	FY 2018	FY 2019	FY 2020
Effective Date	7/1/17	7/1/18	7/1/19
	(\$/monthly)	(\$/monthly)	(\$/monthly)
5/8", 3/4"	27.37	31.42	35.54
1"	36.45	42.00	47.73
1.5"	57.21	66.18	75.58
2"	83.16	96.40	110.39
3"	144.13	167.43	192.20
4"	231.06	268.68	308.82
6"	446.42	519.53	597.75
8"	705.89	821.77	945.87
10"	1,009.47	1,175.38	1,353.17
12"	1,873.51	2,181.81	2,512.39
16"	3,257.79	3,794.22	4,369.58

## Proposed Water Commodity Rate Increases at Maximum 7.0% CWA Pass Through

Class	COMMODITY RATE		
	Proposed Rates		
	FY 2018	FY 2019	FY 2020
Effective Date	7/1/17	7/1/18	7/1/19
	\$/hcf	\$/hcf	\$/hcf
Single Family			
Tier 1 (0-4 HCF)	5.001	5.404	5.954
Tier 2 (5-12 HCF)	5.601	6.052	6.668
Tier 3 (13-18 HCF)	8.001	8.646	9.526
Tier 4 (19+ HCF)	11.252	12.159	13.396
Other Domestic	6.045	6.526	7.198
Non Residential	5.900	6.384	7.024
Construction	7.127	7.653	8.471
Irrigation	6.700	7.204	7.967

## Proposed Fire Service Charge Increases at Maximum 7.0% CWA Pass Through

Fire Line Size	FIRE PROTECTION		
	Proposed Rates		
Effective Date	FY 2018	FY 2019	FY 2020
	7/1/17	7/1/18	7/1/19
	(\$/monthly)	(\$/monthly)	(\$/monthly)
1"	3.83	4.19	5.00
1.5"	3.83	4.19	5.00
2"	5.94	6.49	7.74
3"	22.98	25.13	29.98
4"	29.37	32.13	38.32
6"	43.39	47.46	56.60
8"	61.27	67.02	79.94
10"	79.16	86.59	103.27
12"	94.47	103.34	123.25
16"	153.18	167.56	199.84
20"	190.70	208.61	248.80

As noted earlier, the MWD and the CWA have not yet adopted such increases beyond calendar year 2016. The pass-through rate increase is generally approved by the CWA annually in June. Once this is approved, the City will review the financial impact of the pass-through rate increase and determine the actual revenue requirement needed solely for this component. The CWA pass-through might exceed 2.5% in any year however the maximum amount the City will pass-through to water customers will not exceed 7.0% annually through 2019. The City is protecting water customers by limiting CWA's potential increase to the City and its customers by no more than 7.0%. Prior to implementing any Pass-Through Adjustment to the rates, the City will provide all customers a notice of the adjustment at least 30 days prior to its effective date. This notice will appear in your billing statement or through a direct mail notice.

## Recycled Water

Recycled water is a vital water supply source for the City of San Diego. While it is not drinkable (potable), it is suitable for irrigation, ornamental ponds and fountains, construction site dust suppression and soil compaction,

street sweeping, industrial processes and other non-potable purposes. Recycled water benefits all of the City's water service customers by reducing the amount of potable water that would otherwise be applied to irrigation and industrial needs.

In 2001, the City set the recycled water rates to promote a higher demand for recycled water, thus reducing demands on potable supplies. The current recycled water commodity rate is \$0.80/HCF. This rate has not been increased since 2001, while potable rates have increased significantly during this time frame. The City is now proposing to adjust the recycled water meter charges and commodity rates to cover the future ongoing costs of service to provide recycled water for sale.

The proposed recycled water meter charges are shown on the following page. These proposed charges are based on customer service, meter services, and billing costs. Similar to the cost of service analysis for potable water meter charges, these meter-related costs are considered as fixed costs and are allocated to each meter size category based on the capacity size of a customer's meter.

For the commodity rate, the City is proposing two alternatives. The first alternative is a uniform commodity rate (Unitary Rate) that would apply to all recycled water customers in the City's recycled water service area. The new proposed calculated Unitary Rate for January 1, 2015 is \$1.73/HCF. In the second alternative, a Zonal Rate structure is being considered. In this alternative, there would be two zones within the City's recycled water service area: North City and South Bay. Each zone would have a separate rate based on the cost structures associated with each zone (see Zip Code designations in table on the following page to determine which zone your property/service address is located). The proposed calculated zone rate for North City for January 1, 2015 is \$2.14/HCF and the proposed rate for the South Bay zone is \$1.17. Each commodity rate structure is based on the recycled water system costs of operations and maintenance, treatment, capital improvements, and a portion of meter services.

The proposed commodity rate alternatives are shown on the following page. These rates, along with the meter charges, will be evaluated again in 2020. Although the proposed commodity rates reflect a significant increase, recycled water rates will still be substantially below potable rates, as illustrated in this notice. The increase in revenue from recycled rates and charges will be used to offset the revenue required from potable rates which is a net benefit to the City's potable water customers.

## Proposed Recycled Water Base Fee Adjustments

Meter Size	RECYCLED WATER METER CHARGE					
	Existing Rates	Proposed Rates				
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Effective Date		1/1/16	7/1/16	7/1/17	7/1/18	7/1/19
	(\$/monthly)	(\$/monthly)	(\$/monthly)	(\$/monthly)	(\$/monthly)	(\$/monthly)
1"	8.63	21.55	21.55	21.55	21.55	21.55
1.5"	43.27	39.05	39.05	39.05	39.05	39.05
2"	65.96	60.06	60.06	60.06	60.06	60.06
3"	246.93	126.52	126.52	126.52	126.52	126.52
4"	411.53	224.50	224.50	224.50	224.50	224.50
6"	925.93	493.94	493.94	493.94	493.94	493.94
8"	1,234.59	843.86	843.86	843.86	843.86	843.86
10"	1,646.12	1,333.75	1,333.75	1,333.75	1,333.75	1,333.75

## Proposed Recycled Water Commodity Fee Increases (Unitary Rate Alternative)

Class	Recycled Water Commodity Rate					
	Existing Rates	Proposed Rates				
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Effective Date		1/1/16	7/1/16	7/1/17	7/1/18	7/1/19
	\$/hcf	\$/hcf	\$/hcf	\$/hcf	\$/hcf	\$/hcf
Unitary Rate	0.80	1.734	1.734	1.734	1.734	1.734

## Proposed Recycled Water Commodity Fee (Zonal Rate Alternative)

Class	Recycled Water Commodity Rate					
	Existing Rates	Proposed Rates				
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Effective Date		1/1/16	7/1/16	7/1/17	7/1/18	7/1/19
	\$/hcf	\$/hcf	\$/hcf	\$/hcf	\$/hcf	\$/hcf
North City (serving Zip Codes 92037, 92109, 92111, 92117, 92121, 92122, 92126, 92127, 92128, 92129, 92130 & 92131)	0.80	2.138	2.138	2.138	2.138	2.138
South Bay (serving Zip Codes 92105 & 92154)	0.80	1.173	1.173	1.173	1.173	1.173

More information is available at [www.sandiego.gov/water](http://www.sandiego.gov/water) or (619)578-5550.

# You Can Oppose the Proposed Rate Increases

You can use the form in this notice to register your protest against the proposed water, fire and recycled water rate adjustments. You can also choose to write a letter to the City, following the requirements below, or appear at the public hearing listed on the front cover of this notice to submit your written protest.

## How can I participate?

Interested parties can comment on the proposed rates. California Constitution Article XIII D section 6 (Proposition 218) prohibits the City from implementing the new rates if a majority of the affected property owners or tenants file written protests opposing the rates before the end of the public hearing. Only one written protest per affected property will be counted towards the majority protest. Written protests must be received by the City Clerk, City of San Diego, Mail Station No. 2P, City Administration Building, 202 C Street, San Diego, CA 92101, before the end of the public hearing which is scheduled for 10:00 a.m., November 17, 2015. Each protest must identify the affected property (by street address or Assessor's Parcel Number) and include the signature of the property owner or utility customer of record. In compliance with Proposition 218, e-mail protests will not be accepted. Fax protests will also not be accepted. Although oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest, the City Council welcomes input from the community during the public hearing.

## Some customers will receive multiple notices

In order to ensure that all San Diegans are informed about possible water, fire and recycled water rate increases, these Notices are being sent to all City of San Diego water customers. If you are responsible for more than one bill, you will receive more than one Notice, but only one written protest per affected property will be counted towards the majority protest.



### USE THIS FORM TO PROTEST THE PROPOSED WATER RATE INCREASES

I \_\_\_\_\_ am opposed to this proposed increase to water, fire, and recycled water rates.  
*(Print first and last name)*

Property Address or  
Assessor's Parcel Number: \_\_\_\_\_

Signature: \_\_\_\_\_

If you wish to use this form as your protest, please fill out and mail in a stamped envelope to: City Clerk, City of San Diego, City Administration Building, 202 C Street, MS 2P, San Diego, CA 92101 or deliver it to the City Clerk before the end of the Public Hearing on November 17, 2015.

This information will be made available in alternative formats upon request, as required by the Americans with Disabilities Act (ADA), by contacting the City Clerk at (619) 533-4000 [TTY (619) 236-7012] or [cityclerk@sandiego.gov](mailto:cityclerk@sandiego.gov). Requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for auxiliary aids, services or interpreters require different lead times, ranging from five business days to two weeks. Please keep this in mind and provide as much advance notice as possible in order to ensure availability.

## Dana Swanson

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**From:** Jamie Irons  
**Sent:** Monday, September 25, 2017 5:14 PM  
**To:** Dana Swanson  
**Subject:** Fw: City Council meeting 9.26.17

Dana, for WRF agenda correspondence. Thank you - Jamie

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**From:** Jane Heath  
**Sent:** Monday, September 25, 2017 5:08 PM  
**To:** Jamie Irons  
**Subject:** City Council meeting 9.26.17

Dear Mayor Irons:

I write as a concerned Morro Bay resident and business owner. I have stayed abreast of the issues concerning the Wastewater Reclamation Facility and have read the staff report and communication with the Coastal Commission for tomorrow's meeting.

I have grave concerns over the affordability of the proposed plant. I know that the Council does, too. However, I also implore you to take whatever action is necessary to see that the facility goes as quickly as possible to the next step. While many argue the proposed plant is not affordable, no plant is affordable if we lose the low interest loan procured by the staff and consultants. I have followed this issue for the past 8 years, and I remain convinced that it is not possible to build a permitable plant west of Highway 1. I wish it were. I was excited at the prospect of a plant on the PG&E/Dynasty property (even with concerns about sight and odor for public uses in the area) but after reading the Coastal Commission staff's recent correspondence, to pursue such a plan is folly and puts us right back where we were 8 years ago with no discernible progress after spending lots of money already.

I hear people full of "options." There are no good ones—at least not ones that demonstrably decrease costs. I do not believe that Cayucos will build a plant that could meet our needs with a population over double theirs and many, many more visitor-serving facilities for the numbers being quoted. Also, because of the method they chose, their cost is essentially "time and materials" and they have no upward limit. While that is a viable way to go, and can save money if you're careful and lucky, it has its own risks. Most important, though, the people who are sure there are better alternatives are not experts. I have never built a WRF and neither have they. We have competent (if expensive) consultants but they need direction. The time has come to take a position and start down a path—South Bay or Righetti. Let's get this done.

Jane Heath

PS Has there been consideration to limiting public comment tomorrow night to less than 3 minutes? I fear I will hear the same thing said over and over for hours unless there is a shorter limit. Since I will be at the meeting to address Maritime Museum issues, I would appreciate knowing if the public comment will be shortened so I can prepare my remarks to conform to a shorter time.



| Jane E. Heath | Tel: 805-225-1773 |

| 1052 Main Street, Suite A | Morro Bay, CA 93442 |

| CONFIDENTIALITY NOTICE: This email and any documents, files or previous email messages attached to it may contain information that is confidential or legally privileged and is for the sole use of the intended recipient(s). If you are not the intended recipient, do not read, print, or save this email. Any unauthorized review, use, disclosure or distribution of this email, its contents or the attachments, is strictly prohibited. If you are not the intended recipient, please contact the sender by telephone or reply email and destroy the original, any attachments and all copies without reading or saving.

## Dana Swanson

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**From:** Leah Jerkovich  
**Sent:** Monday, September 25, 2017 5:31 PM  
**To:** Council  
**Cc:** Metzger Tina  
**Subject:** FW: Send data from e3040c 09/25/2017 16:08  
**Attachments:** DOC092517.pdf; Leah letter sewer.docx

**Importance:** High

Dear Council,

Attached is our letter and petition opposing the Sewage Plant at Righetti. We will fight this and do whatever it takes to make you understand that it not the right thing to do. You need to reconsider your choice.

Thank you.

Leah Jerkovich : Broker / Agent  
P: 559-846-9976 M: 559-232-1222  
L #: 0D09110

P.O. Box 250  
Biola, CA 93606  
[www.allcropinsurance.com](http://www.allcropinsurance.com) <<http://www.allcropinsurance.com/>>

On 9/25/17, 5:09 PM, "All Crop Ins." <[allcrop3040c@gmail.com](mailto:allcrop3040c@gmail.com)> wrote:

Scanned from e3040c  
Date:09/25/2017 16:08  
Pages:1  
Resolution:300x300 DPI

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PDF FILE ATTACHED

**To:** Mayor Jamie Irons, Council Members- John Headding, Marlys McPherson, Red Davis and Matt Makowetski

**Regarding:** Sewage Plant at the Righetti Ranch Property

Hello there,

My name is Leah Jerkovich, and my husband and I recently purchased a second home located at [redacted]. We are in the process of completing a large-scale remodel on the home and are very much looking forward to enjoying our beach house and all of the beauty that Morro Bay has to offer.

Since our purchase, we have been following the story on the sewage plant location and have recently been informed that you are considering putting it back on the Righetti Ranch Property.

As concerned homeowners, we are pleading with you to strongly reconsider. Our house would be in close proximity to this project, and we are very upset by this news. We love Morro Bay and have been coming here for over thirty years.

We purchased our home for more than \$800,000 and having a sewage plant as a neighbor was not what we bargained for. This is an outrageous idea, putting this near one of Morro Bay's most established, well-kept neighborhoods and devaluing its homes.

**As a property owner, we will defend our rights and fight this. We strongly urge you to reconsider.**

Sincerely,  
Leah and Nick Jerkovich

To: Mayor Irons and Council Members Headding, McPherson, Makowetski, and Davis

We, the undersigned Morro Bay residents, are opposed to the City of Morro Bay building the new sewage treatment plant on the Righetti Ranch property, at 887 Atascadero Road, Morro Bay, CA (APN: 073-084-013).

We request the Morro Bay City Council cease consideration of such plans.

	<u>Print Name</u>	<u>Signature</u>	<u>House # and Street</u>
1	Nick Jerkovich and Leah Jerkovich	Leah Jerkovich	
2	Nick & Jordan Jerkovich	Jordan Jerkovich	
3			
4			
5			
6			
7			
8			
9			
10			

## Dana Swanson

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**From:** Nick Jerkovich  
**Sent:** Tuesday, September 26, 2017 8:46 AM  
**To:** Dana Swanson  
**Cc:** Metzger Tina  
**Subject:** Sewage Treatment Site Location

Dear City Council,

I am writing as a concerned resident and home owner in the North Morro Bay subdivision located directly over the hill from the proposed sewage treatment site (STS).

The STS that is being considered is the wrong direction we should be considering to take during a once in a lifetime opportunity to clean-up the town. Sad enough the current location of the sewage plant is right in prime real estate mixed in with RV camping and the beach access.

We have the opportunity to MOVE THE PLANT far away from the city and get the SMELL out of town. Why are we even considering a location where the wind will blow the smell right back into town with the Santa Lucia winds blowing Sept-March each year. Not only is this the main entrance to town from the 41, but it will only add to the mobile home parks and industrial trashy vibe to the entrance of town. I won't even go into the proposed Sonic drive-thru...

As a home owner on the hill this will affect one of the nicer neighborhoods in Morro bay, especially if this smell comes over the hill. There are so many homes that are close to 1 million to 1+ million in value right near here and we can't afford to have another dumpy area in Morro Bay. The mis-management by the city of the telephone/cable wires obstructing the beauty of the view/city is bad enough. We have the opportunity to clean-up this town for the better. Let's get this out of town and somewhere where it will not effect property values, degrade the entrance to the town even more and create another problem.

There are MANY voices who do not want this site selected and I am one of them.

Let's make this city NICE by keeping this away from our neighborhoods and keep property values up. Make the right decision for the future of Morro Bay. This is a jewel of the central coast and we can't afford to make the wrong decisions.

Thank you,

Nick Jerkovich

Nick Jerkovich

**Dana Swanson**

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**From:** Anja CJ  
**Sent:** Monday, September 25, 2017 5:39 PM  
**To:** Council  
**Subject:** Sewer!

Hello to all,

We are writing to request you help your neighbors and stop more water/sewer bill increases. Doesn't it seem like we all have given a lot already? Please support the options that will cost the least.

Thank you for your time,

Dean and Anja Johnson  
(Home owners in Morro Bay)

**Dana Swanson**

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**From:** Meredith Johnson  
**Sent:** Monday, September 25, 2017 4:28 PM  
**To:** Council  
**Subject:** sewer and water update

Dear council, please vote cheap. Please no new money or raises in the rates. I am on a limited income and cannot afford another penny. I have lived here in the same small rental cottage for 30 years. A concerned resident at . Meredith Johnson

## Dana Swanson

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**From:** Jamie Irons  
**Sent:** Monday, September 25, 2017 3:24 PM  
**To:** Dana Swanson  
**Subject:** Fw: Please approve Sewer plan.

Dana, additional agenda correspondence. thank you - jamie

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**From:** Clark Kayler  
**Sent:** Monday, September 25, 2017 3:00 PM  
**To:** Jamie Irons  
**Subject:** Please approve Sewer plan.

Some things need to come to an end and this is one of them. Obviously we have failed to pick the better options of Toro Creek and north MB (lack of political gumption) and are left with the best current option of South MB.

Please have the courage to do the job of supporting the next generation. Doing right for the future doesn't make friends in the present.

Clark Kayler,

Please forward to all decision makers.

## Dana Swanson

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**From:** Rebekah Leah Maples  
**Sent:** Monday, September 25, 2017 3:43 PM  
**To:** Council  
**Subject:** Stop the Sewer+Water Increases!

Hello Respected Council Members,

As a citizen and homeowner in Morro Bay, I am reaching out to you for relief from the outrageous price gouging that you are allowing in our sewer and water rates. We conserve, and our rates go up to, "make up for the loss in revenue." Now you want to raise them again on the backs of hardworking citizens. Stop the wasteful spending on consultants--honestly, you're smarter than using do-nothing consultants--stop tossing our money around on the location you all "like" the best, and do not increase our rates again! As voters, we speak loudest with our votes, and the council will see turnover if these rate hikes continue.

Thank you,  
Rebekah Maples

## Dana Swanson

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**From:** Metzger Tina  
**Sent:** Monday, September 25, 2017 8:55 PM  
**To:** Dana Swanson  
**Cc:** Council; dan.carl@coastal.ca.gov  
**Subject:** For the Record: Council Agenda Item C-2 (Sept.26, 2017)  
**Attachments:** Sewer Plant Stinks.pdf

Ms. Swanson:

Attached, please add this San Luis Obispo Tribune article **For the Record**, concerning Council Agenda Item C-2 (Sept. 26, 2017) Sewage Plant on the Righetti Ranch.

I ask the Mayor and Council to be honest with the citizens of Morro Bay: Would each of you want the City's Sewage Plant and other noxious industrial facilities next door to you and your family, and your neighborhood?

Why would you force a sewage plant on our neighborhood, families, and homes?

Mayor Irons and Council members Davis, Headding, Makowetski, McPherson insist a sewage plant will smell just fine. What recourse will we have when it does not smell just fine; and for months, stinks to high heaven 24 hours a day (see June 7, 2017 SLO Tribune article, "Sewage Plant to Blame for Funky Smell").

**ABSOLUTELY NO SEWAGE PLANT AT THE RIGHETTI RANCH PROPERTY. THE SEWAGE PLANT IS AN INCOMPATIBLE LAND USE NEXT TO THE MANY EXISTING SINGLE-FAMILY RESIDENCES AND NEIGHBORHOOD. FIGHT THE PROPOSED SEWAGE PLANT AT THE RIGHETTI PROPERTY!**

WEDNESDAY JUNE 7 2017  
SANLUISOBISPO.COM

THE TRIBUNE

Local

3A

FACEBOOK.COM/SLOTTRIBUNE • TWITTER.COM/SLOTTRIBUNE

# Sewage plant to blame for funky smell along Hwy. 101 in Nipomo

BY KAYTLYN LESLIE  
kleslie@thetribunenews.com

**N**ipomo's wastewater treatment plant is smelling less than fresh these days — in fact, some are saying the plant smells a little, well, ripe.

Drivers on Highway 101 and those living in the area have recently reported a “manure-y” or earthy

smell coming from the area of the Southland Wastewater Treatment Facility south of Nipomo, where the Nipomo Community Services District treats sewage from the town sewer system.

According to the district's director of engineering and operations, Peter Sevcik, the odor is coming from the plant's drying beds, where biosolid, or sludge, is dried

out in concrete-lined ditches using evaporation. The dried-out sludge is then trucked to a composting facility in Santa Barbara County.

Because of the rainy winter this year, the biosolid didn't dry out as it was supposed to, and the district was unable to haul sludge from the beds. This led to a buildup in the eight beds being used. (For reference, each of the



GOOGLE EARTH

An aerial view of the Southland Wastewater Treatment Plant, which has treated Nipomo's sewage since 2014, shows its proximity to Highway 101. When the plant isn't operating optimally, the smell wafts toward drivers.

beds holds around 7,100 cubic feet — or 201,000 liters.)

The district is periodically mixing the beds in an attempt to speed up the drying process, but the stirring produces that

less-than-pleasant odor people have noticed in the vicinity.

Sevcik said the district plans to be able to remove the sludge in the next six to eight weeks.

So maybe consider

holding your nose the next time you drive past Nipomo — at least until those things dry out.

Kaytlyn Leslie:  
805-781-7928, @kaytleslie

## Dana Swanson

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**From:** Lorie Noble  
**Sent:** Monday, September 25, 2017 3:52 PM  
**To:** Council; Dana Swanson  
**Subject:** Council Agenda 9/26/17 item C-2

Dear Mayor and City Council Members,

I am a resident and rate payer of Morro Bay. I've owned my home here since 1985.

- I am opposed to the waste water treatment plant and water reclamation plant at the South Bay Blvd location, it's too expensive.
- Consider a site West of Highway 1 and work with the CCC and RWQCB.
- Consider being a customer of Cayucos at their Toro Road site.
- NO MORE water and sewer rate increases, period. I oppose any further Prop 218 votes for your increases.
- The current rates and increases passed in 2015 were intended to build our new sewer plant. DO IT, BUILD IT with the millions you are receiving.
- Remove your consultants, Nunley and Associates and Rickenbach Consulting. You need to save some money and hire a real project manager who will work for us.

I request this correspondence be made part of the official 9/26/17 agenda/minutes.

Thank you,  
Lorie Noble

## Dana Swanson

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**From:** Mark Olson  
**Sent:** Tuesday, September 26, 2017 3:53 AM  
**To:** Dana Swanson  
**Cc:** Mark David  
**Subject:** Agenda Comments

Item C-2 Morro Bay Sewer / Opposition to Righetti site

I am opposed to the location of the sewer plant at the Righetti site and hereby submit a reprint of my letter in opposition from February 29, 2016.

FEBRUARY 29, 2016

EMAIL STATEMENT OF MARK D. OLSON, J.D., M.A., M.B.A.,  
IN OPPOSITION TO THE PROPOSED RIGHETTI SITE  
FOR THE MORRO BAY WATER RECLAMATION FACILITY,  
AND ITS ASSOCIATED CITY CORPORATION "JUNK" YARD

Dear Mayor Irons, Honorable Councilmembers, and members of the WRF Citizens Advisory Committee,

In a December 2014 article, it was reported that Morro Bay's WRF project manager was a "loud voice" for the Rancho Colina site, and not the California Men's Colony. As a resident at 2526 Nutmeg Avenue in Morro Bay, and really only as a passing observer of city business and politics, my first thought was that this sounded reasonable.

At the time, I paid no significant attention to the particulars...just that it appeared to be common sense not to build a plant 8 miles away from the city, and that we needed the WRF to be closer to the city for obvious economic, practical and jurisdictional reasons. As a Morro Bay resident living on Nutmeg Avenue, issues of "neighborhood proximity" did not strike me as an issue, as Rancho Colina was not adjacent to my neighborhood, so that seemed fine. I trusted that the city was trying to do the right thing.

Regretfully, I did not know that there was also a vibrant community next to the Rancho Colina proposed site, where there are also people who also have legitimate issues with WRF "neighborhood proximity." (I will say more about the Rancho Colina WRF site issues later in this statement). Anyway, matters appeared to progress in January 2015 when the Water Reclamation Facility Citizen's Advisory Committee (WRFCAC) appeared to approve the Rancho Colina site as the optimal and most feasible site. Once again, as an ordinary citizen and resident of Morro Bay, I didn't have reason to doubt that the city was doing the right thing, and I did not read or research the specifics of the WRF process or proposal at the time.

On February 13, 2016, just about two weeks ago, I received an alarming "wake-up call" when the San Luis Obispo Tribune published an article that the City of Morro Bay was selecting and advocating the Righetti Ranch as the proposed WRF site, right in our backyard. But, particularly alarming was the announcement that the city had already entered into a Memo of Understanding (MOU) for an option to purchase the land from Paul Madonna, who controls the land under the Clarice E. Righetti Trust. (We knew Clarice Righetti, and always had her home telephone number posted, and would call her from time to time if there was some type of problem with the cows, or something else on the land she would want to know about. She was a nice lady, and we considered her to be our neighbor). What was particularly alarming to me about the February 13, 2016 Tribune article were the quotes of WRF Project Manager John Rickenbach, who was quoted as saying (in writing) that "With the MOU,

the city could own the entire property, and control all future activities there.” And, more importantly was the alarming and brash comment that “There would be no limits on what could be built related to achieving the city's goals.”

“NO LIMITS ON WHAT COULD BE BUILT RELATED TO ACHIEVING THE CITY'S GOALS”? ALL ON 250 ACRES OF CITY OWNED LAND? Now, that caused me to ask, frankly, what the hell is going on? I asked myself, what exactly are the City's goals? How did we get such a sudden and surprising switch to the Righetti site, when everything previously pointed to Rancho Colina? Having over 35 years of legal training, and with the recent receipt of the “flyer” announcing a Public Workshop on February 25, I knew it was time for me to dive deep into the weeds of this issue to discover what was really going on.

It appears that the City's goals and objectives are not just building a Water Reclamation Facility (WRF), but rather building a WRF that also includes a set of vague and ambiguous “mutually exclusive” goals and objectives. The City appears to be obsessed with these “other goals,” many of which are completely incongruous and incompatible with a safe and environmentally sound WRF. These “other goals” include a noisy and noxious City Corporation Yard for the city's trucks and maintenance, and all other types of activities that often go with these municipal “Corporation Yards,” including being a depository or receiving center for electronic garbage and toxic wastes.

And once this precedent is set, all manners of other annoying and environmentally disturbing activities will be proposed, with the WRF serving as the “open door” for a type of “mission creep” that will pillage the entirety of the 250 acres of Righetti. After all, as the Project Manager John Rickenbach said, “There would be no limits on what could be built related to achieving the city's goals.”

The Righetti Ranch has served Morro Bay as some of the most pristine agricultural land in the Morro Bay area. The Righetti Ranch has been a valuable, unofficial “green belt” that has contributed to Morro Bay's unique quality of life status and reputation as not only a small “coastal community,” but also as a “rural community” that is not encumbered by the blight of unbridled and unfettered industrialization. The allure of Morro Bay for our tourists and our residents is not just that it is a coastal community, but that it is also a rural community.

It is important to note at this point that as I will criticize various positions and statements of the city and its paid consultants, I have great respect for our public servants, and I believe until proven otherwise that all are professional and talented at doing their jobs, and are acting in good faith, albeit perhaps misguided from time to time.

With that being said, it is only fair to question what exactly are the jobs of the various consultants, contractors and subcontractors that have now been unleashed to pursue what appears to be the city's over-ambitious, vague and contradictory goals and objectives? What does their work portend as the city must build an efficient and cost effective WRF that is environmentally pristine and aesthetic, but also demands that the city's “other goals” must be met? In what “alternate universe” can the two competing and contradictory goals be met?

How do you build an environmentally sound WRF with all manners of pretty aesthetics to make it appear to blend in with the natural environment while at the same time planning to put an unsightly and noisy Corporation Yard on top of or adjacent to it? It makes no sense whatsoever. The two competing goals are irreconcilable, and in the end, if the City gets its way to “own the entire [Righetti] property” where “there would be no limitations on what could be built,” well then let's say “welcome to urbanization and industrial blight.” There's no limit to what future City Councils and professional planners, developers, and other Morro Bay “power players” can imagine to create as the Righetti site will become the Central Coast's new regional sewage and waste center depository.

In doing some preliminary research on our Project Manager's resume, I found that John Rickenbach has many superb technical and professional qualities. In participating in the Public Workshop on February 25, I found him to be personable and patient in listening to our community input and objections. However, he has a job to do, and that is the job as it was set forth by our city leaders. In performing the job assigned to him, it concerns me that he has listed online, at one point or another, that his “technical capabilities” include “His particular expertise in planning within rural communities,

and for cities in the process of urbanizing.” Is that what the City of Morro Bay is doing? Is the WRF merely a “backdoor” for the urbanization of our city, and specifically, the Morro Valley?

So what does having a consultant that specializes in “urbanizing” rural cities and communities mean for the citizens of Morro Bay, when we have city leadership that insists upon “other goals” to be accomplished with the development of the WRF? These “other goals” are purposely vague and ambiguous, and when you consider that examples of such “other goals” include something as environmentally noxious as a City Corporation Yard, one wonders why does the City even bother to pay “lip service” to developing a WRF with minimal negative environmental and visual impacts? Inclusion of, and insistence upon, the city's “other goals” that include the location of industrial developments is simply oxymoronic.

It is impossible to achieve WRF goals and “other goals” as these two objectives are “mutually exclusive” if you want to achieve minimal visual and environmental impacts. And, now we hear that the Harbor Advisory Committee is possibly floating the idea of the Righetti site also being used for the harbor's “dredge spoils.” What else can possibly go wrong?

“The first rule of any game is to know that you're in one.”

- Sandy Lerner, Cisco Systems Co-Founder, regarding her brutal firing from the company.

It should go without saying that we are now playing a great game with vast and potential consequences, both for good and bad. The rules of this game are set by the California Coastal Commission (CCC), which also serves as the referee. It would be sheer folly and municipal malpractice if we did not follow closely the words and guidance of the CCC as we proceed with the planning and development of the WRF.

It was a disappointment to many citizens and residents of Morro Bay that the CCC rejected an upgrade/rebuild of a WRF on the current site at 160 Atascadero Road. The 237 page Appeal Staff Report in 2011 contains lengthy documentation, including some appellant filings with some incoherent handwritten ramblings about “global warming,” “climate change,” and “Katrina” and the “City of New Orleans,” as if Morro Bay was similarly situated. Maybe it is, maybe it isn't. It is unfortunate that just by invoking these fearful images of “climate change,” “flooding” and “tsunamis” that we should therefore cease talking about practical ways that a facility could be safely built on the existing site. Many people still believe that a new WRF could have been built on the existing site at 160 Atascadero Road, and it is a disappointment that the city withdrew from the fight and didn't challenge some of the CCC's assumptions regarding various fears, real or imagined, that the site was unsafe location. This is especially true in that many of the real or imagined catastrophes that the CCC was concerned about will probably also affect the Righetti site if they ever happen. And, if these feared events ever do happen, we're going to have a lot more widespread problems with the sewer system regardless of where the WRF is located. Nonetheless, these arguments all appear to be water under the bridge now as the CCC has made clear its firm position against a new WRF development at the current site at 160 Atascadero Road, and the time to fight for the existing site appears to be over.

It is still fair to say that there are many legitimate environmental hazards to locating at the current site at 160 Atascadero Road, including bona fide Chapter X “Hazards” identified in the Morro Bay Local Coastal Plan (LCP). I point this out now because there are also substantial Chapter X “Hazards” associated with the Righetti site, which will be discussed more further on in this statement. For now, it suffices to say that we cannot ban the one project under Chapter X “Hazards,” and then completely ignore the Chapter X “Hazards” associated with the Righetti site by virtue of the Morro Bay “Nutmeg Ridgeline.”

The entire Nutmeg Ridgeline is recognized in the Morro Bay LCP as being unstable and subject to landslide. The Nutmeg Ridgeline is immediately adjacent to and dependent upon the stability of the land at the Righetti site property. In addition to being unstable, it sits directly on a a earthquake fault

line in the Alquist-Priolo Earthquake Fault Zone, with an earthquake fault line that runs along Nutmeg and down into Righetti, and then further on to Rancho Colina.

Morro Bay leaders, consultants and staff must certainly know the California Coastal Commission (CCC) has clearly laid out the game plan for properly identifying and considering all “feasible alternatives” for an environmentally compatible Water Reclamation Facility (WRF). This guidance and directive can be found in the CCC’s 12 page letter dated November 12, 2011 to Morro Bay Public Services Director, Rob Livick. The CCC clearly states that it is “insufficient to evaluate only one alternative location, but the analysis needs to be focused on a co-equal evaluation across the same range of factors” of all feasible alternatives. That means that all potential sites should be equally studied and examined, not just one preference, like Righetti, only because the property happens to be “for sale.”

The CCC also said in 2011 that the Draft Environmental Impact Report (DEIR) “must identify and account for additional sites that would be capable of accommodating a wastewater treatment plant.” The CCC also directs that “the City’s DEIR must evaluate the costs and benefits equally across alternatives so that decision-makers can proceed to deliberate and make decisions based on such information.”

It appears that Morro Bay has not faithfully followed this criteria by not giving a fair and factual evaluation of other “feasible alternatives” equally, as the CCC explained and directed, and the City appears to have given short-shrift and dismissal to other superior WRF sites such as the Tri-W property in the Chorro Valley. The Tri-W Chorro Valley WRF site, according to a fair reading of the governing CCC December 10, 2013 letter, appears to be an excellent WRF site alternative with minimal negative environmental impacts. It’s described by some as roughly 150 acres of flat land inside the city limits and under city jurisdiction, and reportedly may also be “for sale.”

The City appears to have abandoned full, complete, sound and rational environmental analysis of all “feasible alternatives,” by making an abrupt shift and commitment to Righetti just two weeks ago. As will be proven, Righetti is the most inferior environmental site among all reasonable and feasible alternatives. It appears to have been abruptly and surprisingly selected, without adequate opportunity for full and informed public comment, for no other apparent reason that “it is for sale by the owner” (and the city will have 250 acres to befool in any way they see fit to accomplish the city’s “other goals”). Such “other goals” include building and operating a city Corporation “Junk” Yard, and other noxious and obnoxious urbanization and industrial development of the entire Righetti Ranch, as the City appears to lust for various uses of the 250 acres that are “without restriction.”

The Righetti WRF site will inevitably become the “gateway drug” for Morro Bay “power players” and developers to pursue unbridled development and urbanization of the entire Morro Valley, especially when large amounts of “reclaimed water” become available with a new WRF. So, in effect, the city’s “other goals” appear to be so intoxicating to city leadership that a sound and rational comparative analysis of all the other “feasible alternatives” has been pushed aside for a “Morro Bay Land Grab” announced just two weeks ago with a signed MOU and \$25,000 paid by Morro Bay to the Righetti owner, Paul Madonna. Now we, the citizens, are supposed to have “skin in the game,” and the further we go down the road of this Righetti site “sewage folly,” the more time and taxpayer money the City of Morro Bay will waste on what is an environmentally inferior WRF site.

By all appearances, important WRF environmental objectives have taken a “backseat” to overriding vague and ambiguous “other goals” of the city. It is now becoming apparent that the WRF “environmental goals” and the city’s “other goals” are turning out to be wholly incompatible with each other, and that these two objectives have become “mutually exclusive” with the rush to commit to the Righetti WRF site.

On December 10, 2013, after the final rejection of the 160 Atascadero Road rebuild of the existing site, the California Coastal Commission (CCC) sent a three (3) page letter addressed to Mayor Jamie Irons and the Morro Bay City Council. In this letter, the CCC made clear what the priorities and preferences were for selecting the best “feasible alternatives” for the WRF. This CCC letter is included in the current 95 page Joint Council WRFCAC Updated Report on Council Recommended

Sites as the “governing document” regarding the proper decision making process for making the best WRF choice.

The CCC clearly states that in the Morro Valley, the two most feasible alternatives are Righetti and Rancho Colina, with the CCC indicating very clearly that based upon criteria and research that the Rancho Colina site is the more favored site, as Rancho Colina was the least environmentally damaging feasible alternative. Yet, the 95 page (pdf file) February 9, 2016 Joint Council WRFCAC Report (“Updated Report on Council Recommended WRF Sites”) gives the false and mistaken impression that the CCC said that between the two feasible sites in the Morro Valley, Righetti was the best site. The CCC said no such thing and no fair reading of the 3-page letter from the CCC can be interpreted this way. The CCC letter, which is included in the 95 page Updated Report, states that “analysis of the Rancho Colina site determines that the identified optimal site may have reduced visual impacts compared to the Righetti site as it is located further from Highway 41.”

The CCC also indicated that there was another feasible alternative that “is of interest as it includes a new property,” located in the Chorro Valley and specifically now includes the Tri-W property (APN 068-401-013). The CCC letter states the “The Chorro Valley site was assessed as very similar to the Morro Valley site but was ranked third due largely to the increased costs of development. The newly included Tri-W property is located on Highway 1; however the identified optimal site is located away from the road and the analysis suggests it would present minimal visual impacts.” The CCC went on to say that “minimizing the visual impact of the new WRT is an important consideration when assessing the appropriateness of each site.”

It appears that the CCC wanted the Chorro Valley Tri-W site to be given further assessment and evaluation, and there is no reasonable articulated or substantiated reason why this apparently superior site is not being investigated and pursued.

The Chorro Valley Tri-W site is the best of the feasible alternatives as Righetti and Rancho Colina both have extremely negative environmental impacts for the Morro Creek and Morro Valley watershed, as well as creating dangerous traffic consequences for Highway 41, which also includes dangerous implications for emergency vehicles in and out of Morro Bay should there be come type of catastrophic failure at the plant that blocks Highway 41. The only other major ingress and egress for Morro Bay is Highway 1, and should any type of emergency evacuation ever be required, the dangerous consequences for Highway 41 traffic are too large to ignore and not address.

As previously mentioned, the Nutmeg Avenue ridgeline is a Chapter X “Hazard” in the Morro Bay Local Coastal Plan (LCP), as the land is unstable, with parts subject to potential landslides. The Nutmeg ridgeline is also directly on an earthquake fault line, which is reported to stretch into the Righetti Ranch, and further on to Rancho Colina. The Nutmeg ridgeline area is in the Alquist-Priolo Fault Zone. It cannot be stressed enough how much the integrity of the Nutmeg ridgeline depends upon the continued integrity of the adjacent Righetti land mass, and any WRF project involving grading and earth-moving creates unknown and unpredictable high risk factors.

Our family built our first house on Nutmeg in 1961, when it was known as “14<sup>th</sup> Street.” The street was nothing more than a bulldozed adobe dirt road. Ours was the first house on the hill on Nutmeg. Later, in 1977, my father built the home where I live now on Nutmeg. At the time, my father was required by the Coastal Commission to go through many considerable additional safety precautions in building and fortifying the house, as by that time, we were informed that the property was on an earthquake fault.

Very few people understand the nature of the land here in the hills and valleys of North Morro Bay as well of the people who live here. You talk to anyone who knows about Nutmeg Avenue and has walked the street, and they will tell you about the springs where water flows almost continuously into the street from the Righetti property. People also know what happens here when we get heavy rains. Those of us who know what actually happens know that when conditions are such that it floods down by the current sewer plant at 160 Atascadero Road, the lower parts of the Righetti Ranch also flood. There are at least three (3) “ephemeral streams” that run throughout the Righetti property, which our city consultants list merely as “drainage.” But, these streams are more than just drainage. They are

actually long and established “tributaries” of Morro Creek which are vital for the Morro Valley riparian ecosystem. It cannot be stated how much environmental damage will be permanently done by grading and developing a WRF anywhere on the Righetti property.

The February 9, 2016 Updated Report says that the Righetti site “could present regulatory or logistical challenges that could make site development problematic.” This is an understatement. The Righetti site drainages, which are in fact “tributaries” to Morro Creek, are and should be protected as “Waters of the United States” (“WOTUS”) and “Waters of the State of California,” and the city will face serious legal and permitting restrictions that go far beyond just the California Coastal Commission. These obstacles to the WRF at Righetti include federal regulation and permitting by the U.S. Environmental Protection Agency (EPA), the Army Corps of Engineers, FEMA, and other agencies. In that Righetti drainages are arguably “jurisdictional waters” subject to such environmental laws and regulations, the city will have to deal with the time and expense associated with various legal challenges by the many various governmental agencies (and the citizens and groups who file oppositions to the city), as well as the inherent follow-on litigation in state and federal courts which could take years to resolve favorably, if at all.

The February 9, 2016 Updated Report on Council Recommended WRF Sites acknowledges this reality and recognizes that Rancho Colina is a better site than Righetti because of “site flexibility” and the “ability to more easily avoid jurisdictional waters with respect to permitting.” (page 2/page 4 pdf) Therefore, Righetti should not be selected due to important environmental concerns, including an irreparable negative impact on the Morro Creek riparian ecosystem. The citizens of Morro Bay, through their representatives, are literally and figuratively at a “watershed” moment and turning point in the final decisions we are about to make.

It should also be noted that the December 10, 2013 CCC three (3) page letter, which is incorporated within the 95 page (pdf) February 9, 2016 WRFCAC Updated Report, also discusses how “all efforts should be made to avoid impacts to prime agricultural land.” The CCC letter and WRFCAC Report also goes on to discuss that the County LCP does allow for agricultural land such as Righetti to be rezoned, but only “if it is determined to be the least environmentally damaging feasible alternative.” For the reasons previously stated, and well as many other conditions that make a WRF at the Righetti site a visual and environmental nuisance and hazard, the Righetti site is definitely not the “least environmentally damaging feasible alternative.” In fact, it could be rationally argued that among the choices between Righetti, Rancho Colina, and Tri-W in the Chorro Valley, Righetti is in fact the “most environmentally damaging” when all factors are taken in equal consideration as required by the CCC. Morro Bay residents and citizens have been alarmed at the “last minute” abrupt change to the Righetti site for our WRF. For the public, this is a dramatic turn of events that appears to disregard significant public input, regardless of how nice consultant “workshops” and public meetings seem to be involving the public. The apparent sudden rush to decision, within a matter of weeks with little time left for the public to respond and object, has many people saying that they think that “no matter what the people say or object to, the city is going to go ahead and do what they want anyway.”

With the few weeks the public and affected neighborhoods have had to respond to this shocking and disturbing news, we have also learned that the city has already put good taxpayer money towards a Righetti site purchase. In the short time the public has had to react to this disappointing news, here are some of the objections and concerns already being expressed by many Morro Bay citizens and residents as to “Why The Righetti Site is a Bad Decision”:

- There are only 2 flat useable acres of land after the original farm buildings are demolished.
- There are at least two blue line streams indicated on the property, with at least one spring
- The existing area floods under heavy rain storms as it did in 1995/98
- The cost of earth work to fill in the flood zone area needed to facilitate enough flat land to build the WRF plant and the city corporation yard would be astronomical.

- Grading and earth work at the Righetti site will greatly destabilize the Nutmeg Ridgeline and hills around Righetti, subjecting residents and the site to landslide events
- The Righetti site is on and adjacent to an earthquake fault and is in the Alquist-Priolo Fault Zone
- The prevailing wind direction blows towards the housing and area residents will be subject to odors and particulate matter at all times.
- Highway 41 does not allow for easy access for a left turn lane into the property. This is a huge safety issue as the city wants to move the city corporation yard to this location. Slow moving heavy equipment will need to be driven onto Highway 41 to perform city maintenance. Large equipment can't be driven on the shoulder of the highway there, and moving any equipment will block the traffic lane and represent additional hazards for motorists and vehicular traffic
- Making Highway 41 wider to facilitate a turn lane will require construction work to be done on the south side of the highway encroaching on the 100 foot line to the creek area's sensitive habitat, requiring more coastal commission and Native American inspections and reports.
- Significant additional traffic and dangerous driving conditions will be added to the problems Highway 41 already has for vehicles entering Morro Bay. Permitting and negotiations with Cal-Trans will be required for the WRF.
- Righetti is also a poor spot for a WRF "sewer plant" as it is one of the two main gateways to the city and will be seen by everyone on Highway 41. Also it can be seen from the Highway 1 overpass if you're looking in that direction. Morro Bay risks its reputation as a "bird sanctuary" by allowing the estuary and wetlands associated with the Morro Valley to be spoiled by a "sewer plant" and become what some people will call a "turd sanctuary."
- It makes no sense for the city to say it's pursuing the development of a WRF that is the "least environmentally damaging feasible site" with minimal negative "visual impact" while the city is also concurrently pursuing "other goals" which are contradictory, such as placing the city "Corporation Yard" at the site. Why bother telling the public that you're designing an aesthetically pleasing WRF that blends in with the natural environment when the city is also planning to put in an ugly, noisy, polluting corporation "junk yard" right next to it?
- The Righetti site is valuable agricultural land that contains "drainages" which are legally considered to be "tributaries" of Morro Creek, and which are protected as "jurisdictional waters" under the EPA's Clean Water Rules under the Clean Water Act. The February 9, 2016 Updated Report on Council Recommended WRF Sites acknowledges that this issue is "problematic."
- Why has there not been more effort to explore more thoroughly the CCC's third option for the best feasible alternative for a WRF site, the Tri-W property in the Chorro Valley? That property has been reported by some as being available "for sale," and it has 150 acres of mostly flat land that is already in the city's jurisdiction and can more easily be rezoned than the Righetti agricultural land.

Thank you for your kind and thoughtful consideration of these many concerns, and for allowing me to in express my objection to the WRF site at the Righetti property.

Respectfully submitted,

Mark D. Olson, J.D., M.A., M.B.A.

Morro Bay, California 93442

## Dana Swanson

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**From:** Tony Peckham  
**Sent:** Monday, September 25, 2017 5:36 PM  
**To:** Council  
**Subject:** A matter of extreme importance

Dear Morro Bay City Council,

as concerned and committed members of our beautiful community, we offer our full support to the following aspects of the Water Reclamation Facility (WRF), and strongly urge you to follow through on them.

We ask you to categorically reject any WRF site West of Highway 1, and therefore avoid another costly clash with the Coastal Commission.

We ask you to take the comments of the CCC extremely seriously and consider how much more expensive it will be in the long run to, once again, try and fight them.

We ask that you quickly make a decision and select a WRF site East of Highway 1 to ensure the City meets critical deadlines to apply for the EPA's WIFIA loan which will greatly reduce the cost of the project and ensure the WRF will have a recycled water component

We ask that you work relentlessly to reduce the cost of the WRF to ensure the most affordable project over the long term life of the WRF and to find creative ways to ease the rate burden for low-income residents.

Perhaps most importantly, we ask, on behalf of our children and their children, that the Council to continue with the water reclamation component as an investment in local self sufficiency and the overall quality, quantity, and reliability of our water supply portfolio.

We thank you, as always, for your work on Morro Bay's behalf. We recognize and salute the time, effort and care you put into our community. We ask that you act in this case with fortitude and foresight. Water is our most precious and precarious resource, and will only become more so.

Yours,

Anthony Peckham and Dr. Hilary Saner, Ph.D

**Dana Swanson**

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**From:**  
**Sent:** Monday, September 25, 2017 5:05 PM  
**To:** Council  
**Subject:** WRFSite

Please reject a site west of HWY 1.

Thank you.

Jean Ryan

Morro Bay

Sent from my iPad

## Dana Swanson

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**From:** John Sayers  
**Sent:** Monday, September 25, 2017 4:42 PM  
**To:** Council  
**Subject:** WRF

Dear Council,

Please do not allow the loud and shouting minority to sway the facts. Please do not allow the ill informed to force a decision on our community that will be more costly and more detrimental in the long run. Please do not allow the waste water treatment facility to go on the westside of highway one. The South Bay site is perfectly suited for an out of the way industrial site and is far enough up to minimize potential spills and the effects of sea level rise. Please vote in the best interest of our children's children, not just the naysayers who refuse to pay their fare share to protect our beautiful world. We cannot afford to short change ourselves by building a seemingly less expensive project only for the sake of this generation saving a buck. This project needs to last and needs to be right, not just cheap. Please vote with your hearts and minds. Thank you.

John Sayers

Morro Bay.

**Dana Swanson**

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**From:** Nona Jane Siragusa  
**Sent:** Tuesday, September 26, 2017 8:49 AM  
**To:** Council  
**Cc:** Jane Siragusa; a Greg Siragusa  
**Subject:** Sewer Rates

Dear City Council

I have lived in Morro Bay for 25 years and I want to continue living here.

If you continue to increase sewer rates, that significantly threatens and impacts me and my family..

PLEASE HELP & STOP OUR SEWER RATES FROM GOING BEYOND \$150 A MONTH!!

Please stop wasting our money on consultants and hire a project manager.

Please approve the least expensive location for our new sewer plant.

Please approve no more rate increases beyond \$150/mo—NO "218" VOTE.

THANK YOU

Jane Siragusa

Morro Bay, CA 93442

**Dana Swanson**

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**From:** Annabelle Stepanich  
**Sent:** Monday, September 25, 2017 5:35 PM  
**To:** Council  
**Subject:** Disagree With Sewer Plan With Increased Costs

My name is Annabelle Castro and I live at .  
I disapprove of any new sewer plan costing unnecessary money.  
STOP wasting our tax dollars on expensive consultants. Hire a project manager.  
STOP wasting money on an expensive location. Approve a location that is affordable so our rates won't sky rocket.  
NO MORE rate increases beyond \$150.00 per month.  
NO "218" vote.  
Thank you.

Annabelle Castro

Sent from my iPad

## Dana Swanson

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**From:** Sherie Tennant  
**Sent:** Monday, September 25, 2017 8:27 PM  
**To:** Dana Swanson  
**Cc:** Tina Metzger  
**Subject:** please submit to the Sept. 26, 2017 city council meeting - item C-2

February 29, 2016

Dear Mayor Irons and City Council members,

My wife, Sherie, and I add our opposition to the purchase of the Righetti property and the location of the proposed WRF on that site. Others have amply defined the impact of the WRF on the nearby upscale neighborhoods. Our principle concern is the potential for the development of the land to meet vaguely defined "city goals".

The only known potential development is the relocation of the city yard to this site. This is a questionable because of the impact on traffic on Rte 41, a major access route to the city and potential adverse effect on the environments in this area. It seems you would have to make other plans for the use of 250 acres and that should be decided before the city invests in such a large property which is not needed for the WRF. It does not seem cost effective and Mr. Macelvaine is still interested in a discussion of selling his property.

We live on the uphill side of Nutmeg Ave and throughly enjoy the rural views from our back windows. Our backyard is about 12 ft wide to the back fence, so a house or trail there would be very invasive to our property and privacy. The last thing we would want to see is construction of a house at our back fence or even people hiking and stopping at our back fence.

Please don't rush into judgement in this matter and please reopen consideration of the other sites or a more limited acquisition of acreage on the Righetti property.

Thank you for your time and consideration.  
Respectfully,

Terry and Sherie Tennant

Morro Bay

## Dana Swanson

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**From:** Sherie Tennant  
**Sent:** Monday, September 25, 2017 8:29 PM  
**To:** Dana Swanson  
**Cc:** Tina Metzger  
**Subject:** Fwd: I am heartbroken

Hi Dana,  
Please submit to the Sept. 26, 2017 city council meeting - item C-2

Begin forwarded message:

**From:** Sherie Tennant  
**Subject: I am heartbroken**  
**Date:** February 29, 2016 at 3:27:30 PM PST  
**To:** mayor irons <[jiirons@morrobayca.gov](mailto:jiirons@morrobayca.gov)>

Dear Mayor Irons and Morro Bay City Council,

My name is Sherie Tennant and I live on Nutmeg Ave in Morro Bay.

We bought our property over 25 years ago and have been lucky to live here in Morro Bay the last eight years. After purchasing the lot, we dreamed about it and visited as often as possible. After saving and retiring, we were able to build the house of our dreams. While waiting all those years, our young son looked forward to visiting Morro Bay, our property and petting the cows that visited at our back fence!! That young boy has grown up but still enjoys feeding the cows. Of course, the drought has been hard and the cows are gone now, but not the green fields and not our memories.

We consider our back yard view of the ranch and hills as important as the front ocean view. We never thought our beloved city would not care about its residents and throw our dreams away. I am disappointed and hope you will reconsider that the choice of the Righetti property for the WRF is not the right choice since it impacts so many people and homes. I would hope you would still be considering the other sites that don't have such an extreme impact on your homeowners! You don't want to make a choice at the expense of residents and beauty of your city entrance.

Thank you for your time and consideration.  
Respectfully,  
Sherie Tennant

## Dana Swanson

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**From:** Judy Thompson  
**Sent:** Monday, September 25, 2017 2:45 PM  
**To:** Council  
**Subject:** sewer

NO to a sewer west of highway 1!!!! NO! NO! NO

## Dana Swanson

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**From:** Linda Troller  
**Sent:** Monday, September 25, 2017 6:11 PM  
**To:** Council; Dana Swanson  
**Subject:** Fwd: Opposition to Sewage Plant Industrial Complex at Righetti Site

Dana, can you please confirm that our email below is received and will become part of the record concerning our Opposition to The Sewage Plant Industrial Complex if located at the Righetti Site

Regards, Robert and Linda Troller

Begin forwarded message:

**From:** Linda Troller  
**Date:** July 20, 2017 at 3:46:24 PM PDT  
**To:** [council@morrobayca.gov](mailto:council@morrobayca.gov)  
**Subject:** **Opposition to Sewage Plant Industrial Complex at Righetti Site**

Mayor Irons and City Council Members,

We continue to voice our opposition to the Righetti site as we firmly believe it should never have been chosen as a viable sewage plant site to begin with. The WRFAC agreed with this stance, as you know, and asked Mayor Irons and the City Council to remove Righetti from the list altogether.

It is not rational or reasonable to choose to place this facility next to an existing neighborhood, not at any cost! This proposed site is located next to people's homes where they live their lives.

Please do not degrade North Morro Bay and further divide our community. This has been an extremely stressful period for the residents of our neighborhood in NMB, many who have never outwardly complained to the city about their opposition to this complex. We ask that you remove Righetti from any further consideration as a site for a sewage plant and industrial complex.

Please acknowledge receipt of this email.

Respectfully,  
Robert and Linda Troller

Sent from my iPad

## Dana Swanson

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**From:**  
**Sent:** Monday, September 25, 2017 4:49 PM  
**To:** Council  
**Subject:** Sewer Issue

Please keep the current plan going! The opposition wants us to go down the same path as Los Osos. Remember how we laughed at them, with their bumper stickers "We Can't Agree on S\_\_t". (Maybe we can recycle those number stickers). In the software system development business, we learned that changes made increase costs exponentially when made later in the development stages. The opposition doesn't understand this. The past election was a reaffirmation on the current path of the Mayor and Council. The opposition are simply acting as sore losers! Lets keep going forward, not backward!

Tom Wilzbach

## Dana Swanson

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**From:**  
**Sent:** Sunday, September 24, 2017 11:06 AM  
**To:** Council  
**Subject:** Sewer

Dear mayor and council, I know you have all worked very hard on this matter and in spite of the recent CC letter and it's strong language, I URGE you to PLEAD with them AGAIN and let them know that you have a large group of "low income" people in this community that will not be able to afford to live here if the sewer/water bills go above the amount agreed on by the former 218 vote. We MUST stay on the west side to keep the costs down. This whole thing has caused so much anxiety for the community. PLEASE do not think that you can just give another \$8(though much appreciated)discount to the low income people...that will not be enough. I like ALL of you as people but disagree with how this thing has been handled. I voted for all of you but now believe it is important to have some people on the council next time who represent the "low income" folks. Thanks again for all your hard work...I know this has been difficult for ALL of us. Sincerely, Patti Anderson

Sent from AOL Mobile Mail

## Dana Swanson

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**From:** Stevie Anderson  
**Sent:** Monday, September 25, 2017 8:58 AM  
**To:** Council  
**Subject:** STOP WASTING OUR CITY MONEY!

Mr. Irons previously stated to the Coastal Commission a price for the new sewer that is no where near the true price. (It's on video). As a sitting council, you are aware of what Morro Bay can afford.

Please stop the lies, stop wasting city money and stop wasting time! Most local people cannot afford the rates this council is trying to force on us. STOP. Think!

Please look at affordable options.

Please hire a project manager and stop with the consultants.

Please don't approve a project that most locals cannot afford.

Stevie Anderson  
Morro Bay

Sent from my iPad

## Dana Swanson

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**From:** Mike Baird  
**Sent:** Saturday, September 23, 2017 12:42 PM  
**To:** Council  
**Subject:** I ask Council to reject any WRF site West of Highway 1—once and for all

I ask Council to reject any WRF site West of Highway 1—once and for all

--ask Council to take the comments of the CCC extremely seriously and consider how much more expensive it will be in the long run to, once again, try and fight the CCC

--ask the Council to quickly make a decision and select a WRF site East of Highway 1 to ensure the City meets critical deadlines to apply for the EPA's WIFIA loan which will greatly reduce the cost of the project and ensure the WRF will have a recycled water component

--ask the Council to work relentlessly to reduce the cost of the WRF to ensure the most affordable project over the long term life of the WRF and to find creative ways to ease the rate burden for low-income residents.

--ask the Council to continue with the water reclamation component as an investment in local self sufficiency and the overall quality, quantity, and reliability of our water supply portfolio.

Mike Baird

## Dana Swanson

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**From:** Mary Bass  
**Sent:** Saturday, September 23, 2017 7:20 PM  
**To:** Council  
**Cc:** Dana Swanson; dan.carl@coastal.ca.gov;  
**Subject:** Opposition to Sewer Plant at Righetti Site

Dear Council Members,

We are home owners in Morro Bay at [REDACTED]. We vehemently oppose any consideration of constructing a sewer plant at the Righetti site. We attended council meetings last Spring where evidence presented made it very clear that there were other options for the sewer plant other than Righetti. In fact, it emerged that Mayor Irons requested that the present site not be considered for renovation without public hearing or council approval. We heard at the council meetings that the current site was not approved by the Coastal Commission, which was only true because Mayor Irons requested that it not be considered for renovation. Further the council appropriated tax payers dollars to "secure" the property prior to any public input/hearings. That type of behind the scenes shenanigans causes the citizens of Morro Bay to wonder how truthful is the council being in its representation of the facts regarding the other options for the sewer plant that have less impact on neighboring residences.

We are concerned that the value of our home will diminish if the sewer plant is built in Righetti. We do not wish to experience any adverse effects, such as odors, due to its close location. We are retirees who faithfully pay our property taxes and do not complain even though they are raised frequently. We are proud to be home owners in Morro Bay. We feel a strong bond with the community. Unfortunately, we will be unable to attend the council meeting on Tuesday, Sept. 26 due to my wife's oncology treatment schedule. Nonetheless, we closely follow your actions.

We implore you, City Council, to oppose the proposed sewer plant at Righetti.

Sincerely,  
Gregory D. Bass, Ed.D.  
Mary Betry Bass

## Dana Swanson

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**From:** Bart Beckman  
**Sent:** Monday, September 25, 2017 12:19 PM  
**To:** Dana Swanson  
**Cc:** Council; Jeffrey Heller; Carole and Tom Rost  
**Subject:** Input to Item C-2 for 9/26/2017 City Council Meeting  
**Attachments:** Comments on the current status of the Morro Bay WTF.docx

Please find my thoughts relative to Item C-2 in the attached memo.

Thank you Dana

Comments on the current status of the Morro Bay WTF/WRP for 9/26/2017 Council Meeting – C2

Mayor Irons, City Council

The City of Morro Bay elected to hire outside consultants in lieu of having someone on staff to direct the largest single project for Morro Bay. The consultants chosen have advised the Council this Project will cost \$75M and due to the contingency added, probably less ultimately. Those costs now with Water Reclamation have grown to approximately \$185M with escalation. The basic project and timeline and scope are unchanged.

We have been advised that the cost of a lift station and associated piping is “at least” \$40M. How then is it conceivable that the cost differential of a site east of 1 is only \$24M more than west of 1?

And the consultants continue to omit the \$2.5M price tag for the Madonna (Righetti) property acquisition, much less the obvious drainage costs associated with this location, and the significant cost of aesthetic treatment for a site immediately adjacent to Hwy 41.

It has been said by one of you that they have met ALL of the Project Milestones. That is simply ludicrous as it is only true if you accept the continual rescheduling. Please refer back to any past schedule and compare to where we are today.

The implicit incentive of these consultants is to allow this project to slip in time and to maximize the cost. For example, it is to their detriment to recommend a design/build such as was observed by Mr. Heading and others several years ago during a trip to observe similar facilities to our south.

It is also to their detriment to help explore the letter from Patrick Sparks. It is to their detriment to fully explore options with CSD, even today, much less years ago. It is to their detriment to explore the excess capacity with Los Osos.

LAFCO has significant concerns with the sites east of 1 – why have these consultants not been reaching out to resolve their issues?

Finally, there is a need for a lift station on the west side of 1 even for the east side of 1 locations. Why was this not addressed in the Carl letter? Seems like a curious omission following discussions with a consultant who should have gotten a reading on this, since this lift station has implicit environmental risks.

In summary, while we do have differing opinions on the best approach forward, I believe the vast majority of this audience believes we can be better served by a different approach to management of this Project.

Thus, I recommend that your seriously address why these consultants with the incentives you have provided should be retained.

Respectively submitted,

Bart Beckman

Below is a longer narrative of some of these same issues.

We were told on January 10, 2013 that the cost of the WTF would only increase by \$12M, possibly less if the site were relocated to the east of Hwy 1. The cost estimates then grew to \$59M for our share to \$75M by the time we became involved in early 2014 to \$100M and so on until the cost with a Water Reclamation component and escalation became approximately \$185M without debt service. And at the \$75M mark, the Consultant and Mayor Irons specifically noted at a Council meeting that it could be less as there was 30% contingency in the values showing a flagrant misunderstanding of contingency in estimating by someone with the moniker of a Project Manager.

And now we are told, by the same consultant the cost difference between a site west of 1 and one east of 1 will be no more than \$24M difference. Hum?

Let's just look at a few assumptions made by these same consultants – significant detail about site preparation that puts the cost at the various sites between \$1.6M - \$3M. On face value, this seems hard to believe that Righetti would be the least when one visually looks at the topography. There is a note that there may be some drainage issue – oh really, but no allowance. Also, land acquisition is ignored, even though I have personally noted this for years. Ignoring a \$2.5 M cost? Really? And clearly the Righetti site would require much more aesthetic treatment due to its proximity to Hwy 41, but NO cost differential included. And a reliable source has advised me that due to the nitrates in the Morro Valley water, this may be an unacceptable alternative – contrary to the Consultant perspective.

The Consultants were advised of cost-effective Design/Build options when some on the Council and some citizens visited similar plants to the south of us – this would mean less money to the Consultants – what happened to that concept – evaporated.

In 2014, virtually all of us recognized that working with Cayucos would intuitively be more cost effective. What did our Mayor and Consultants do to reach out to Cayucos and get past personal differences – more evaporation. Note that Cayucos is now well on their way to moving forward with their own project – without the “value-added” by our Consultants. And there are still opportunities to work with Cayucos IF this Council would abandon our Consultants and seriously meet with CSD representatives.

On July 11, 2017 staff, read Consultant, were asked to explore other sites west of Hwy 1 and to meet with CCC staff. They reported back about a meeting held on August 8 – the same day as the Council meeting update need. While it was obvious that what needed to be discussed is why the change and what is different from the previous submittal? Apparently, this was not obvious to our Consultants.

When the Consultants reported on the meeting, they left out some rather important points: CCC staff indicated that affordability and community support were key to any assessment. Mr. Lomeli added this in comments after the Consultant report. It is of significant note that these issues were omitted from this current report.

And no mention of the rejection of the LAFCO submittal which may have significant influence on all sites east of 1. My understanding is the South Bay MOU has a clause that the City would annex up to 350 acres and the Righetti site was close to 300 acres – which the City and the WTF/WRF don't need.

The format and discussion in the Report is one that is written from the viewpoint of trying to subvert the potential of sites west of 1.

And what about looking at Los Osos who apparently have significant excess capacity?

One Council member noted relative to the Consultants, "they have met ALL major milestones". If I could reschedule every month, then I would also always be on schedule. I suggested to this person that they go back in time to review other schedules. I did. The staff report dated 12/29/2016 had the "Public Release of the EIR" scheduled for August, 2017. Guess what? It is now September, 2017 and NO EIR, much less the public release. So much for that argument to retain the Consultants.

What action did the Council take that had our Consultant post an Expression of Interest?

Which options make the most money for the Consultants if we don't change our strategy?

So what should we (the citizens and its representatives) do? The Consultants are not only not providing value, I propose they are misleading the community and not actively looking for creative options to provide an updated cost-effective water treatment facility and optimizing options for water reclamation.

We need a Project Manager who will work with experts in the field and move this Project forward with the goal of a cost effective WRF with the capability to reclaim water in a responsible manner. This person would be responsible for quickly developing effective working relationships with the CCC staff, the RWQCB, LAFCO, and all other significant regulatory agencies.

## Dana Swanson

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**From:** Karen Beckman <  
**Sent:** Friday, September 22, 2017 4:35 PM  
**To:** Council  
**Subject:** WRF

Dear Mayor and Council Members,

I have read the Staff Report prepared under the leadership of Rob Livick and the more detailed Morro Bay Water Reclamation Facility Project Updated Site Comparison Report prepared by MKN & Associates with Rickenbach Consulting. Two areas stand out as continual sticking points, cost and site selection. As a resident who has watched this saga unfold since my 2013 arrival in Morro Bay, one fact is clear, we have spent a lot of money funding consultants and precious time flirting with one site, then another. Yet we are no closer to achieving our goal of building a cost effective WRF in Morro Bay. After 5 years, where are we? Who has the plan? Our consultants are not consulting. They are comparing costs, an activity that a Cal Poly Grad student could perform at a fraction of the price.

Additionally, I continue to be mystified by Morro Bay's apparent reluctance to engage in a meaningful dialogue with Cayucos regarding possible collaboration with the CSD. Although not listed in the afore-mentioned Comparison Report, the Toro Creek site could mitigate many of the deficiencies of the 4 existing sites. Unlike the Hanson and Dynegy sites which seem to come with potential Coastal Commission question marks, Toro Creek is free from CCC involvement.

As stated by Mayor Irons at the January 10, 2013 Coastal Commission meeting, "It's my job to resolve the differences between Morro Bay and Cayucos". I agree with your observation. How to best deliver on this declaration is up to you.

Sincerely,

Karen Beckman

## Dana Swanson

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**From:** Amy Burton  
**Sent:** Monday, September 25, 2017 6:36 AM  
**To:** Council  
**Subject:** Letter regarding the WRF

Dear Mayor and City Council,

I am writing a letter in regards to Tuesday night's Council meeting as I am unable to attend and speak at public comment.

I have read the September 22 letter from the California Coastal Commission regarding the comparison report for the City's proposed water reclamation facility and I ask that you please allow this letter to **influence** your judgment and not be pressured and bulldozed by less informed community members who might sway you into making a short sighted decision about our future. The CCC lists many compelling reasons to move the WRF east of Hwy 1.

*"Notably, we believe that the South Bay Boulevard site provides far greater regulatory certainty than do sites west of Highway, and that that certainty will help the City achieve its goal of a long-term facility that will serve Morro Bay's waste water needs quicker and most likely less expensive in the long run than alternative sites west of Highway 1."*

*"Changing course at this time would result in further delay and would lead to a less certain outcome."*

*In regards to the application to the EPA for low interest loans..."It seems unlikely if not impossible that the type of near term certainty that is needed to be successful in that process can be found through a west of the highway site."*

The CCC's recommendations are based on expertise rather than emotion. I ask that you please keep your sights focused on the best possible determination regarding the WRF that will positively effect our town for 25 plus years to come. Please do not allow the angry cries about the cost of tomorrow's water and sewer bill govern your decision into taking backwards steps.

Of course, I would hope that the financial impact to the citizens be as reasonable as possible. Thus, I encourage you to make a site decision **east of Hwy 1** as quickly as possible so that the City can lay this battle to rest once and for all and put it's time and energy into safeguarding the future of our town.

Look to the future, let the facts be your guide and know that I so greatly appreciate your resiliency as you help lead us through this very controversial issue.

Most Sincerely,

Amy Burton

## Dana Swanson

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**From:** Kevin Carroll  
**Sent:** Sunday, September 24, 2017 4:28 PM  
**To:** Council  
**Cc:** Kevin Carroll  
**Subject:** MB Water Reclamation Facility (WRF)

As 17-year Morro Bay homeowners, we ask you, the council members, to reject any WRF site West of Highway 1. We also ask the council to heed the CCC, and cease fighting them. Instead, the council should focus on the WRF site east of Highway 1— the South Bay Blvd Site.

The council must to ensure the City meets the critical deadlines to apply for the EPA's WIFIA loan. As you know, this loan will greatly reduce the cost of the project and ensure the WRF will have a recycled water component—both very important things.

The council must continue with the water reclamation component of the WRF.

Things cost money. The council, however, must continually, reduce the costs of the WRF as much as possible.

Thanks,

The Kevin and Sandra Carroll

**Dana Swanson**

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**From:** KARYN CHARF  
**Sent:** Saturday, September 23, 2017 8:40 PM  
**To:** Council  
**Subject:** Possible Sewer Rate Increase

City Council,

I am against any possible sewer rate increase. Please stop wasting our money on consultants – hire a project manager instead. Please approve the least expensive location – not simply the one you like. Please no more rate increases beyond \$150 per month – no “218” vote. I disagree with the ideas you are considering and hope you take my thoughts into view during your meeting on 9/26/27. Thank you.

Karyn Charf

Morro Bay CA

## Dana Swanson

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**From:** John Collette  
**Sent:** Monday, September 25, 2017 11:29 AM  
**To:** Council  
**Subject:** Water Treatment and Reclamation System

Dear Mayor Irons and Honorable Council Members:

I am writing today to strongly urge you to continue focusing on selecting a site east of Highway 1 for the new Water Treatment and Reclamation System facility and to discontinue considering any (and all) location(s) west of Highway 1 for this project.

One of Morro Bays' greatest assets and attractions, if not THE greatest, is its beautiful coastal open space. I run into visitors all the time who are in awe of just how beautiful and peaceful it is here and tell me how lucky I am to live here. I am confident that Morro Bay could somehow capitalize on the repurposing of the current site of the water treatment facility in a way that harmonizes with our great coastal open space asset-- perhaps something in the outdoor recreation activity realm.

Furthermore, the current site is clearly in a flood zone and the California Coastal Commission has stated in no uncertain terms that locating such a facility west of Highway 1 is very unwise and that they will not issue permits. Why would we spend so much money on such an important project, just to see it devastated in a tsunami or other flood? Indeed, the national trend, after recent destructive storms, is to move things away from low-lying areas to "higher ground" to prevent the kind of destruction we have been seeing around the country.

Please let's stay on course for selecting a site west of Highway 1, such as the South Bay Boulevard site, to quickly continue the process of getting a state-of-the-art facility built, to address our waste treatment needs while investing in Morro Bays' water supply well into the future.

Sincerely,  
John Collette  
Morro Bay

**Dana Swanson**

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**From:** Peg Edel  
**Sent:** Sunday, September 24, 2017 2:25 PM  
**To:** Council  
**Subject:** WRF

I am a Morro Bay resident & homeowner. I strongly support immediate selection of the WRF site EAST of Highway 1 (the Righetti site) to ensure the city meets deadlines to apply for the EPA WIFIA loan & ensure the WRF will include a recycled water component.

I am losing faith in the integrity of the Council and its ability to make decisions that are in the best interest of the MB community and citizens.

Sincerely  
Margaret Edel

Sent from my iPad

## Dana Swanson

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**From:** Fidell, Linda  
**Sent:** Saturday, September 23, 2017 12:23 PM  
**To:** Council  
**Subject:** Please don't fight the Coastal Commission...again

I urgently ask the City Council to agree with the position of the CCC and choose the best site east of the 1 for our new wastewater treatment facility. I also urgently ask that reclamation be part of the new facility. We will be ever so thankful for your foresight regarding reclamation in the next drought.

Those things said, please minimize the expense and investigate ways to offset the increased fees for our poorer citizens.

Respectfully,

Linda Fidell

## Dana Swanson

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**From:** Cathy Francis  
**Sent:** Sunday, September 24, 2017 7:08 AM  
**To:** Council  
**Cc:**  
**Subject:** The water reclamation facility

Dear Council, I will not be able to make this next meeting. But that does not mean that I don't place great value on the topic. The water reclamation facility is critical to Morro Bay. It is expensive. It serves a vital need. So we need to be smart about this. Arguing with the Coastal Commission is like arguing with God. Don't bother. Putting the facility near the coastline is another argument with God. Haven't we seen the force of nature so greatly recently in Texas, Florida, and the Caribbean? We live in earthquake country and can be devastated by a tidal surge.

Let's be smart and use our money wisely. Let's spend it on a facility that makes sense, even if the initial outlay is more. Lets take a lesson here from Los Osos, a community that made bad decisions for years, and ended up paying for it – literally.

Let's make sure that there is no bumper sticker that says, "Morro Bay – we can't agree on shit".

Cathy Francis

Broker Associate, Coast & County Brokers CAL BRE #01359364  
"Hard Work and a Keen Sense of Humor on California's Central Coast"

## Dana Swanson

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**From:** Steve Francis  
**Sent:** Sunday, September 24, 2017 10:32 AM  
**To:** Council  
**Cc:** 'Noah Smukler'; 'Christine Johnson'  
**Subject:** Waste Water Reclamation Facility

I am strongly in favor of a Water Reclamation Facility located east of Highway 1, and favor the proposed location near South Bay Boulevard.

Per the FEMA Flood Zone maps, the existing waste water treatment facility is located at an elevation of 19 feet. This flood zone map shows the facility is in an area designated Zone AE, which is defined as a “Special Flood Hazard Areas Subject to Inundation By The 1% Annual Chance Flood”. This is a “100-year flood”, but with warming ocean water and air temperatures, the parts of the Gulf Coast have had three 100 year floods in the last decade. These areas have also had to endure tidal surges larger than 19 feet.

As a taxpayer, I value my tax dollars, and want them spent to support long-term infrastructure. I do not want my tax dollars wasted in a futile legal battle with the Coastal Commission or washed away in the next tidal surge or flood.

Steve Francis

## Dana Swanson

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**From:** Johnee Gange  
**Sent:** Monday, September 25, 2017 12:05 PM  
**To:** Council  
**Subject:** Some thoughts

Hi :

I think it's time for MB to consider burying our power and telephone lines. Though it will be costly I think it will greatly enhance the beauty and property values in our town. Let me know how to get this ball rolling

Also as a home owner I want to encourage you to keep sewer and water costs affordable. I support the idea of a water treatment plant out of town (tri w) but hope you can figure out how to do so without making our monthly fees skyrocket. Is there really a reason for continuing to hire consultants about this? They are very expensive . Please complete The work and keep in mind that not everyone can afford water and sewer rates that are Pushing \$200 Per Month. (I can but I am thinking of the elderly and those on fixed incomes)

Thanks so much

John Gange

## Dana Swanson

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**From:** Jan Goldman  
**Sent:** Sunday, September 24, 2017 3:46 AM  
**To:** Council  
**Subject:** WRF

I'm adding my voice in favor of the selection of a waste water treatment plant east of Highway 1, preferably at the South Bay Blvd. site. I also support the full reclamation plan of pumping the water back into the ground and further treatment for future reuse. I know it's the more expensive plan, but I think it is the smartest decision in regard to future needs. I trust that the city will use all of its resources to find the least expensive way to finance it.

We have been discussing and delaying a decision for far to long. Let's decide on a site east of the highway and start the construction process!

Jan Goldman

Sent from my iPhone

## Dana Swanson

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**From:** martin gottlieb  
**Sent:** Monday, September 25, 2017 10:31 AM  
**To:** Council  
**Subject:** Water Treatment and Reclamation System

Dear Mayor Irons and Honorable Council members:

I am writing as a concerned Morro Bay resident regarding the issue of the new Water Treatment and Reclamation System.

I urge you strongly to not pursue any site, including the existing site of the current water treatment facility, west of Highway 1. Rather, the City should be pursuing sites east of Highway 1 that do not pose serious environmental hazards to our coast and would thus protect and further restore one of Morro Bays' greatest attractions and assets--beautiful, natural, ocean-front open space. This is a primary reason I moved here over 3 years ago from the beautiful Maine coast.

As a taxpayer I am also concerned about limiting the costs of the project and understand that selecting a site east of Highway 1 will likely be less expensive and more viable in the long run.

Thank you for your continuing work.

Very truly yours,  
Martin Gottlieb  
Morro Bay

**From:** Paula Harrill  
**To:** [Council](#)  
**Subject:** Outrageous sewer bill  
**Date:** Sunday, September 24, 2017 5:46:00 PM

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Hello my name is Paula Harrill I live at Morro Bay please do not elect to Jack our sewer rates out of sight I understand we need answers but the answer isn't always the most expensive I vote to get the cheapest we can get done done. Please do not price the average citizen out of living in our city. My mom is 80 and I am 60 we live on fixed incomes and cannot continue to pay the outrageous prices for water and sewer please help vote down the most expensive one. Stop spending the cities money on bogus scandals. Thank you!!!

Namaste

**Dana Swanson**

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**From:** Tom Harrington  
**Sent:** Monday, September 25, 2017 12:00 PM  
**To:** Council  
**Subject:** Water Treatment Plant

Respected Council Members,

The Coastal Commission's recent letters tell the story well. The plant must be located East of highway One. Extending the struggle drives up costs more than the site costs themselves. We cannot allow a short sighted view of costs to impede choosing the best site.

Thank you for your work,

Tom Harrington

## Dana Swanson

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**From:** Susan Heinemann  
**Sent:** Monday, September 25, 2017 11:50 AM  
**To:** Council  
**Subject:** support Righetti site

I support the Righetti site as in the long run I believe it will be the least expensive and most probable to get approval from the Coastal Commission. Let's make a decision and move on.

Susan Heinemann

Morro Bay

## Dana Swanson

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**From:** Jeffery Heller  
**Sent:** Sunday, September 24, 2017 9:11 AM  
**To:** Council; Martin R. Lomeli; Dana Swanson  
**Subject:** Agenda Correspondence for MBCC Mtg 9/26/17, Item C-2

### Agenda Correspondence for MBCC Meeting 9/26/17, Item C-2

Dear Mayor, Council, City Manager, & Public Works Director. The email below reiterates the #1 cost saving suggestion offered by the “expert peer review panel” that you authorized (under the direction of PW Director Rob Livick) a few months ago. The suggestion made was to “build the plant at or near the site of the existing plant”.

The basis for the cost savings---is the removal of the need for large and expensive pumping stations, as well as miles of new underground piping that would be needed to move (and return) all sewer water to a remote location (see email below from licensed sewer contractor re: cost estimate for a new plant west of highway One).

We all understand that a coastal development permit for a new plant west of Highway One might be difficult to get, but the millions of dollars that would be saved if a permit could be issued for this location---make the pursuit of this **highly affordable option** (as suggested by the City appointed “expert peer review panel”), an act of fiscal due diligence the City government must not ignore.

If the Mayor and City Council refuse to actively pursue a permit to build a \$50M plant (near existing site), and instead build a plant that is currently estimated to cost at least \$124M at a remote location---they will be exposing the City (and its residents) to litigation that will stall the project for many years.

I urge the Mayor and council to direct staff to actively pursue a coastal development permit for the area west of highway One (commonly known as the “Hanson site”), until such time that a permit is issued, or until such time that there is absolutely no possibility of the issuance of one.

Regards

Jeff Heller

----- Original Message -----

**Subject:**Morro Bay treatment plant remodel

**Date:**2017-08-25 11:31

**From:**[law@padreproperties.com](mailto:law@padreproperties.com)

**To:**[mmcpherson@morrobayca.gov](mailto:mmcpherson@morrobayca.gov), [jheading@morrobayca.gov](mailto:jheading@morrobayca.gov), [rdavis@morrobayca.gov](mailto:rdavis@morrobayca.gov),  
[mmakowetski@morrobayca.gov](mailto:mmakowetski@morrobayca.gov)

As sent by email pursuant to discussion yesterday at the Planning Department

Dear City Council Member,

I request to put on the City's meeting agenda for review and scoping for the public bid process as the city of Morro Bay is the lead agency the following information to assist in turning a sewerage infrastructure project from \$120 million or more, back to \$20-50 million (total costs).

The main point for the city is to follow California Code of Regulations Title 14 Article 19 § 15301 which will allow for the existing facility to become in effect refurbished, which will turn the facility from primary treatment to tertiary treatment of the wastewater. The central coast Regional Water Quality Control Board (RWQCB) should have no problem with the technology suggested as USBF.

No environmental impact report (EIR) would be necessary, and the Coastal Commission's advisory role would not be needed due to the fact that the size of the refurbishing would be less than 10,000 sq. ft. and not environmentally sensitive, Title 14 Article 19 § 15301(e)(2)(A)-(B). The "categorical exemption" fits perfectly when Morro Bay's City Council decide and vote that the Class I sewerage, pocket plant design, has "no expansion" within the meaning of California Code of Regulations Title 14 Article 19 § 15301(b).

After careful study, a USBF™ pocket plant design by ECOfluid Sytems, Inc. will put a 1 MGD on top of one of the drying beds, after the site has been cleaned, for \$20 million and come under the 10,000 sq. ft. mandate to eliminate the EIR process as outlined in the attached letter, Title 14 Article 19 § 15301(e)(2)(A). When the existing plant is decommissioned, another 1 MGD USBF™ pocket plant can be added. The City of Morro Bay will have a 2 MGD facility creating tertiary treated water on the existing footprint, for \$40 million plus costs to remediate the sites, completing the remodel with up to 2 MGD of tertiary treated water to be reused as a valuable item for planning.

Now is the time to take action, set the matter on the regular agenda to propose reusing the existing site, specifically that there is "no expansion of the Class I sewerage within the meaning of California Code of Regulations Title 14 Article 19 § 15301(b)" and then set the Request for

Proposals and Request for Qualifications to remodel the existing facility to not add more than 10,000 sq. ft., California Code of Regulations Title 14 Article [19 § 15301\(e\)\(2\)\(A\)](#).

The City of Morro Bay could assist itself further by also following through that no new EIR would be necessary by contacting the Coastal Commission. As that agency serves the public as advisory, I have also prepared a letter for Mr. Kahn to review to begin the process of removing their involvement due to the categorical exemption.

8/25/17

Date

\_\_\_\_\_  
//s//

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Patrick Sparks Esq.

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Email: [citizensforaffordableliving@ gmail.com](mailto:citizensforaffordableliving@gmail.com)

Send Donations to:

P.O. Box 1822

Morro Bay, CA 93443-1822

## Dana Swanson

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**From:** Harold Hilker  
**Sent:** Monday, September 25, 2017 9:05 AM  
**To:** Council  
**Cc:** Dana Swanson; dan.carl@coastal.ca.gov  
**Subject:** Agenda item C-2

Members of the council,

It is disappointing at best that the community received the council agenda on September 22nd for a meeting on the 26th, 2 days of which are over the weekend. You only give the citizens 1 day to comment. So much for community outreach!

I believe the last WRFCAC meeting with minutes was in April. Why didn't you allow WRFCAC to hold a meeting before the council takes up the Water Reclamation Facility program? This is disrespectful to the hard working members of the WRF committee.

The WRFCAC previously made a recommendation to remove the Righetti property from consideration, yet it is now on the agenda as a proposed site. This site is controversial and does not have the support of many citizens. Continued discussion regarding this site will only delay the process and most likely lead to costly legal action. The Righetti property should not be considered as a viable alternative for the future location of the Water Reclamation Facility.

What is the status of the EIR report? I understood the first draft was to be available this month.

Pumping waste water east of Highway 1 will significantly increase operating costs of the facility, thus increasing rate payer costs and delay pay off of the capital building loans.

It is very disappointing the Coastal Commission representative, Dan Carl, has taken the position to threaten the city and citizens of Morro Bay if we try and build the new facility next to the existing one that has been there over 50 years. Mr. Carl's excuse is the concern for coastal hazards such as flooding, tsunami and potential sea level rise. If any of these things actually happen, the City of Morro Bay and the State of California will have much bigger problems than potential harm to the waste water treatment plant. In fact, if said plant is properly designed, it will most likely survive the flooding and tsunami concerns better than a significant portion of the city.

Harold Hilker

Morro Bay

**Dana Swanson**

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**From:** Laura Hill  
**Sent:** Saturday, September 23, 2017 3:06 PM  
**To:** Council  
**Subject:** WRF Site

We encourage the council to continue with the South Bay Boulevard site and prepare for or include any water reclamation project as needed to allow for immediate or future use of reclaimed water by residents.

The future of Morro Bay is important to us.

Thanks, Laura & Doug Hill

## Dana Swanson

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**From:** Jamie Irons  
**Sent:** Monday, September 25, 2017 1:05 PM  
**To:** Dana Swanson  
**Subject:** Fw: Water Reclamation Plan Hearing

Dana, Please include in agenda correspondence. Thank you - Jamie

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**From:** Barb Ignatius  
**Sent:** Monday, September 25, 2017 11:43 AM  
**To:** John Heading; Jamie Irons; Matt Makowetski; Marlys McPherson; Robert Davis  
**Subject:** Water Reclamation Plan Hearing

I encourage the mayor and city council to move forward with the Water Reclamation Plan. The Rigetti site would have been the best and cheapest, and it seems a monetary reimbursement to compensate the few people who are impacted by the view could have resolved the objection. However, if South Bay is the chosen site, we must go on with the reclamation infrastructure - a contingency to get the low interest loan and Coastal Commission support. We have known that aging infrastructure must be replaced. Now is the time to act. Let's not let politics overcome science.

Barb and Howard Ignatius

Morro Bay, CA

## Dana Swanson

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**From:** Nava Ii, Robert@DOT  
**Sent:** Monday, September 25, 2017 7:48 AM  
**To:** Council  
**Subject:** My opposition to a WRF site West of Highway 1

Dear Mayor and City Council,

I am writing a letter in regards to Tuesday night's Council meeting as I am unable to attend and speak at public comment.

I have read the September 22 letter from the California Coastal Commission regarding the comparison report for the City's proposed water reclamation facility and I ask that you please allow this letter to **influence** your judgment and not be pressured and bulldozed by less informed community members who might sway you into making a short sighted decision about our future. The CCC lists many compelling reasons to move the WRF east of Hwy 1

The CCC's recommendations are based on expertise rather than emotion. I ask that you please keep your sights focused on the best possible determination regarding the WRF that will positively effect our town for 25 plus years to come. As a Licensed Civil Engineer who has professional dealings with the Commission, I greatly respect the determinations and guidance they have already provided, with regards to this project.

Please do not allow the angry cries about the cost of tomorrow's water and sewer bill govern your decision into taking backwards steps. Previous councils have allowed this issue to fester for way too long, even withheld the true cost of water from us to our present detriment.

Though the immediate costs may seem significant, please keep focus on a future that leads us away from our dependence on the Very Expensive State Water Project. Thus, I encourage you to make a site decision **East of Hwy 1** as quickly as possible so that the City can lay this battle to rest once and for all and put it's time and energy into safeguarding the life sustaining water of our City.

Look to the future, let the facts be your guide and know that I so greatly appreciate your resiliency as you help lead us through this very controversial issue.

Most Sincerely,

Robert

Robert B Nava II, PE Maintenance Engineering Caltrans District 5

**Dana Swanson**

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**From:** David Ion  
**Sent:** Monday, September 25, 2017 7:35 AM  
**To:** Council  
**Subject:** sewer location

Please look at the most affordable solution which is probably rebuilding at the current location. I was on the sewer board in Los Osos from 86-91 and all we did was fight lawsuits and eventually ended up with the most expensive solution which will lead to many seniors leaving the area as they won't be able to afford to live here.

As someone who grew up here and went to school here I think it is wrong for the city leaders to try and create a Newport Beach atmosphere and drive locals away.

David A. Ion

Morro Bay, CA 93442

## Dana Swanson

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**From:** Christine Johnson  
**Sent:** Monday, September 25, 2017 10:22 AM  
**To:** Council  
**Subject:** Agenda Correspondence for 9.26.17 Council Meeting  
**Attachments:** CouncilLetter9.25.17.pdf

Hello.

Please see the attached letter to be included in agenda correspondence for the 9.26.17 City Council meeting.

Thank you.

Christine Johnson

Christine & Lee Johnson  
, Morro Bay, California 93442

September 25, 2017

Dear Mayor Irons and City Councilmembers Davis, Heading, Makowetski and McPherson,

This letter is in regard to Item C-2 on the September 26, 2017 Special & Regular City Council Meeting. Before we address the issue at hand, we would like to express our gratitude to each of you for your service on the City Council. As councilmembers, you are working collaboratively and patiently with one another through multiple, complicated City projects while remembering to treat one another---and the citizens of Morro Bay---with respect, dignity and understanding. We could not ask for more from our elected officials. Thank you.

Since November of 2010, we have been on record in various ways stating our grave concern with the City of Morro Bay's efforts to build a new water recycling facility (WRF) west of Highway 1 due to the risk of flooding from a severe storm or a tsunami event as well as damage to a facility due to the impacts of sea level rise over the life of the facility. Instead of placing WRF infrastructure along the coast, we support repurposing our oceanfront for revenue generating, visitor serving, and recreational uses all along the south side of Atascadero Road from Lila Keiser Park to the ocean. These future funds can be used to offset water/sewer rate increases. We continue to advocate for a strong water-recycling component as quickly as possible to bring water independence to the City by reducing our sole reliance on expensive and unstable State water.

And, our chief concern among all other concerns is that a WRF must be able to receive a coastal development permit (CDP) from the California Coastal Commission (CCC). Fortunately, the City has received a very clear letter on September 22 from Coastal Commission Staff regarding sites likely to have the best chance to receive a CDP. We believe you will take the comments of the Coastal Commission Staff extremely seriously and remove consideration of a WRF facility west of Highway 1 once and for all. As you will recall, it was based on a similar set of concerns that the CCC unanimously denied a past project on the west side of Highway 1 in 2013.

We encourage you to make a site selection as expeditiously as possible to ensure the City remains eligible for any and all funding opportunities to offset the costs.

We encourage you to work relentlessly to reduce the costs during all phases of the project.

We encourage you to select one of the two sites mentioned in the September 22 letter from the Coastal Commission.

Please do not engage in any more site searching. The City has extensively, expensively and exhaustively researched all available and reasonable sites over the past four years. Citizens' site concerns have been taken into account at every turn and are the reason for this latest pause. Notably, this is the second pause in the project that was made to address site concerns. The time has come to make a WRF site decision based on the facts you have before you. The Coastal Commission's letter can be used as a guide.

We have faith that you are fully aware of all known risks to the project at either site—Righetti or South Bay Boulevard. Please make final site selection now and move the project into the planning and construction phase as quickly as possible in order to keep costs as low as possible.

Very sincerely,  
Christine and Lee Johnson

**Dana Swanson**

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**From:** frank jones  
**Sent:** Saturday, September 23, 2017 3:50 PM  
**To:** Council  
**Subject:** Water Reclamation Project

Dear Mayor Irons and City Council members,

Please do the right thing and put an end to discussion on the WRF project. The South Bay Blvd. site is the right one and the one that can be completed the most quickly, which will be the most cost effective in the long run.

We elected you to move this City forward. We realize that there are the those that want the site near the high school, but it is your job to stand strong against this when you know that in the long run this site won't be approved by the Coastal Commission.

Don't let us become another Los Osos, where they ended up paying dearly for dragging out the inevitable.

Sincerely, Frank and Bonnie Jones

**Dana Swanson**

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**From:** Jamie Irons  
**Sent:** Sunday, September 24, 2017 3:11 PM  
**To:** Dana Swanson  
**Subject:** Fw: Please Don't Los Ososify Morro Bay  
**Attachments:** MB WRF.docx

Dana, Please include the attached letter to council to the agenda correspondence for the WRF.

Thank you - Jamie

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**From:** Ahmed Kassem  
**Sent:** Sunday, September 24, 2017 3:05 PM  
**To:** Jamie Irons  
**Subject:** Please Don't Los Ososify Morro Bay

Please consider the attachment for the city council meeting of Tuesday September 24 2017

Sunday September 24, 2017

From: Ahmed E Kassem

Morro Bay CA 93442

To: Members of Morro Bay City Council

Subject: Please Don't Los Osofify Morro Bay

Greetings;

I am writing to encourage you to move forward with the WRF, Water Reclamation Facility, project. It is now clear that the residents are divided about the location and the cost. In this regard the following principles are most logical in deciding the best location of the plant.

- Minimum cost
- Least amount of permits or variants required to complete the project. This means least amount of time required to complete the project which also reduces cost.
- Include a tertiary water treatment section. This will replenish the aquifer which the city depends on as a source of water during extended periods of drought. With the strange weather phenomena occurring all around the country, we better plan for more sever and extended periods of drought.
- Delaying the project increases the cost and may allow the county to come in and build the plant as was the case for our neighbors in Los Osos. In this case the city loses control of the project and its cost. Let alone the satisfaction of the majority of citizens.

Regards;

Ahmed Kassem

PhD Engineering

**Dana Swanson**

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**From:**  
**Sent:** Monday, September 25, 2017 10:44 AM  
**To:** Council  
**Subject:** Wastewater Reclamation Facility

Mayor Irons and Council members,

Thank you for the opportunity to provide public comment on this important issue. I am concerned about the selection of any proposed site to the west of Hwy. 1. I have reviewed the California Coastal Commission's response and concur with their concerns of the selection of any low lying area near the shoreline. Morro Bay's greatest resources are visual appeal and recreational opportunities along the shoreline.

Please move forward to select one of the proposed sites east of Hwy. 1. Good planning principals should consider the long term waste water needs and locate the facility in an area consistent with all land uses and protects the appeal of Morro Bay to all residents and visitors.

Sincerely,

Tamara Kleemann

The future sustainability and quality of life for all Morro Bay residents and

## Dana Swanson

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**From:** GARY KURIS  
**Sent:** Friday, September 22, 2017 4:44 PM  
**To:** Dana Swanson  
**Subject:** Letter!

Dear Dana Swanson:

I was surprised, and pleased, to see my last letter to the mayor and Council included in the posted correspondence attached to next Tuesday's meeting. Many thanks.

Well, give me an inch, and I'll take a mile. I hope the following letter can also be included.

Have a great weekend. Tuesday ought to be fun!

Cheers,

Gary Kuris

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September 22, 2017

TO: Mayor Irons and Council Members Davis, Headding, Makowetski, and McPherson  
RE: New Sewage Treatment Facility

The staff report and the consultants' comparison report on five selected sites for a new sewage treatment plant made for interesting reading. It was encouraging to see that the staff deemed the Righetti site "not recommended." I am writing to assure you that neighborhood opposition to this site--600 feet from our homes--remains fierce. We in the east and north part of Morro Bay are prepared to fight any attempt to locate an industrial facility so close to our homes, up to and including legal action. It is not a matter of "property values" (as glibly stated in the report) but of sheer quality of life. Noise pollution, light pollution, and (despite promises to the contrary) odor pollution, not to mention traffic disruption, would inflict irretrievable harm on a sizable part of the city. Promises of a green belt on some of the 253 acres of Righetti Ranch are meretricious: the citizens of Morro Bay have never approved the expenditure of their money on such a scheme. It won't happen.

All five of the sites discussed in the comparison report involve costs in the vicinity of \$100 million. It was distressing to see no mention made of Thomas Rost's innovative proposal to collaborate with Cayucos on the Toro Creek site, or of the recent proposal to upgrade the current facility--both options probably costing far less than any of the five sites discussed by the consultants and obviating the need for approval by the Coastal Commission. These possibilities should at the very least be explored in detail. You can be sure that any attempt to push through a 218 vote that allows a grandiose \$100-million+ facility will go down in flames, leaving Morro Bay right back where it started.

Cordially,

Gary Kuris  
Morro Bay

**Dana Swanson**

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**From:** Paul  
**Sent:** Saturday, September 23, 2017 2:43 PM  
**To:** Council  
**Subject:** WRF site

Please reject any WRF site West of his highway one once and for all. We need a waste water treatment facility that will meet our city's needs for the long term. We don't need to go backwards.

Thank you,  
Paul LaRiviere

Morro Bay, Ca 93442

Sent from my iPhone

## Dana Swanson

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**From:** Scott Lawson  
**Sent:** Sunday, September 24, 2017 6:14 PM  
**To:** Council  
**Cc:** Dana Swanson  
**Subject:** Please include in agenda packet for City Council Meeting 9-26-2017

Mayor and Council,

The WRF project totals from the tables in the 9/21/17 Staff Report are all too expensive for the majority of Morro Bay residents. As stated below Table 4 (page 3-4) the reduced costs are a result of more refined cost opinions. The problem seems to be too many opinions and no actual costs, it is time to get real costs before moving forward. If the council decides it can't get the facility built for the amount approved in 2015, then please get design/build contractors to bid the project so the public will have a real number – not an opinion. The public expected a new plant for the amount requested in 2015 (\$75 million). Asking for, in the case of the South Bay Blvd. site, double that after two years of engineering consulting and no hard figures is not supportable.

Please take the step to get real costs before asking the public for another rate increase.

Thank you,  
Scott Lawson

**Dana Swanson**

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**From:**  
**Sent:** Sunday, September 24, 2017 2:44 PM  
**To:** Council  
**Subject:** sewer update

Please approve the least expensive location – not the one you like!

**Dana Swanson**

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**From:** Kelly Lewis  
**Sent:** Sunday, September 24, 2017 6:59 PM  
**To:** Council  
**Subject:** Consider the affordable option

As a new home owner in Morro Bay I was shocked at the price of my sewer/water bill. Please don't price me out of my new home. Please consider fixed income home owners/renters that cannot afford more than \$150.00 a month.

Kind regards,

Kelly Lewis

Morro Bay

**Dana Swanson**

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**From:** Kelly Lewis  
**Sent:** Sunday, September 24, 2017 8:44 PM  
**To:** Council  
**Subject:** Use existing site

Please use the existing cite for our WTF.  
We cannot afford the move.

Kind regards,  
Kelly Lewis

Morro Bay

**Dana Swanson**

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**From:** Jim Lipsett  
**Sent:** Saturday, September 23, 2017 2:13 PM  
**To:** Council  
**Subject:** Site for water reclamation plant

Dear Morro Bay City Councilpersons:

Further delay on finalizing plans for and construction of a new water reclamation and waste treatment facility is unnecessary and wasteful of our time, resources and patience. Please reject any consideration of a site west of Main Street.

James A Lipsett

Morro Bay

Sent from my iPhone

## Dana Swanson

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**From:** Bill Luffee  
**Sent:** Monday, September 25, 2017 2:32 PM  
**To:** Council  
**Subject:** Waste Water Sewer Plant

Rather than worry on the site lets discuss doing a project for 75-80 million per the 2015 waste water treatment analysis. The South Bay Site would probably be the less controversial with the citizens but if you could convince the minority folks butting the Righetti site that we want to build only a sewer plant near the existing house and barn dedicate balance as OPEN SPACE that also might be a option. Either way we need to stop studying and make a decision and stick to it. I feel going west of Highway 1 would be a time delay decision with no guarantee that we would win in the end. If we start vacillating toward any more than 80 million I also think we will have issues. My two sense. Good luck to you folks for you do not have an easy decision but I trust you will make the most informed decision for the benefit of the Citizens of Morro Bay

Bill Luffee

**Dana Swanson**

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**From:** Madeline  
**Sent:** Monday, September 25, 2017 10:31 AM  
**To:** Council  
**Subject:** City Council / raising Water and Sewer rates

DIAGREE WITH CITY COUNCIL,

I BELIEVE YOU HAVE RAISED THE RATES ENOUGH. ENOUGH IS ENOUGH.

Home owner and property owner since 1974

## Dana Swanson

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**From:** Renee  
**Sent:** Sunday, September 24, 2017 9:30 PM  
**To:** Council  
**Subject:** Water & Sewer Increases

Dear City Council:

Last month my water bill took a \$20 leap from last year's increase ( last year's increase had already raised my bill to \$100 month). Now, it's \$120.

A 20 percent increase is a significant one to a one-income, single person household to afford.

These upward increases are a hardship on working-class home owners and renters, as well as seniors on fixed income, both of which make up a significant percentage of residential demographics of our town.

### **Show you care....**

I'm respectfully urging city council to please select the most **cost-effective, viable solution that creates the least amount of cost burden on our town residents and stop this steep, upward increase for our basic needs.**

Renee Metoyer

Morro Bay, CA 93442

## Dana Swanson

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**From:** Metzger Tina  
**Sent:** Saturday, September 23, 2017 10:20 AM  
**To:** Dana Swanson  
**Cc:** dcarl@coastal.ca.gov  
**Subject:** MB Sewage Plant at Righetti: Council Agenda Item C-2 (Sept. 26, 2017)  
**Attachments:** SewerLetterMay10.pdf

Ms. Dana Swanson,

Concerning City Council Agenda Item C-2 (Sept. 26, 2017), please add the following email to the Council correspondence.

To Mayor Irons and Council Members Davis, Heading, Makowetski, McPherson:

**We are well aware that, as long as the MB City Council refuses to honor the Water Reclamation Facility Citizens Advisory Committee (WRFCAC) vote to remove the Righetti property from the WRF Project list of possible sites, and the Council refuses to honor the very serious concerns of the major Stakeholders affected by the MB Sewage Plant Project directly adjacent to our homes and families, the Council will choose the Righetti property for the WRF Project site.**

The Righetti property should never have been a possible WRF site in the first place, and it is time for the Council and staff/consultants to stop wasting Morro Bay citizens' money promoting Righetti as a viable Sewage Plant Project site. This is a textbook case of an incompatible land use next to an established residential neighborhood - our health and quality of life is at stake. (Please see my attached letter to MB City Council, dated May 10, 2016, listing The Six Fatal Flaws of the Righetti property for a Sewage Plant.)

From the City's consultant, John Rickenbach's Report to the City Council on Potential WRF Sites (April 28, 2016), we know that Naturally Occurring Asbestos (NOA) on the Righetti site will require "special handling requirements . . ." (Rickenbach, page 21, April 28, 2016). According to the California Environmental Protection Agency, concerning Naturally Occurring Asbestos, "When rock containing asbestos is broken or crushed, asbestos fibers may be released and become airborne. Exposure to asbestos fibers may result in health issues such as lung cancer, mesothelioma (a rare cancer of the thin membranes lining the lungs, chest and abdominal cavity), and asbestosis (a non-cancerous lung disease which causes scarring of the lungs)." (Source: California Environmental Protection Agency Web site.)

During the grading and construction of the proposed phases of the WRF Project at the Righetti site, there will be no realistic and effective way to control the released airborne asbestos fibers, and no effective way to keep the fibers contained within the boundaries of the Righetti property. The Morro Valley (where the Righetti property is located) is a **major airstream**, with howling winds during the night from the east (this is not an exaggeration), and strong northwest winds typically during the day.

Mayor Irons, and Council Members, as none of you live in our area of town, you must not be familiar with the strong winds in our Morro Valley neighborhood area. Ask the roofing companies and the sheet metal contractors in Morro Bay about the strong winds in our large residential neighborhood, which is directly adjacent to the Righetti site. The complex requirements/regulations of the Air Resources Board for controlling asbestos fibers during grading and construction of the Sewage Plant would never safely work on the Righetti site because of the strong winds, day and night in the Morro Valley. What recourse

would we residents have when the asbestos fibers blow onto our homes, yards, streets, vehicles, and into the windows of our homes? Mayor Irons, would you tell us how we will avoid breathing the airborne asbestos fibers into our lungs?

**Remove the Righetti property from the Sewage Plant site list immediately, and stop wasting our Morro Bay citizens' hard-earned money by falsely promoting Righetti as a viable site for a Sewage Plant.**

Sincerely,  
Tina Metzger

May 10, 2016

City Council  
City of Morro Bay  
595 Harbor Street  
Morro Bay, CA 93442

**RE: City Council Meeting, May 10, 2016, Agenda Item C-2: Update on Potential Water Reclamation Facilities Sites and Public Outreach Efforts**

Dear Mayor Irons and Council Members Johnson, Makowetski, Smukler, and Headding:

This letter is in support of the wisdom and intelligence of the members of the Water Reclamation Facility Citizen Advisory Committee's (WRFCAC) May 3, 2016, Recommendation to Council to take the Righetti site off the list of possible sites for the new Water Reclamation Facility (WRF) Project (6-2 vote); and to move forward with the Staff Recommendation (April 29, 2016) to select the Tri-W site.

**The Righetti site is not a viable option for the WRF Project, and it never will be.**  
There are too many 'Fatal Flaws' with the Righetti site.

**Fatal Flaw # 1.**

Every neighborhood in Morro Bay would fight the WRF sewage plant industrial development if it were proposed next to their homes. Each of you Council members would fight the WRF sewage plant industrial development, if it were proposed next to YOUR homes. The WRF is a radically incompatible land use next to the many homes in the adjacent single-family R-1 subdivisions. Land use case law supports us in our fight against the WRF Project incompatible land use. Zoning codes exist to prevent such incompatible land uses next to, or near each other, for reasons of health and safety, and nuisance issues.

**Fatal Flaw # 2.**

In addition to the problems with visual impacts, odors, noise, night lighting, and the detrimental effect on property values and quality of life, the proposed sewage plant industrial development of the Righetti property will have serious health and safety issues for our area of town. The serpentinite bedrock on the Righetti property contains Naturally-Occurring Asbestos (NOA). There would be no effective way to control the asbestos fibers released during the massive site grading and large area of construction. Because of the prevailing high winds from the east (at night), and the afternoon prevailing high winds

from the northwest (the Morro Valley is a major airstream), there would be no effective way to comply with the California Environmental Protection Agency (EPA) Regulations for Asbestos Airborne Toxic Control Measures for Construction and Grading on Areas Greater Than One (1) Acre (see Section 93105).

**Fatal Flaw # 3.**

The exhaust from all of the diesel trucks and heavy equipment during construction on site, and on Hwy 41 and at the intersection of Main Street/Hwy 41, will drastically affect the air quality of the area. During the life of the project, the many diesel trucks needed daily to transport the sewage sludge to a Santa Maria licensed receiver will also daily degrade air quality, as will the many diesel trucks on their way south to a landfill with all the things people flush down the toilet and are screened out of the waste stream – tampons, paper, plastics, etc. The portable toilets emptied outdoors at the Righetti WRF sewage treatment plant will have to be transported to and from the WRF site by huge diesel trucks, and those trucks will also degrade air quality. Think of the MB High School students affected, in addition to the families in the neighborhoods near the proposed WRF site at Righetti. Consider the currently congested traffic problems at Hwy 41 and Main Street and at the on/off ramps of Hwy 1, and add the many diesel trucks to what is already a traffic problem area.

**Fatal Flaw # 4.**

The development of the proposed WRF Project at the Righetti site is inconsistent with Local Coastal Plan (LCP) Policies and would result in highly visible large industrial facilities in violation of **LCP Chapter 10 Visual and Scenic Resources**, particularly **Policy 2** (Site Selection for New Development), **Policy 4** (New Development in Rural Areas), and **Policy 5** (Landform Alterations).

**Fatal Flaw # 5.**

The combined efforts for planning, design, permitting and construction of a project at the Righetti site is expected to take approximately ten years (source: Dudek, Alternative Sites Evaluation, November 2011). That assessment by Dudek, in 2011, did not take into account the long and expensive fight by property owners in the neighborhoods adjacent to the site. We will **never** allow such a noxious sewage plant industrial development to be built next to our homes and families. It will be extremely fiscally irresponsible of the Council to ignore this fact.

**Fatal Flaw # 6.**

The number of Regulatory Agencies, Regulatory Permits, Authorizations, and Approvals, concerning the WRF sewage plant development of the Righetti site, is overwhelming and too long to list here. The May 5, 2016, Report to City Council on Potential WRF Sites by Rickenbach Consulting, does not begin to address this important time and money issue. In the Dudek Report of November 2011, nine regulatory agencies are listed that have to be dealt with, and 14 regulatory permits, authorizations, or approvals are required for the development of the Righetti site.

Finally, listen to your WRF Project stakeholders; understand and respect the health of the community, and respect the vested interests of property owners, families and school children. **Above all, uphold your oath “to the preservation and enhancement of the quality of life” in Morro Bay.** This does not mean the enhancement of the quality of life in only your neighborhood, where each of you Council members live, but all of Morro Bay.

I respectfully request that you respond to the many Morro Bay citizens who have voiced their serious concerns with the Righetti site for the WRF. I respectfully request that you respond to the members of the WRFCAC in their thoughtful and intelligent May 3<sup>rd</sup> Recommendations to Council. **Remove the Righetti property from the City’s list of WRF sites tonight, once and for all.**

Sincerely,

Tina Metzger  
Nutmeg Avenue  
Morro Bay

## Dana Swanson

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**From:** Metzger Tina  
**Sent:** Monday, September 25, 2017 5:49 AM  
**To:** Dana Swanson  
**Cc:** dan.carl@coastal.ca.gov; Tina Metzger; Sherie Tennant; Kuris Gary; linda Troller; desio maryjo; Greg Cordes; Jacqueline Marie; jerkovich nick; Dalton Bob; Torres Charlie; Bobby Wheeler; Mark Olson; Karen Luhmann; Catherine Kornreich; Kathi Gulley  
**Subject:** Council Agenda Item C-2 (Sept. 26, 2017) WRF Correspondence

Dear Dana,

Because the City Council is now, once again, very seriously considering the Righetti Ranch property for the Sewage Treatment Plant, please submit all 17 letters from Morro Bay citizens contained on the MB City's link below to the **Sept. 26, 2017 Council Agenda Item C-2**, concerning the Sewage Treatment Plant on the Righetti Ranch property.

These letters from Morro Bay citizens (Major Stakeholders) are as vitally important today, as they were in March 2016 (the link is from the March 8, 2016, MB City Council Agenda Item C-1 **WRF** Correspondence).

I also have hard copies, if you prefer. The link below should be more direct and efficient for you.

I thank you in advance for submitting the 17 letters on the link below to **Sept. 26, 2017 Council Agenda Item C-2 Correspondence**.

Sincerely,  
Tina Metzger

<http://www.morro-bay.ca.us/ArchiveCenter/ViewFile/Item/2718>

## Dana Swanson

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**From:** Jamie Irons  
**Sent:** Monday, September 25, 2017 6:38 AM  
**To:** Dana Swanson  
**Subject:** Fw: Public Comment for 9/26/17 Meeting

Dana, for agenda correspondence. Thank you - Jamie

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**From:** David & Monique  
**Sent:** Sunday, September 24, 2017 11:02 PM  
**To:** Jamie Irons; Marlys McPherson; Matt Makowetski; John Headding; Robert Davis  
**Subject:** Public Comment for 9/26/17 Meeting

Dear Mayor and Council:

I have just studied the Expression of Interest (EOI) request dated 9/12/17 and, frankly, I am shocked that this action is taking place. You claim to be listening to the public, but I have been at a number of meetings where the public filled the room telling you that this was not the plan residents wanted or could afford. The people spoke loud and clear that we wanted a new direction.

For the record, I ask that the City:

- 1) Does not send out the EOI.
- 2) Gets rid of the consulting team that keeps pushing an unaffordable plant.
- 3) Puts together a team with vision to bring about a state-of-the-art plant.
- 4) Stop spending money on EIR studies on sites until we have a publicly-approved plant.

Sincerely,

David Nelson

Morro Bay Resident

## Dana Swanson

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**From:** Bruce Ogilvie  
**Sent:** Monday, September 25, 2017 9:11 AM  
**To:** Council  
**Cc:** Dana Swanson; dan.carl@coastal.ca.gov; tinametzger755@gmail.com  
**Subject:** Sewage plant location

My name is Bruce Ogilvie and I own property at \_\_\_\_\_ in Morro Bay.  
I am opposed to locating the new sewer on the Righetti property.

I am in favor of locating it on the parcel off of south Bay Drive.  
Furthermore I am also in favor of working with Cayucos to obtain property adjacent to their new project for our treatment plant.

Regards  
Bruce

Bruce Ogilvie

## Dana Swanson

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**From:** Timothy O'Marr  
**Sent:** Sunday, September 24, 2017 8:30 PM  
**To:** Council  
**Subject:** Wastewater plant

The Cheapest alternative! At the present location or adjacent. It's what we need not what we want. It hasn't stopped tourists from coming, and the people that live here from leaving. Thanks for listening to a twenty-five year taxpayer here in Morro Bay.

Sent from my iPad

## Dana Swanson

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**From:** Jamie Irons  
**Sent:** Sunday, September 24, 2017 3:07 PM  
**To:** Dana Swanson  
**Subject:** Fw: For The Record - WRF

Dana,

Since this was not addressed to Council but each of us individually I am not sure you received this for the record. Please include in agenda correspondence.

Thank you - Jamie

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**From:** Tony Pastore <  
**Sent:** Sunday, September 24, 2017 2:52 PM  
**To:** Jamie Irons; Matt Makowetski; John Headding; Robert Davis; Marlys McPherson  
**Subject:** For The Record - WRF

As a land use planning professional for more than 25 years, I know there are myriad reasons for decision making. I fully understand there may be reasons, even compelling reasons, to want to put a certain something in a certain place . . . I'm still talking land use btw . . . However, no means no. Yep, still land use planning here.

So when the lead local official from the critical State regulatory/compliance agency writes a three page single spaced email to tell you in excruciating detail the many reasons your idea is a bad one, he is being generous with his time, experience and expertise and he is also being blatantly clear. No means no when it comes to attempting the entitlement process to locate the WRF west of Hwy 1.

Clearly we need a new WRF. We also need an entitlement and construction process that is economical, environmentally friendly and wise LONG TERM.

Trying to stuff a square peg in a round hole is dumb. The Coastal Commission has said the same for trying to site the WRF west of Hwy 1.

There is literally no substantive shred of data to date hinting that any site west of Hwy 1 will be permitted. And again, the key state agency has made their position abundantly clear in the three page letter detailing the reasons a site east of Hwy 1 is far preferable from literally every perspective and through every facet of entitlement and construction.

You will be wasting my money and that of all the stakeholders, including the citizens of the State of California, as you tie up Coastal Commission staff in the foolish and expensive effort to build a WRF west of Hwy 1.

Do the right thing. Build the WRF east of Hwy 1.

--

**[Tony D. Pastore](#)**

**Morro Bay, CA 93442**

[www.agenergysystems.com](http://www.agenergysystems.com)



## Dana Swanson

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**From:** DIXIE Patterson  
**Sent:** Sunday, September 24, 2017 9:31 AM  
**To:** Council  
**Subject:** STOP 218

As a resident of Morro Bay and a senior citizen, a severe rate hike would devastate me financially. I urge you to choose the least expensive site and STOP draining your citizens with cost after cost after cost. FIND ANOTHER WAY, PLEASE!!

Thank you,  
Dixie Patterson

Morro Bay, CA

Sent from [Outlook](#)

**Dana Swanson**

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**From:** laura pick  
**Sent:** Sunday, September 24, 2017 11:54 AM  
**To:** Council  
**Subject:** WRF

Dear Mayor Irons and City Council Members,

I am requesting that you deny any WRF, West of Highway 1. The CCC has clearly defined the obstacles we will face, if we choose to ignore their input.

My thanks to you and the CCC, for the time and effort put into this project. After being presented with the pros and cons, I am asking you to make a decision (the sooner, the better) on a location East of Highway 1.

Respectfully,

Laura Pick

## Dana Swanson

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**From:** Kathy Quigley <  
**Sent:** Sunday, September 24, 2017 5:36 PM  
**To:** Council  
**Cc:** Dana Swanson  
**Subject:** to be included in correspondence for Sept 26, 2017 meeting

Dear Mayor and City Council Members,

Thank you for all the time and effort you have spent on behalf of the city and its residents.

I am writing to express my concern over the unbearable cost of each of the 5 sites for our WTP on your staff report dated Sept. 21, 2017.

I say unbearable because a large number of residents really can't afford the rates for such expensive projects. And those who can find a way to afford it will be limiting their spending in our city and county.

I've heard accusations of "misinformation" being passed around. Your chart with the project costs is really all the information I need to be alarmed by the possible decisions you may make at the Sept. 26 meeting.

Please do not put the residents of Morro Bay in an unbearable position of paying for a project that is TOO EXPENSIVE!

Sincerely,

Kathy Quigley

Morro Bay Resident since 1980

## Dana Swanson

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**From:** Jamie Irons  
**Sent:** Monday, September 25, 2017 12:59 PM  
**To:** Dana Swanson  
**Subject:** Fw: Sewer

Dana, Please include in agenda correspondence. Thank you - Jamie

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**From:** Pat Reed  
**Sent:** Monday, September 25, 2017 10:48 AM  
**To:** Jamie Irons  
**Cc:** Marlys McPherson  
**Subject:** Sewer

As you are the mayor of Morro Bay, please convey to the whole city council that we will support the council's decision on the new sewer, whatever the decision may be. There have been years of research, study, money spent, and advice from the Coastal Commission, and we feel that you, our elected members, are best able to come to a decision on the matter. Pat and Jim Reed

Sent from my iPad

## Dana Swanson

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**From:** Jamie Irons  
**Sent:** Monday, September 25, 2017 8:09 AM  
**To:** Dana Swanson  
**Subject:** Fw: Please site the WRF east of Hwy 1

Dana, Please include in agenda correspondence. Thank you - Jamie

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**From:** San Luis Obispo Vice Chair  
**Sent:** Monday, September 25, 2017 7:22 AM  
**To:** Jamie Irons; Marlys McPherson; Matt Makowetski; John Headding; Robert Davis  
**Subject:** Please site the WRF east of Hwy 1

I am writing to urge you to locate the water reclamation facility east of Highway 1, away from the ocean. As our climate changes, sea levels will inevitably rise. It is important to practice managed retreat from threatened coastal areas, placing critical infrastructure in areas at less risk from flooding.

Best,  
Cynthia Repogle  
Vice Chair  
Surfrider Foundation  
[San Luis Obispo Chapter](#)

[Help protect your oceans, waves & beaches by becoming a Surfrider Foundation member today!](#)

## Dana Swanson

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**From:** Jamie Irons  
**Sent:** Sunday, September 24, 2017 3:28 PM  
**To:** Robbin  
**Cc:** Dana Swanson  
**Subject:** Re: Plan for the future

Dear Robbin,

Thank you for submitting your comments. Our City Clerk will ensure they are part of the agenda correspondence.

Kind regards,  
Jamie

Jamie Irons  
Mayor  
City of Morro Bay

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**From:** Robbin  
**Sent:** Sunday, September 24, 2017 3:24 PM  
**To:** Jamie Irons  
**Subject:** Plan for the future

I agree, we need to move the sewer to another location (east of highway 1) and include a water reclamation system to service the water needs of Morro Bay. We can no longer delay this decision. Cost will continue to rise. Act now!

Sent from my iPad

## Dana Swanson

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**From:** K  
**Sent:** Saturday, September 23, 2017 12:53 PM  
**To:** Council  
**Subject:** Item C-2 - September 26 Council Meeting

Dear Mayor and Council Members: Please make a final decision about the WRF site with these conditions in mind:

- 1) Please reject any WRF site West of Highway 1.
- 2) Please do not put us in another fight with the California Coastal Commission. They guided us away from a rebuild on the Coast for a reason. Please take their comments seriously.
- 3) Please make a **final** decision **now** about the site location so that our city can be eligible for important grants that can reduce the cost to residents for the building of the future facility.

We realize that this is a difficult, unpopular, but necessary decision that needs to be made. Please do not be deterred by those voices that would lead you to believe that our future WRF should be any where near our current site.

Thank you for listening.

Karen Robert & Rick Gilligan  
Residents, Morro Bay

## Dana Swanson

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**From:** Metzger Tina  
**Sent:** Friday, September 22, 2017 9:20 PM  
**To:** Dana Swanson  
**Cc:** Rost Tom; carole rost; Metzger Tina  
**Subject:** Council Meeting Agenda Item C-2: Correspondence  
**Attachments:** 20170824144721753.pdf

Dear Dana,

Tom Rost has asked me to email you this attachment for the 9/26/2017 City Council Meeting Correspondence, re: Council Agenda Item C-2. Please add the attached document to Council Correspondence.

Sincerely,  
Tina Metzger

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN THE CAYUCOS SANITARY DISTRICT AND**  
**THE CITY OF MORRO BAY**  
**FOR THE DEVELOPMENT OF A NEW WATER RECLAMATION**  
**FACILITY ON THE PROPOSED TORO CREEK ROAD SITE**

This **MEMORANDUM OF UNDERSTANDING (MOU)** is hereby made and entered into this \_\_\_\_\_ day of September, 2017 (the "Effective Date") by and between the Cayucos Sanitary District (CSD) [formed and operating under the authority set forth in \_\_\_\_\_] and the City of Morro Bay (CMB), a municipal corporation, (sometimes referred to individually as the Party and collectively as the Parties).

**WHEREAS**, CSD has been approved and permitted for construction of a New Water Reclamation Facility (WRF) to be constructed in the fall of 2017 and year of 2018 for a site located on Toro Creek Road (sometimes referred to as the Project), for the replacement of the existing wastewater treatment plant located in the City of Morro Bay, as it pertains to Cayucos; and

**WHEREAS**, the State of California Coastal Commission and State of California Water Board desires entities to cooperate regionally where feasible for the beneficial treatment of wastewater to effect economies of scale and reduce discharge of waste materials into the waters of the State, and

**WHEREAS**, on February 25, 2014, the CMB City Council resolved to have a WRF operational prior to the expiration of the discharge permit for the existing Waste Water Treatment Plant (WWTP), being five years more or less; and

**WHEREAS**, the Parties currently share the capacity of the WWTP with CMB using 72% and CSD using 28% (the Current Capacities); and

**WHEREAS**, the Morro Bay community has provided input on the New WRF project through goal setting designating project goals, including, but not limited to:

- Produce tertiary, disinfected wastewater in accordance with Title 22 requirements for unrestricted urban irrigation in a cost effective manner for all ratepayers. • Design to be able to produce reclaimed wastewater for potential users, which could include public and

private landscape areas, agriculture, or groundwater recharge. A master reclamation plan should include a construction schedule and for bringing on customers in a cost effective manner.

- Allow for onsite composting.
- Design for energy recovery.
- Design for treatment of contaminants of emerging concern in the future.
- Design to allow for other possible municipal functions.
- Ensure compatibility with neighboring land uses; and

**WHEREAS**, CSD and CMB have been operating under a Joint Powers Agreement (JPA) for the operation of the existing WWTP located in the City of Morro Bay on Atascadero Road since June 16, 1953, as amended by letters on May 9, 1969, and June 26, 1973; and cancelled and replaced with the current agreement on October 25, 1982; and

**WHEREAS**, the existing JPA agreement does not consider, outline, or guide, CSD and CMB in their relationship, obligations, or responsibilities to develop a plan for the construction of a New WRF at the Toro Creek Road site to the benefit of both communities; and

**WHEREAS**, CSD and CMB have come together to collaborate and to make and develop a plan for CMB to be a customer of CSD on CSD's new site on Toro Creek Road which will be to the benefit of both communities; and

**WHEREAS**, CSD and CMB believe wastewater generated in both communities will be more advantageously treated at the New WRF being constructed by CSD to be located on Toro Creek Road which is to be owned and operated by CSD; and,

**WHEREAS**, CSD, the lead agency, for the purposes of California Environmental Quality Act (CEQA) has completed, has been approved and certified all legally required environmental analysis under CEQA; and,

**WHEREAS**, CMB will provide funds for its obligations for this project through federal grants or other federal funding programs and/or such other funding sources as may be available through the State of California or City Bonding to provide the funding for the facilities as it pertains to CMB to pay for the necessary additional infrastructure and expansion of CSD's WRF always protecting and not impacting the financing of CSD project and not to cause a delay in the construction progress of CSD's Project.

**NOW THEREFORE**, in consideration of the mutual covenants herein contained, the Parties agree as follows:

1) **Description of the Project.** The Project is proposed to include the expansion of the CSD WRF and CMB's related infrastructure to convey (i) CMB's effluent to the CSD WRF from the terminus of CMB's existing facilities, including a force main wastewater pumping station and (ii) treated wastewater to points of discharge in the State and/or for beneficial reuse within legally authorized areas. Conveyance infrastructure and facilities may be located within existing or future rights-of-way.

2) **Components of the new WRF Project subject to this MOU.** Immediately following execution of this MOU the CMB Public Works Director/City Engineer from its utility department shall commence with the following tasks:

- Preparation of an RFP to integrate the CMB infrastructure enhancements and integration and expansion of the CSD WRF Project subject to the approval of and acceptance by CSD's District Manager, Rick Koon;
- Application for a State Revolving Fund Planning Loan;
- Revision to the FMP;
- Selection of a contractor to implement CMB's infrastructure enhancements and integration and expansion of the CSD WRF Project, subject to the approval of and acceptance by CSD's District Manager, Rick Koon.

3) **Development of Initial State (Reclamation Ready).** The Project, as designed by CSD, is acknowledged to have been designed for Reclamation Ready when the new regulations are published and adopted by the US EPA and/or HHS, etc.; including the State of California adopted regulations, if any. Each community shall have a right to the treated water based upon the percentage of input.

4) **Roles and Responsibilities**

- a) The CSD agrees to support and not oppose grant or loan applications, permit amendments or applications, CMB will make to fund CMB's infrastructure enhancements and integration and expansion of the CSD WRF Project, subject to the approval of and acceptance by CSD's District Manager, Rick Koon, so that CSD financing is protected and not impacted and CSD's Project is not caused to be delayed.

- b) The CMB Public Works Director/City Engineer, with the assistance of CMB planning engineering and operations staff, will oversee the CMB's infrastructure enhancements and integration to the CSD WRF Project, subject to the approval of and acceptance by CSD's District Manager, Rick Koon, so that CSD financing is protected and not impacted as it pertains to the CMB infrastructure and addition to the CSD's Project. The CMB Public Works Director/City Engineer shall consult with CSD General Manager for review and to provide for CSD's acceptance or rejection into the process. CSD and CMB staff will hold monthly meetings to review the progress of the Project as it solely pertains to the CMB integration.
- c) CSD Board of Directors and CMB City Council shall provide policy direction for the CMB integration to the CSD's Project and shall meet at least quarterly to review the status of CMB's integration to the CSD's Project as well as the need to ensure CSD's directions and requirements have been met. Board of Directors/Council meetings related to this MOU shall be separate and distinct meetings from the existing joint (aka JPA) meetings. Nothing in this section prevents the new meeting from occurring on the same day and directly following the adjournment of the existing JPA meetings.
- d) The ultimate operation and ownership of facilities shall be the responsibility of CSD. CMB shall be a wholesale wastewater customer. The details and terms of that relationship is beyond the scope of this MOU and shall be negotiated, in good faith, by the Parties to this MOU with the goal of achieving an agreement executed on behalf of both Parties prior to the execution of a construction or Design/Build contract by CMB for the new CMB's infrastructure enhancements and integration and expansion of the CSD WRF Project, subject to the approval of and acceptance by CSD's District Manager, Rick Koon.
- e) CMB shall be responsible for the costs for the items listed in paragraph 2 for the Project.
- f) CSD and CMB agree to disseminate information to the public regarding this MOU and the Project jointly, whenever feasible, and will support and assist each other in developing and implementing their respective public information programs.
- g) For purposes of the environmental review under the CEQA, CSD shall be the lead agency and CMB shall be a responsible agency. Furthermore, for purposes of any environmental review required for federal funding or permits, CSD shall be the primary contact with any federal agencies conducting any environmental review under the National Environmental Policy Act or any other federal laws or

regulations.

- 5) **Termination of this MOU.** This MOU shall expire at the earliest of (i) when the parties enter into the agreement as discussed in subparagraph 4d, or (ii) June 30, 2018. Notwithstanding the above, this MOU may be extended by written agreement of CSD and CMB. If the time needed for the study of the Project extends beyond the expected timeline set forth herein, then the Parties agree to reasonably negotiate an amendment to this MOU.
- 6) **Modifications.** Modifications within the scope of this MOU shall be made by mutual consent of the Parties, by the issuance of a written modification, signed and dated by both Parties, prior to any changes being performed.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Memorandum of Understanding to be effective as of the Effective Date.

**CAYUCOS SANITARY DISTRICT**

**ATTEST:**

\_\_\_\_\_

\_\_\_\_\_

ROBERT ENNS, President of the  
Board of Directors

RICK KOON, District General Manager

**CITY OF MORRO BAY**

**ATTEST:**

\_\_\_\_\_

\_\_\_\_\_

JAMIE L. IRONS, Mayor

DANA SWANSON, Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_

, CMB City

Attorney \_\_\_\_\_ TIMOTHY CARMEL, CSD General Counsel

cc: Dan Carl, Coastal Commission Katie Disimone, Regional Water Quality Control Board

**Dana Swanson**

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**From:** Tom Rost  
**Sent:** Monday, September 25, 2017 11:43 AM  
**To:** Jamie Irons; Marlys McPherson; Matt Makowetski; John Heading; Robert Davis  
**Cc:** Dana Swanson; dan.carl@coastal.ca.gov; katie.disimone@waterboards.ca.gov  
**Subject:** Morro Bay Council Meeting 9-26-17  
**Attachments:** Morro Bay City Council 9-25-17.docx

Dana,

I ask that you include in the official record this letter to Mayor Irons and the Councilmen for the Morro Bay City Council Meeting tomorrow, September 26, 2017.

Thank you,

Tom Rost

Rost & Rost Consulting, Inc.

Topeka, KS 66612

September 25, 2017

RE: Morro Bay City Council – Sept 26, 2017 – Agenda Item C-2

Mayor Irons and Morro Bay City Council:

When considering your Agenda Item C-2 on September 26, 2017, you will have deprived yourself of information about an evaluation of the Toro Creek location for Morro Bay's Water Reclamation Project relating to real costs.

Mayor Irons, Councilmembers John Headding and Robert Davis have met with Mr. Robert Enns and Mr. Rick Koon of Cayucos Sanitary District. They informed you what a simple solution to Morro Bay WRF would be. It would be even simpler if Morro Bay became a customer of Cayucos. The egos of certain parties of Morro Bay keep getting in the way of efficient evaluation of the Toro Creek site as the independent location or being a customer of Cayucos. This is specifically to the detriment of the citizens the council represents.

The Toro Creek site provides the following benefits for the Council and the citizens of Morro Bay:

1. Most importantly, it saves the citizens of Morro Bay over \$100,000,000.
2. It protects the neighborhood integrity of Morro Bay. Any construction would be primarily in existing right-of-ways.
3. Evaluating a project that over-burdens a municipality requires the time honored phrase "FOLLOW THE MONEY." The Righty site and the South Bay Blvd site, if either is selected, creates a substantial benefit in the millions of dollars to the property owner, as it places the tract in the "Sphere of Influence" of the City of Morro Bay eliminating other requirements should the property owner decide to develop the tract surrounding the Project site.
4. The present boundary status of the City of Morro Bay is a town with a population of 10,400 people, with approximately 2500 residential sewer connections and 450 multi-family or business connections. Projecting debt service of \$166,990,000 to \$124,700,000 on this population creates a prohibitive rate increase on the residents of Morro Bay. It must be assumed then, that by opening either Righty or South Bay Blvd for substantial development would allow the developers to increase the population of Morro Bay to between 20,000 and 30,000 people, to be able to service the debt and would change the entire community from a village concept to a small metropolitan area. Thus, THE HIDDEN AGENDA.
5. Toro Creek places the WRF out of sight and provides the best alternatives for reclaimed water use and storage.
6. It is now well known to the Council that Cayucos does have all the approvals to proceed with construction with their WRF. Thus, there is no reason not to proceed with Toro Creek, either as a customer of Cayucos or as an independent with land cost acquisition to be under \$70,000. This eliminates grandiose Project concepts submitted by your consultants, eliminates the

money grab, protects the size and boundaries of the City of Morro Bay and protects the pocketbooks of the citizens of Morro Bay.

7. All of the above can be accomplished within the present rate structure, as approved in March, 2015. It would not necessitate a new Proposition 218 vote, which would again antagonize and be disrupting to the citizens of Morro Bay.
8. The chances of that the Coastal Commission approving Hanson or Dynege sites are slim and none. The cost of either Hanson or Dynege, when adding the cost of injection and extraction well system for Reclamation, would be, in fact, less than going to Toro Creek whether being a customer or independent unit. The greatest economy for Morro Bay's storage of recycled water would be Whale Rock Reservoir, with Morro Bay recapturing its proportionate share from the existing transmission water pipe of Whale Rock water. The transmission water pipe is partially located under Ironwood Avenue in Morro Bay.
9. Selecting Toro Creek now as the site for the WRF of Morro Bay in either context, customer or independently standing, would eliminate the need for Nutley Rickenbach Consulting Services, and thus, provide immediate greater efficiency.
10. The City of Morro Bay would best be served by hiring a competent Project Manager for its WRF, who would be compatible in working with Cayucos to achieve the greatest economy for the citizens of Morro Bay.

Respectfully submitted,

Thomas O. Rost  
Morro Bay Home Owner

cc: Coastal Commission  
Dan Carl, Central Coast District Director

Regional Water Quality Control Board  
Katie Disimone

**Dana Swanson**

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**From:** Kurtis Shipcott  
**Sent:** Monday, September 25, 2017 12:40 PM  
**To:** Council  
**Subject:** WRF - Please vote for South Bay Blvd Site (Righetti)

Dear City Council,

As a 12 year tax paying resident and local business owner please vote in favor of the WRF moving to South Bay Blvd Site (Righetti).

Please think long term for Morro Bay and vote to move this facility for our future.

I can go on and on with all the reasons why this makes fiscal and environmental sense, but most important is you know my families vote.

Much appreciated

--

Kurtis, Kara, Mason and Siena Shipcott

Morro Bay, CA 93442  
Kanshes, LLC

## Dana Swanson

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**From:** Glenn Silloway  
**Sent:** Monday, September 25, 2017 11:19 AM  
**To:** Jamie Irons; John Heading; Matt Makowetski; Robert Davis; Marlys McPherson  
**Cc:** Dana Swanson  
**Subject:** choosing a site for the WRF

Dear Council:

You have just one job, one focus for tomorrow's (September 26) Council discussion about the Water Reclamation Facility: the site. The actual construction cost of the plant itself is irrelevant. You have to choose a site without any more delay.

For very good reasons, choose a site EAST of highway 1.

The crucial variable is time. Our chance to get a lower cost loan through the EPA will evaporate if we cannot get a site, with necessary approvals, and enough information about a project to qualify for a loan quickly.

Since the CA Coastal Commission has all but ruled out a site west of Highway 1, and literally told us that the permitting for such a site would take a longer time with a very uncertain outcome, the chance to secure the low interest loan for a site west of the highway is virtually nil.

The interest rate on a long term loan makes an enormous difference in actual cost. Under a set of reasonable assumptions, a project EAST of the highway that qualifies for the EPA loan would be CHEAPER than a project west of the highway that does not.

Plus, a site EAST of the highway does not face any of the flooding uncertainties that exist on the beach, and the abandonment of the existing plant at least makes it more possible to redevelop the site for a higher and better use.

You will hear people making claims with certainty, but look for the evidence behind them. There is a lot of hearsay. There are a lot of assumptions that require a perfect alignment of outcomes to come true. This is very unlikely to happen.

Don't gamble with Morro Bay's future. Take the EPA bird in hand rather than bet on the risky alternative that two birds will somehow land on you.

Thanks for your hard work!

Glenn Silloway

## Dana Swanson

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**From:** Dana Simonsen  
**Sent:** Monday, September 25, 2017 5:13 AM  
**To:** Council  
**Subject:** sewer

Council,

Have you, people lost your mines?

Stop this nonsense!

Stop raising the sewer and water rates!

Stop wasting our tax dollars.

Fix the existing sewer treatment plant and move on!

Council, it is not a difficult decision to make.

How long are you people going to drag this out? Did you all come from Los Osos, it took them 30 years, 30 years to come to decision about their sewer, Is that your plan?

Dana Simonsen, 12 years resident of Morro Bay  
45 years living in SLO County

## Dana Swanson

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**From:** Mr Noah Smukler  
**Sent:** Monday, September 25, 2017 10:20 AM  
**To:** Council  
**Cc:** Dana Swanson  
**Subject:** WRF Comments Special and Regular (Item C-2) 9/26/17 City Council Meeting Agendas  
**Attachments:** WRF Comments Sept 26\_2017.pdf; CCC DEIR Comment Letter 11.12.2010.pdf

Please see my attached comments as well as the 2010 CCC DEIR Comment letter which I'd like to reintroduce to the record.

Thank you for your work and service!

Noah

## 9/26/17 Special and Regular (Item C-2) City Council Meeting Agenda WRF Comments

Attached: November 12, 2010 Coastal Commission Staff DEIR Comment Letter

Honorable Mayor Irons and Councilmembers

Thank you for your attention to this challenging and historic project. Please resume work as quickly as possible to construct a water treatment and reclamation system east of Highway 1 that our community can depend on for generations into the future.

Recent letters from California Coastal Commission (CCC) staff (7/11/17 and 9/22/17) reconfirm that the studied project sites east of Highway 1 (South Bay Boulevard and Righetti) are our only viable option and that we are on the right track. These comments are consistent with the CCC correspondence that was ignored leading up to the Commission's unanimous denial of the failed beachfront proposal in 2013. For the record, I've included the CCC staff November 12, 2010 DEIR comment letter of concern clearly warning the City of "several fundamental problems" with the proposed beachfront site and recommending the City pursue alternative locations away from the serious coastal hazards west of Highway 1. Based on the supportive comments in the recent CCC letter I urge you to continue our strong working relationship with the regulatory agencies, select either the SBB or Righetti site and expedite the next phases of the project.

I continue to support the primary project goals established with strong public participation during community workshops and agree that affordability is a key concern. Our best strategy to contain costs is to continue the expedited schedule to:

1. Limit the impacts of the "time cost of money" and inflation
2. Avoid fines
3. Remove the concerning liabilities posed by depending on and maintaining our current aged wastewater plant
4. Take advantage of the \$83 million EPA low-interest loan and related State funding opportunities
5. Evaluate life cycle costs when considering options
6. Invest in a Membrane Batch Reactor (MBR) system that effectively treats contaminants such as pharmaceuticals to take advantage of our most valuable water reclamation opportunities and position us to be locally self-sufficient or at least limit future State Water Project expenses. I support your consideration of phasing full build-out if financially beneficial.
7. If feasible, include a renewable energy component to offset energy costs
8. Ensure a strong response and competition in the Design-Build process

As the CCC staff points out in their recent letter, "...we believe that the South Bay Boulevard site provides for far greater regulatory certainty than do sites west of Highway 1, and that that certainty will help the City achieve its goal of a long-term facility that will serve Morro Bay's waste water needs quicker and most likely less expensive in the long run than alternative sites west of Highway 1." Since 2013, the project has included strong community engagement and has been responsive to concerns by exhaustively evaluating all options. Now is the time to affirm the project's direction and expeditiously lead us to completion.

Sincerely,  
Noah Smukler, Morro Bay

Morro Bay City Council

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City of Morro Bay

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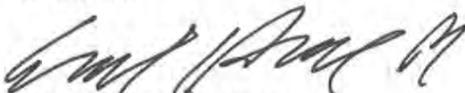
City Clerk

Mayor and City Council

I am writing to express my concerns about ongoing deliberations over the choice of site for the waste water treatments facility. After some study and having had the opportunity to discuss this issue with some of you and other informed citizens I have the following observations and recommendations.

1. Insanity is doing the same things over and over again and expecting a different result. Placing the waste water treatment plant on the west side of Hwy 1 is going to lead to the same conflict, delays, additional expense, and environmental risk.
2. You have taken on a job, (moving the waste water treatment plant) that is difficult and conflict ridden. You are not going to please everyone, so stop trying. The residents of Morro Bay expect you to be rational, decisive, and get the job done.
3. The effort to get this plant moved has gone on too long (5 years by my count) and too conflictual. I can't help but think that these things are related. It is my belief that the length of time it has taken to get this project moving has left you open to criticism from your detractors and sown doubts among your supporters.
4. If you are going to get into a fight with someone (and you have), pick the right battle. Part of being an effective manager is deciding when to take a stand and when not to. I am concerned you are fighting with the wrong people: keeping cost down is a good thing. However not fighting for the least expensive property east of Hwy 1 appears to be a lost opportunity resulting in additional delays, expense and conflict.
5. It is my impression that the habit of delaying decisions such as, "putting off taking actions until next month's meeting", is costing you and the city. I understand you can't talk to each other unless you are in session. I recommend you challenge yourself, challenge each other, talk straight be fair but get down to business. You have the data and the expertise to move forward. The idea that you are considering putting this plant on the west side of the highway clearly appears to be moving backward.
6. You have my support and confidence and I believe I speak for many of the the residents of Morro Bay. We would like to see this project moving forward. In the words of our former movie star governor playing the Terminator, "You Can Do It".

Sincerely,



Edward Bischof, Ph.D.



SB# 175981

PATRICK SPARKS

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City of Morro Bay

SEP 21 2017

City Clerk

Not having heard back from the City of Morro Bay concerning utilizing the administrative code for an exemption as the lead agency to remodel the existing facility on the same footprint is cause for concern that the citizens of Morro Bay should seriously consider this spending of an additional \$120 to \$150 million dollars to be a violation of the public trust.

Not having heard back from Kevin Khan at the Coastal Commission, I can reasonably infer that the Coastal Commission would not comment on the lead agency taking my suggestion to set forth a request for proposals at under 10,000 ft.<sup>2</sup> to build a remodel to the treatment facility already in place to meet the compliance issues it now faces from the Central Coast Regional Water Quality Control Board. In effect, the Coastal Commission would be taking its nose out of the business when the City Council utilizes the categorical exemption I had previously explained and requested to be on the agenda.

The fact that a private sector company is willing, ready and able to provide the design-build plans that have been reviewed by a senior project manager for a prominent engineering firm, that, in my opinion, could easily complete the sewerage remodel at a cost of less than \$50 million for a 1.5 MGD facility, maximum peak flow 2.25 MGD, as has previously been set forth by extensive communications made by Mark Low offering ECOfluid, Inc. since the time of my initial request and attachment review, makes clear to me that something is wrong.

To correct the wrong only one of two outcomes exist. The City Council can now take action to properly set for the categorical exemption argument, utilizing the specific language as the "lead agency." If taking no action, as the other outcome, the insanity of spending an additional \$120 to \$150 million dollars is clearly grounds for removal under recall of the lead agency's governing authority.

9/21/17

Date

*Patrick Sparks, Esq.*  
Patrick Sparks, Esq.

**CALIFORNIA COASTAL COMMISSION**

CENTRAL COAST DISTRICT OFFICE  
725 FRONT STREET, SUITE 300  
SANTA CRUZ, CA 95060  
PHONE: (831) 427-4863  
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November 12, 2010

Rob Livick, Public Services Director  
City of Morro Bay  
955 Shasta Street  
Morro Bay, CA 93442

**Subject: Draft Environmental Impact Report (DEIR) for the Morro Bay-Cayucos Wastewater Treatment Plant Replacement Project (SCH #2008101138)**

Dear Mr. Livick:

We received the DEIR for the proposed replacement Morro Bay-Cayucos Wastewater Treatment Plant (WWTP) project. Thank you for extending the DEIR comment period so that our comments can be included in the CEQA record. The WWTP is a major public works project that has the potential to provide significant benefits not only to the communities of Morro Bay and Cayucos, but also to the underlying and surrounding natural environment. Due to the type of project and its location seaward of the first through public road, please note that any City coastal development permit (CDP) action on the project may be appealed to the Commission, and please note that in addition to consistency with the City's certified Local Coastal Program (LCP) the project must also be consistent with the public access and recreation policies of the Coastal Act. In addition, changes to the ocean outfall and/or the intensity or type of its use could require their own Coastal Commission CDP application and approval, which would be subject to the Coastal Act alone.

In short, we have reviewed the DEIR and the proposed project, and based on our current understanding we believe that there are several fundamental problems with the project as it is currently proposed that will require substantial modification before it can be found LCP and Coastal Act consistent. Please accept the following comments on the DEIR and the project itself.

### Summary

As we stated in our December 8, 2008 comment letter on the Notice of Preparation (NOP) for the DEIR, we are generally supportive of the proposed project inasmuch as it would benefit water quality in Estero Bay, bring the Cayucos Sanitary District into compliance with its National Pollutant Discharge Elimination System Phase II permit, and provide a vehicle for addressing other public utility constraints related to water supply in the area. However, as a major public works project with such capacity, and one that is sited in such a low-lying location near the shoreline and important public recreational and visual access features, the proposed project also raises a wide spectrum of Coastal Act and LCP issues and



concerns. In short, good planning and public policy dictate that the new WWTP be located, designed, and constructed in a manner that is consistent with all applicable land use and resource conservation policies, including those which are designed to foster sustainable use of scarce public resources. Based on the information provided in the DEIR, we have significant concerns with the currently proposed project and we have a number of recommendations for modifications and for next steps that we think are necessary and appropriate to achieve Coastal Act and LCP conformity. We also have specific comments, questions, and related information requests related to the DEIR that may lead to additional comments and recommendations, depending on the nature of the DEIR responses.

In short, we have identified several fundamental areas of apparent inconsistency with the LCP and the applicable policies of the Coastal Act. First, the District's proposed preferred site location appears to be inappropriate for the development proposed. The concept of locating major public works infrastructure in an area that is subject to multiple significant hazards is not consistent with the hazards policies of the LCP. Further, the location is directly adjacent to the shoreline in a visually sensitive area where such development could frustrate LCP and Coastal Act public recreational access and visitor-serving objectives, and lead to adverse public viewshed impacts. Finally, the area has significant archaeological resources that, as required by the LCP, must be avoided. All of these impacts could be avoided or minimized by moving the project to an alternative location.

Second, the proposal to reduce the capacity of the new WWTP is not consistent with LCP policies requiring infrastructure to accommodate future growth that is planned for in the LCP. As we indicated in our NOP comment letter, the plant should be adequately sized to handle current and future volumes of effluent originating from both Morro Bay and Cayucos while protecting against intentional or accidental diversions of untreated effluent during peak and/or wet weather flows. As described in our letter, future estimated effluent volumes are tied to development allowed by the City of Morro Bay and San Luis Obispo County LCPs. As proposed, the WWTP would not be capable of accommodating the wastewater flows that are anticipated in these LCPs, inconsistent with the LCP.

Finally, the proposal does not include a plan for water reclamation that meets the expectations of the City of Morro Bay LCP, the San Luis Obispo County LCP, or recent actions of the Commission, including in its recent approval of the Los Osos Waste Water Project. Under the current proposal, the new WWTP would produce a large quantity of highly treated wastewater, and the vast majority of it would be disposed of through the ocean outfall. This would not only cause unnecessary impacts on the marine environment, but it would also prevent the City and adjacent areas of the County from utilizing this freshwater source to help sustainably meet the region's water supply needs, and it could frustrate Coastal Act marine resource policies related to the use of an ocean outfall for disposal in this location. As described in our NOP comment letter, the EIR should identify a suite of potential beneficial uses for the treated water and any additional infrastructure and processes that would be needed to utilize the water. Thus far, the DEIR fails to include any such alternative project designs and/or adequate related information with which to understand and evaluate this aspect of the proposed project for LCP and Coastal Act consistency.



Given the proposed project's significant inconsistencies and the issues it raises with the LCP and the Coastal Act, we request that the DEIR be appropriately revised, updated, and recirculated for comment. Most importantly, such updated DEIR should present, and coequally evaluate against the same evaluation criteria, feasible alternatives for site locations that can avoid significant hazards and important coastal resource impacts, and alternative designs that incorporate the technology and infrastructure necessary to accommodate both wastewater flows at buildout as well as reuse of reclaimed water. Again, as indicated above, this is a major public improvement project constituting a major investment of public monies at a critical location that will fundamentally affect the way that certain scarce public resources are addressed for the foreseeable future in this area. Such project must meet LCP and Coastal Act requirements. Therefore, it is incumbent on the CEQA process to provide decision-makers, including the Commission, with the best possible information with which to make such an important decision, including with respect to alternative siting and design options that can achieve project objectives, and also address long-standing natural resource protection and sustainable use issues in a Coastal Act and LCP context. As it stands now, it does not appear that the DEIR provides the information necessary in this context to analyze the proposed project for consistency with the certified LCP and the Coastal Act, and we recommend it be supplemented and recirculated to address this critical deficiency.

### **Specific Comments**

**Project Description.** The existing WWTP is located at 160 Atascadero Road in the City of Morro Bay, adjacent to the sand dunes, shoreline and Morro Creek, an RV Park, and Morro Bay High School. The proposed WWTP project would consist of demolishing the existing WWTP and constructing a new WWTP on the existing site. Although the DEIR refers to this project as an upgrade to the WWTP, it is in fact a complete replacement of the facility. Therefore, in analyzing the project for consistency with the certified LCP and the Coastal Act, the DEIR must consider the project to be development of a new WWTP. As such, and due to the significant constraints on the site of the existing WWTP, the DEIR must provide information regarding additional alternative locations that could meet the project objectives while achieving consistency with the LCP and the Coastal Act as applicable.

**Site Location.** As discussed above, the preferred site location is subject to several significant constraints. First, the site is located in a high hazard area, including because it is located within the 100-year flood plain of Morro Creek, in a tsunami-inundation area, approximately 800 feet from the current shoreline, and in an area that is susceptible to liquefaction due to underlying soil types. Second, due to its proximity to the beach, shoreline, public recreational access and visitor-serving uses, and important public viewsheds, and because it is near the center of the City, the use of the proposed location for the WWTP could frustrate public recreational access and visitor-serving objectives, and could adversely impact the public viewshed. And finally, the site is located on a Native American burial ground, which, as required by the LCP, must be avoided where feasible. Therefore, in order to provide the information necessary to evaluate the project for consistency with the LCP, the DEIR must provide a robust analysis of feasible alternative sites.



The DEIR evaluates one alternative site, but concludes that a WWTP at this alternative location would not be capable of treating all of the District's wastewater. The information presented thus far in this respect in the DEIR is not sufficient to determine that there are no feasible alternative locations for the new WWTP. Not only is it insufficient to evaluate only one alternative location, but the analysis needs to be focused on a co-equal evaluation across the same range of factors, and focusing on just one factor (like potential capacity) cannot serve that purpose. On the contrary, the DEIR must identify and account for additional sites that would be capable of accommodating a wastewater treatment plant that would meet the District's current and future needs, and must evaluate the costs and benefits equally across alternatives so that decision-makers can proceed to deliberate and make decisions based on such information. Lacking such information, we fear that there will not be adequate information with which to proceed to decisions on CDPs in this case. On this point, it is important that the DEIR clearly provide information about the benefits of alternative project locations. For example, a site location farther inland has the potential to not only avoid hazard issues and significantly reduce the project's impacts on water quality, biological resources, public viewsheds, public recreational and visitor-serving access, and archaeological resources, but it could also increase the efficacy and utility of potential water reclamation components, including with respect to distribution of reclaimed water to appropriate locations (e.g., agricultural irrigation, landscaping irrigation, etc.), and including the manner in which such reclamation can reduce related groundwater drawdown and augmentation on a location-specific basis.

Finally, the DEIR cites LCP Policy 5.03, which allows for protection of the existing WWTP at its current location because the ocean outfall line is coastal-dependent. Please note that this policy does not apply to the project which is currently being proposed because the project is for construction of a new WWTP. The policy in question is meant to indicate that this existing plant could be protected in situ (e.g., a floodwall to address flooding) if that were deemed appropriate for other reasons, but it is not an LCP blank check to justify a replacement plant incorporating different technologies at the same location. The DEIR needs to be clear that a new replacement WWTP is not the same as maintaining the existing plant, and Policy 5.03 does not apply. Further with respect to the ocean outfall and its relation to Policy 5.03, current technology may allow for the elimination of the ocean outfall, as shown by the recently approved wastewater plant in nearby Los Osos, or for use of the ocean outfall by a plant that is located further inland. As such, the coastal-dependent nature of the plant as it relates to the ocean outfall is a much more nuanced question than a rote reliance on its current use of the ocean outfall to justify the current site location. In short, LCP Policy 5.03 is not controlling in terms of the current application, and should not be used as a reason for siting the proposed project at the current location.

**Hazards.** The preferred site location is in a 100-year flood plain and a tsunami hazard zone located adjacent to the shoreline and in an area subject to seismic hazards. Therefore, as detailed below, the DEIR must provide the information necessary to evaluate the project for consistency with the hazards policies of the LCP, including Policies 9.01, 9.02, 9.03, 9.05 and 9.06, and including an evaluation of sites that do not share the same degree of hazardous constraints.

**Flooding.** As described in the DEIR, the project is sited in a topographic depression that is subject to flooding near the mouth of Morro Creek, a watercourse that drains a 24-square-mile watershed. The



Flood Hazard Analysis prepared for the site indicates that the depth of flood waters at the site would be between 3 and 4.5 feet during a 100-year storm event. The certified LCP describes the risks of flooding within the City and prohibits development in the 100-year flood plain. Page 156 of the LCP states that the floods of 1969 and 1973 showed that flooding could have been worse if the flood plain had been more highly developed, and on page 157, the LCP specifically identifies the location of the WWTP in the flood plain as one of the City's flooding problems. The LCP goes on, in Policy 9.03, to prohibit all new development in the 100-year floodplain, except for flood control projects, agricultural uses, and off-setting improvements required by HUD regulations. The new WWTP is not exempt from Policy 9.03, and therefore, cannot be approved at this location unless amendments are made to the LCP. Therefore, and as described above, the DEIR must provide information about alternative sites that are not within the 100-year flood plain.

Tsunamis. The DEIR states that because the existing WWTP is already located in a tsunami inundation area, replacing it at this site does not cause significant impacts. However, as discussed above, this project is a complete replacement of the existing WWTP, and therefore, must be evaluated as new development in the tsunami inundation area. The DEIR must provide the information necessary to evaluate the project for consistency with the LCP in this respect, including Policy 9.01, which requires new development to be located to minimize risks to life and property in relation to tsunami threats. Again, as discussed above, the most appropriate way to do this would be for the DEIR to present detailed information about additional alternative site locations.

Shoreline Erosion. The proposed project is located in an area that is and will be subject to shoreline erosion over the life of the project, including as it relates to global climate change and sea level rise. However, the DEIR lacks information with which to understand and appropriately respond to this constraint. Thus, the DEIR must include clear and up-to-date information about the risks to the project due to shoreline erosion, including due to global climate change and sea level rise. To do this, the DEIR should discuss the impacts to the project as a result of a range of sea level rise conditions and determine whether there is some amount of future sea level rise that would put the WWTP in danger from erosion. In addition, the DEIR should provide the elevation and inland extent of storm surge and flooding that might occur over the life of the development due to shoreline dangers. Such information must include how far inland and how high such water would go when the combination of hazardous factors are at their most extreme, and must include evaluation of impacts from and appropriate responses to same. At a minimum, such combination of factors to be evaluated should factor in an eroded beach, a 100-year storm event (or the equivalent of the 1982/83 El Nino event if the 100-year storm event has not be determined), an extreme high tide, and a 100-year rise in sea level at both optimistic and conservative ends of the projection spectrum. All assumptions and methodologies for identifying the expected degree of danger must be clearly identified and documented. The DEIR must also include a description of any future shoreline protection or other project modifications that would be necessary to protect the WWTP under such future hazardous conditions.

Liquefaction. The DEIR indicates that significant impacts could be caused by exposing new structures to the risk of damage due to liquefaction, unconsolidated soils and settlement. Proposed DEIR mitigation



measures 3.5-2 and 3.5-4 rely on future geotechnical investigations to recommend future modifications to the project that would avoid and minimize these hazards. However, future studies are not adequate for CDP purposes. It is critical that any such necessary investigations be conducted now and discussed in the DEIR to allow for evaluation of the project and alternatives for consistency with the LCP and the Coastal Act.

**Public Access and Recreation.** The preferred site location is directly adjacent to the beach, beach access, and a visitor-serving recreational vehicle (RV) park. The project has the potential to cause adverse impacts to such public recreational access and visitor-serving resources because it would reduce the availability of extremely scarce oceanfront land for such high LCP and Coastal Act priority purposes, and because it would cause adverse impacts to such resources due to both construction activities and additional truck traffic anticipated during operation of the new WWTP. It would also maintain an industrial site in the middle of an area that the LCP clearly contemplates for visitor-serving enhancements, including with respect to connecting Embarcadero Road in this area.

In addition to the LCP, the Coastal Act prioritizes public recreational use and development for areas along the shoreline such as this one. For example, Coastal Act Section 30210 requires that public recreational opportunities be maximized, Section 30221 protects oceanfront land for recreational use, Section 30222 prioritizes the use of suitable lands for visitor-serving commercial recreational facilities, and Section 30223 reserves upland areas necessary to support public recreational uses for such uses. In this case, it is not clear that using the existing site for a replacement WWTP can be found consistent with these and other similar policies, and it appears clear that the highest, best use for property such as this is for other than a wastewater industrial use, particularly when the question is not whether the existing plant should stay, rather it is whether a new replacement plant ought to be constructed in this location. That latter question necessarily involves looking anew at LCP and Coastal Act priorities, and evaluating the manner in which such priorities square with related local and regional long-term visions for redevelopment over time related to this special location. In other words, the DEIR evaluation of the proposed site must also evaluate it (and other alternative sites likewise) in relation to the potential lost opportunities associated with committing the site to a wastewater treatment plant use for the foreseeable future.

Moreover, the continuation of a wastewater plant at the proposed location will have impacts on both existing public recreational access and visitor serving resources in the area, as well as the manner in which such existing resources will be enhanced over time, including in terms of expected redevelopment in this area over the life of the project. The DEIR must include information that quantifies these effects and compares them related to other potential alternative sites that can meet siting requirements appropriately. It seems reasonable to presume that sites farther inland are likely to have inherently reduced impacts on public recreational access and visitor serving resources, both existing and over time, and these differences need to be a clear part of the alternatives evaluation. The DEIR must also discuss the potential public access and recreation impacts that could be caused by demolition and construction activities, including impacts caused by construction traffic, staging and traffic detours, as well as ongoing traffic impacts once the plant is fully operating. Again, areas that are not as much of a visitor



destination and that are located further inland are likely to have lesser impacts in this regard, and these differences must be part of the DEIR's alternative site evaluation information and process.

**Visual Resources.** The proposed project would include constructing a new replacement WWTP on the southern portion of the site and demolishing existing development on the northern portion of the site. The project description in the DEIR states that the new development would be designed with a consistent architectural theme and that it would be compatible with the surroundings. It states that the new facilities would be taller than the existing facilities and would include new security fencing along the entire perimeter of the facility. The project description also states that the vacant area on the northern portion of the site would be graded and finished with either pavement or rock.

The LCP requires the scenic and visual qualities of the coast to be protected and requires development to be sited and designed to protect views to and along the ocean and other coastal areas. The project involves constructing a new WWTP immediately adjacent to multiple areas that are used by the public for access and recreation at and along the coast. The site is located on Atascadero Road, which is shown in LCP Figure 30 as a street providing scenic views. In addition, as illustrated in the DEIR, views from the dunes looking inland across the site include mountain ridgelines and views from the road looking towards the coast across the site include Morro Rock. The site is also visible from Highway One. New development such as that proposed at this location has the potential to obstruct and degrade these important public views.

Although the DEIR provides a viewshed analysis, such analysis is limited to visual simulations created from three vantage points. It is not clear that the requisite LCP and Coastal Act public viewshed protection findings can be made based on such analysis, and we recommend it be supplemented to include a more detailed discussion of what WWTP elements would be visible from public streets and other public access points. For WWTP elements that would be visible from such vantages, the DEIR must include information about ways to avoid visual impacts, including through more articulated architectural features, and it needs to include more details about the proposed design, including in terms of proposed materials and color palettes. In addition, the DEIR must include a description of proposed lighting to be able to allow an analysis of the impacts to nighttime views. Moreover, it appears that the proposed landscaping would consist of a single row of trees along the perimeter fencing, a small area of landscaping at the entrance to the plant and what appears to be a grass lawn. The DEIR must identify and evaluate the details of such landscaping plan beyond that identified thus far, and must include visual depictions and proposed species from initial installation to maturity to allow evaluation of the visual impacts of the landscaping itself. In any event, please ensure that the landscaping is based on drought tolerant, native and non-invasive vegetation that can effectively screen and soften visual impacts associated with the development as seen from public areas. In addition, although the project description says the vacant area on the northern portion of the parcel would be paved, the area is shown as landscaped with dune vegetation on the aerial simulation. The DEIR should clarify what is proposed for this area and it should provide the information necessary to evaluate the visual and water quality impacts of placing new pavement or rocks, if that is what is proposed. If the area would be landscaped, details should be included in the landscaping plan, as described above.



Again, as discussed above, the DEIR must be supplemented in terms of alternatives analysis, and the same concept extends to visual resources. It is clear that the existing site is in a visually sensitive location, which raises public viewshed concerns and issues. It is not as clear that other potential alternative sites share these same constraints. In fact, such sites may have fewer visual impacts than the proposed site location, especially if they are located farther inland and away from prime public viewsheds. The visual costs and benefits for various alternative sites and designs need to be described and explained in a similar manner as previously described for other constraint and resource categories.

**Archaeological Resources.** The project site is located in close proximity to numerous documented archaeological sites and is located within a burial ground of the Salinan Tribe. The LCP requires that such significant archaeological and historic resources be preserved to the greatest extent possible, and requires all available measures, including tax relief and purchase of development rights, in order to avoid development on significant archaeological sites. Therefore, a new WWTP that requires ground disturbance and excavation at this location appears to be inconsistent with the LCP in this respect, and, as discussed above, the DEIR should provide the information necessary to evaluate alternative sites for consistency with the LCP and applicable policies of the Coastal Act with respect to archeological resources as well.

**Plant Capacity.** The existing WWTP is rated for a peak seasonal dry weather flow (PSDWF) of 2.36 million gallons per day (mgd), and a peak hour flow of 6.6 mgd. The existing plant provides secondary treatment for up to .97 mgd. Additional wastewater receives primary treatment and is blended with the secondary treated water before it is discharged through the ocean outfall. The existing WWTP has a 301(h) modified discharge permit from the Central Coast Regional Water Quality Control Board (RWQCB), which allows for the discharge of a blend of primary and secondary treated effluent into the ocean. The capacity of the new WWTP would be reduced from 2.36 mgd to 1.5 mgd. The new WWTP would treat this 1.5 mgd to tertiary level, and any additional wastewater would be treated to the secondary level. The new WWTP would not require a waiver from wastewater discharge requirements.

The LCP requires the City to ensure wastewater treatment capacity for certain priority uses, including commercial fishing and agriculture and coastal dependent land uses. Also, LCP Policy 3.06 specifically requires the City to provide wastewater treatment facilities to accommodate the build-out population of 12,195. In addition to the City's residential population, the upgraded WWTP must also serve the residential population of the Cayucos portion of the service district in the unincorporated County area, as well as the entire district's industrial and commercial needs. The recently updated Estero Area Plan of the San Luis Obispo County LCP, which was certified by the Commission in 2008, states that the average dry weather flow (ADWF) for Cayucos at buildout would be between .318 mgd and .401 mgd, and that Morro Bay's projected ADWF at buildout is 1.42 mgd, for a total ADWF of approximately 1.8 mgd.<sup>1</sup> The Estero Area Plan also states that in 2006, the district's ADWF was approximately 1.48 mgd. In addition, Table 10 of the LCP projects the District's wastewater flow rates to be 2.46 mgd in 2000 and

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<sup>1</sup> The ADWF is lower than the PSDWF. The ADWF capacity of the existing WWTP is 2.06 mgd. The ADWF capacity of the proposed WWTP is not indicated in the DEIR. However, it is most likely lower than the PSDWF rating of 1.5 mgd.



3.13 mgd at buildout. These rates are significantly higher than the 1.5 mgd PSDWF that the upgraded WWTP would treat. Therefore, the proposed WWTP may not be able to treat the average dry weather flow that was recorded in 2006, and it appears that it would be unable to treat the average flow at buildout projected by either the Estero Area Plan or the City's LCP.

The DEIR relies on various sources for information about population growth but does not provide a conclusion about the rate of population growth expected over the life of the updated WWTP in relation to the LCP's buildout requirements. The DEIR should make such a conclusion and it should clearly explain how the upgraded WWTP would accommodate the projected demand for wastewater over the life of the project in relation to expected and allowed LCP buildout. In addition, the DEIR should provide all of the information necessary to evaluate the project for consistency with the LCP, including the above-mentioned policies. If the project would not provide facilities to accommodate a City population of 12,195 as required by LCP Policy 3.06, it would need to be preceded by an LCP amendment designed to amend that policy and related LCP sections.

In short, the DEIR must be supplemented to clearly identify LCP consistent buildout numbers and the way in which the proposed WWTP will appropriately and sufficiently accommodate such wastewater requirements at LCP buildout to be able to find the proposed project LCP consistent on this point. Any modified siting and design measures necessary to appropriately account for such wastewater needs must be identified and discussed, and all underlying assumptions clearly presented, in the DEIR.

**Water Reclamation.** The proposed project includes a plan for a small amount of wastewater reclamation. The 1.5 mgd of tertiary treated water would meet Title 22 standards for disinfected secondary-23 recycled water and could therefore be used for industrial use on-site and for limited off-site purposes such as soil compaction, concrete mixing and dust control. As proposed, this water could only be used off-site if it is transported using trucks that would utilize the proposed truck filling station. In addition, the proposed project includes a plan for the future production of .4 mgd of disinfected tertiary recycled water, the highest standard of recycled water, which could be put to a wide range of uses, including agricultural irrigation, groundwater replenishment and residential landscaping. However, as proposed, the only way to transport this higher quality water off-site would be using trucks. No additional infrastructure is proposed and the project does not include any planning for future infrastructure that could be used to transport the water.

The availability of water in Morro Bay has improved since the late 1980s and early 1990s, due to the arrival of water from the State Water Project in 1997. However, as described in the City's Water Management Plan Status Report of December 2008, the reliability of State Water has decreased due to judicial decisions regarding endangered fish species and concerns about global warming. In addition, the use of State Water is extremely energy intensive and has significant environmental impacts far removed from Morro Bay, including impacts on anadromous fish and other species in the Delta. These, and other, State water concerns highlight the general issue associated with ensuring that appropriate measures are taken to move towards and ensure a locally sustainable water supply.



LCP Policy 3.08(5) states that “even with the delivery of state water, use of reclaimed water is the City’s second highest priority [after conservation] and remains a productive source of potential conservation for both large and small scale projects...” This LCP policy goes on to state that reclaimed water should be required as part of a wastewater plant upgrade. The LCP also requires the City to ensure the availability of water supply for priority uses such as commercial fishing and agriculture and visitor-serving uses. In addition, the Estero Area Plan in the San Luis Obispo County LCP, which was updated in 2009 and applies to the Cayucos area, addresses the need for water reclamation. Although the County’s LCP is not the standard of review for development within the City, it provides appropriate context for services that extend outside the City and are affected by the proposed project. The Estero Area Plan includes Public Facilities Program III.B.1 on page 3-25, which encourages sewage disposal agencies to find alternative uses for reclaimed water, and Program III.A.9 on page 3-25, which encourages the use of reclaimed water for agricultural irrigation where there is a source of adequate quality wastewater.

Therefore, the LCP clearly requires the City to pursue water reclamation as part of this WWTP project. In addition, the Commission’s recent action approving the Los Osos Waste Water Project and the Commission’s recent certification of the above-mentioned water reclamation programs in the San Luis Obispo County LCP make it clear that the Commission has clear expectations for meaningful water reclamation programs to be included in new wastewater facilities and projects. Furthermore, the use of reclaimed water would help the City meet its water supply needs and ensure water supply is available for priority uses as required by the LCP, especially if/when State Water is restricted or unavailable. The use of reclaimed water would also reduce the impacts to the groundwater basin caused by pumping for water. Reclaimed water could be used for many purposes, including agricultural irrigation inside and/or outside of the district’s service area, injection wells to maintain and enhance the water quality and biological resources associated with the Chorro and Morro groundwater basins as required by LCP Policy 11.17, and residential and municipal landscaping, among other uses. The use of reclaimed water could also obviate the need for an ocean outfall, and the related benefits of eliminating this component of wastewater treatment in Morro Bay must be a part of the DEIR alternatives analysis, including the measures necessary to eliminate the outfall itself if other uses for the reclaimed water make the outfall unnecessary.

As proposed, the upgraded WWTP would produce 1.5 mgd of high quality tertiary treated water, but only a very small portion of that would be reclaimed. The remainder would be discharged to the ocean, both causing impacts to aquatic resources and wasting an important water supply. For the currently proposed project, the DEIR must provide details about the quantity of water that would be reclaimed, the timeline for when reclaimed water would be available, and the constraints associated with transporting the water off-site using trucks and the truck filling station. The DEIR must also discuss the impacts of using trucks to transport the .4 mgd of disinfected tertiary recycled water that would eventually be produced, including the impacts to air quality and GHG emissions as well as the impacts to public access to the coast caused by the additional truck traffic, and then it must identify appropriate means to address such issues (e.g., the potential for reclaimed water infrastructure, etc.).



Finally, the DEIR must provide details for project alternatives that would include more significant opportunities to provide reclaimed water as required by the LCP. Such alternatives should provide increased quantities of reclaimed water, with at least one alternative providing details about the potential to reclaim 100% of the wastewater produced, timelines for when the reclaimed water would be available, and information about the infrastructure that would be necessary to fully accommodate the reuse of the water (and details regarding infrastructure like the ocean outfall that could feasibly be eliminated). It seems likely that a reclamation program, including one expanded to result in full reuse, will require associated pipeline infrastructure as opposed to solely truck transport, and the DEIR needs to identify any feasibility issues associated with such a program. Again, such evaluation must be made a coequal part of the overall investigation of alternatives previously described, including in relation to the potential to eliminate the ocean outfall component of the project.

**Water Quality.** The existing WWTP has three storm water outfalls. One extends from the project site through the dunes and onto the beach, one discharges directly into Morro Creek, and a third routes storm water through the treatment plant and then discharges it from the ocean outfall. The DEIR states that the beach storm water outfall is frequently covered with sand and therefore requires regular maintenance. It is unclear from the DEIR if changes would be made to the existing storm water conveyance system.

Water quality is especially important in this project given the magnitude of the project size, the proximity to sensitive coastal resources and the industrial nature of the use. The LCP requires development to avoid impacts on sensitive habitats, including streams, dunes, and other biological resource areas, and where unavoidable, to minimize such impacts and to appropriately offset and mitigate for such impacts. In addition, LCP Policy 9.10 requires runoff to be retained on-site when possible, Policy 9.11 prohibits new development from degrading water quality, and Policy 9.12 requires new development to minimize runoff and erosion. The Coastal Act's marine resource protection policies may also come into play in the Commission's retained jurisdictional areas. The DEIR does not currently include adequate information regarding the manner in which storm water would be addressed, and must be supplemented to include sufficient information to analyze the project for consistency with these and related policies. The DEIR must provide a detailed explanation of how storm water would be collected, filtered, and treated, and how it would leave the site, and it must identify ways to ensure that all storm water is appropriately managed so that it does not result in polluted runoff, including, by treating storm water in the treatment plant itself, and/or through increasing on-site infiltration. In addition, the DEIR must provide information about the impacts of the project on runoff quantity, quality and velocity, including those impacts that would be caused if the vacant northern portion of the site is paved, as proposed. Again, as with other issue areas, such water quality details need to be part of each alternative evaluated.

Finally, the DEIR relies on compliance with the SWPPP and other water quality requirements to ensure that any impacts to water quality would be mitigated. However, the DEIR needs to provide sufficient detail to ensure this, including by describing all proposed measures and BMPs to protect water quality during construction and operation of the plant.



**Rob Livick, City of Morro Bay**

**Morro Bay – Cayucos Waterwater Treatment Plant Upgrade**

**November 12, 2010**

**Page 12**

**Conclusion.** Thank you for the opportunity to comment on this important, major public improvement project. Given the significant issues raised by the proposed project and the range of issues it raises with the certified LCP and the Coastal Act, including the location of this major new infrastructure project in an extremely hazardous and sensitive area, the reduced wastewater treatment capacity, and the lack of a significant water reclamation program, we respectfully request that the project be re-envisioned in terms of alternative siting and design, and that the DEIR be revised and recirculated to address our concerns, including with respect to a more robust identification of project alternatives that can better address the LCP and the Coastal Act. If you have any questions or would like to discuss the project or these comments, please contact me at the address and phone number above.

Sincerely,



Madeline Cavalieri

Coastal Planner, Central Coast District Office

cc: State Clearinghouse (SCH #2008101138)  
Bill Callahan, Cayucos Sanitary District Manager



## Dana Swanson

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**From:** Barbara Spagnola  
**Sent:** Monday, September 25, 2017 8:08 AM  
**To:** Dana Swanson  
**Subject:** WRF

Dana,

Please add my email below to the Agenda Correspondence for Item C-2 for the Sept 26th CC meeting. Thank you.

FROM: Barbara Spagnola  
TO: City Council  
SUBJECT: WRF

Dear Mayor Irons and City Council Members,

Your thorough and careful evaluation of the latest information on the WRF site selection may well be the most challenging decision you will have to make during your tenure on the City Council. As citizens, we need you to provide specific direction to staff as soon as possible to enable the completion of this entire project in a timely and cost effective manner.

Please give serious consideration to the CA Coastal Commission letter dated Sept 22, 2017 indicating the likelihood of the CCC approving a site west of Highway 1 is uncertain. The City cannot risk permit denial from the CCC, or possibly being granted a temporary permit for ten to thirty years, coupled with the resultant delays in receiving any approval. Such delays will only add to the long-term costs of the WRF and jeopardize the potential EPA loan, offsetting any savings anticipated from building at either the Hanson and Dynergy sites. The City incurred significant expenses several years ago unsuccessfully negotiating with the CCC to build a plant at or near the current location; we cannot assume the result would be any different now based on the CCC's comments articulated in their Sept 22, 2017 letter.

Please evaluate the remaining three sites east of Highway 1 currently under consideration for the WRF location, carefully assess the updated site comparison information in Agenda Item C-2, and select the site that represents the lowest overall cost, as cost has consistently been the citizens' number one priority for this project. Also consider accelerating the project bid process to provide ample opportunity for vendors to respond with designs that are technologically advanced and provide opportunities to reduce construction and operational costs.

Thank you for your time and service to the City.

Respectfully,

Barbara Spagnola

Morro Bay, CA

## Dana Swanson

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**From:** Jeff Sproul  
**Sent:** Saturday, September 23, 2017 2:48 PM  
**To:** Council  
**Subject:** WRF site

Please pursue a course of action that will use a site east of Highway 1. Clearly, the South Bay Blvd site is the best choice for a long term commitment of funds.

Morro Bay has an elderly population on fixed, limited incomes so making a large WRF expenditure is difficult if not impossible for them. Please assess this demographic and determine options for them to take in reducing their monthly bill. I suggest providing options for them to reduce their water bill by half or more by allowing a lien on their property to be paid when sold at some future date. So they would pay some monthly rate compatible with the WRF loan and the balance upon selling the property or changing the ownership (when inherited) or upon their demise (from the estate). Perhaps the past bill could be split by the buyer and the seller. Then the buyer would assume an appropriate full payment water bill. This may require some residents to pay more for a few years but that too could be reduced as liens are payed off.

I don't have a suggestion for low income renters at this time.

Again, please stay the course toward the South Bay Blvd WRF site. This long term infrastructure necessity should not be broken down into several short term construction permits from the Coastal Commission. That would be a waste of money.

Thank You  
Jeff Sproul

Morro Bay

Sent from my iPad

## Dana Swanson

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**From:** Chris Stavros  
**Sent:** Monday, September 25, 2017 1:02 PM  
**To:** Council; Jamie Irons  
**Subject:** WRF Planning and Public Comment

**Importance:** High

Dear City Council and Mayor Irons,

Please accept my opinion concerning the WRF plan. Based on the information provided on the WRF Outreach link, which included a detailed and quality analysis, as well as community input from this source:

<http://www.morro-bay.ca.us/ArchiveCenter/ViewFile/Item/4374>

I support two options, exclusively, in order of preference: the Righetti site, followed by the South Bay Boulevard site.

As my elected representatives, I respectfully compel you to:

1. Make impacting decisions in a manner that guarantees the City the best opportunity to secure the WIFIA and SRF funding, and approval from the participating governing agencies.
2. Be swift in evaluating the viability of securing a new MOU for the Righetti.
3. Reject any WRF site West of Highway 1—once and for all. Take the comments of the CCC extremely seriously and consider how much more expensive it will be in the long run to, once again, try and fight the CCC.
4. Make a choice between the Righetti and South Bay locations according to the timing and availability of the Righetti site option, with the Righetti site as the preferred outcome.
5. Continue your efforts to reduce the cost of the WRF to ensure the most affordable project over the long term life of the WRF, and find alternative ways to ease the rate burden for low-income residents; leverage the properties West of Highway 1, specifically, for that alternate purpose.
6. Do support the water reclamation component as an investment in local self sufficiency and the overall quality, quantity, and reliability of our water supply portfolio. And also, acting as a responsible and forward thinking institution that demonstrates the same level of concern and responsibility for water resources as for its other precious resources, e.g., the estuary and preserve.

My rationale is straightforward:

Sites West of Hwy 1 are impractical for all of the reasons outlined in the report. In particular, the high probability that the site will not be allowed, or, only at hidden cost and risk that would most likely offset any long-term projected savings or efficiency. And, which could ultimately place the health and safety of the community at risk as a function of climate change and sea rise.

This approach would also be an enormous wasted resource and opportunity for the City. Morro Bay is working hard to move away from being a post-industrial waste-site to a more modern, recreational coastal city that retains a balance of charm. Those properties should be recovered and leveraged to the benefit of the City as a resource to be carefully improved - not recycled for the same wasted purposes as today. These properties have intrinsic value beyond their proximity to waste water infrastructure that should be leveraged for recreation, tourism, and light commercial use that helps expand the cultural resources and revenue opportunities for Morro Bay. Using these locations for the WRF as a cost-generating center -at those precious locations- will cost the City doubly, in real and intangible lost-opportunity as

compared to any other location. Which, could otherwise be used to offset other costs through increased revenues to the City. Placing the WRF at these locations would be a short-sighted and wasteful decision if for only that reason.

A viable political climate does not exist with Cayucos to successfully negotiate a project collaboration that will be of any practical benefit to Morro Bay, under the constraints that exist during this limited window of opportunity for cost-efficient funding support by programs such as WIFIA. Because there is an evident unwillingness to proceed on the part of the Cayucos Sanitary District, and, no formal Cayucos city agency exists to help facilitate the engagement, it is therefore not practical to pursue this option. Do keep in mind the nightmare circumstances that can occur when unincorporated areas in this region attempt to negotiate a working solution: Morro Bay must not become another Los Osos tale, which is a functional, fiscal, and political embarrassment with national notoriety that bears a cost that has been inflated - by whole multipliers - by the same climate of political obstruction and grandstanding that has been brewing recently over this matter.

I do believe the Righetti site to be the most practical and balanced plan in terms of risk, outcome, and cost of ownership, overall. And, given consideration for the location's practicality, and aesthetically, prevailing winds, topography, and proximity to Highway 1 as the major gateway to our coastline.

I would like to see the City swiftly re-engage with the Righetti Site owners to see if an MOU can be established within the bounds of the budget plan. However, I do not wish to see the project delayed in a manner that will place the WIFIA program funding or other agency support at risk. My opinion is that if this option cannot be established in a timely manner, to proceed with a planning decision for the second most practical option, the South Bay site.

This past election was effectively a referendum on the placement of the WRF at the Righetti site. The opposition lost. Therefore, I believe the objections to the placement of the site to be representative of a minority of those who elected you, to make forward thinking and responsible policy decisions that will advance Morro Bay in a manner that is pragmatic, fiscally sustainable, and most critically, strategic to the goals of the City and its Charter.

The current opposition to any site other than the "least expensive option", is not responsibly accounting for the risks and hidden costs those plans are highly likely to incur. A more conservative and responsible approach is to choose the most cost-efficient and viable option, which by pure scoring of the analysis, is the Righetti Site.

I believe this position to be consistent with that which you all expressed to me during the previous election cycles. Which, is why I supported you. Please do the right thing for Morro Bay and embrace these recommendations.

Thank you, sincerely, for your consideration.

Chis Stavros  
Resident  
Morro Bay, CA 93442

## Dana Swanson

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**From:** Jan Surbey  
**Sent:** Saturday, September 23, 2017 8:13 PM  
**To:** Council  
**Subject:** Water reclamation facility

Greetings Mayor Irons and City Council members! As we will be out of (our lovely) town on Tuesday, we wish to express our thoughts via email.

It appears that a rather vocal minority has been advocating for the WRF to be located WEST of Highway 1 as they are concerned about the cost.

Since the California Coastal Commission (CCC) has already stated that siting the facility there would not be approved, why spend MORE money exploring this option? This option should be denied once again to SAVE money!

As we stated in a previous email, we are thrilled that Morro Bay has qualified for the EPA's WIFIA loan. A prompt decision by the council will allow the City to meet deadlines to apply for the loan, which will reduce the cost of the project and ensure a recycled water component.

We urge the Council to consider siting the facility EAST of Highway 1 with the goal of reducing the cost while including the water reclamation component.

Thanks for your consideration,  
Jan Surbey and Dennis (Mike) Cook

Morro Bay, CA

## **Dana Swanson**

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**From:** Carol Swain  
**Sent:** Saturday, September 23, 2017 3:35 PM  
**To:** Council  
**Subject:** Water Reclamation Facility Site

Morro Bay, CA 93442

Dear Mayor Irons and Council Members Headding, Makowetski, McPherson, and Davis:

The Council has copiously studied the proposed sites for the Water Reclamation Facility. We citizens are fortunate to have such dedicated leaders who have been extremely thorough in comparing the factors as well as considering public concerns.

Thank you for your dedication to doing the right thing on this momentous decision.

The writing is on the wall. The time to act is now. The South Bay Boulevard site however expensive to build will likely be the most cost-effective site for now and for the future. Continued studies and wrangling with the Coastal Commission or citizen groups will quickly drive up the actual cost of any other site for which the construction may be less expensive. Delays will also eliminate our project from possible loans and grants.

We strongly support you going forward with the option for building on the South Bay Boulevard site. Again thank you.

Sincerely,  
Robert and Carol Swain

## Dana Swanson

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**From:** kathleen welles <  
**Sent:** Sunday, September 24, 2017 7:38 PM  
**To:** Council  
**Subject:** Please add this letter to your packet. Letter of OPPOSITION to To current sewer plant plans!

Dear Mayor and Council,

This is my revised letter of OPPOSITION in regards to the sewer plant. Or as you would like to call it a "Wastewater Treatment Facility".

Dear Mayor and Council Members, As a long time homeowner in Morro Bay we would like to voice our opposition to your current plans to ONCE AGAIN try and take us to the cleaners. It seems as though you are all trying your best to make Morro Bay another of one of the most UNaffordable places to live on the central coast. It seems as though you are all clearly DEAF when it comes to listening to the citizens in the community that you have pledged to support. We are asking the Council to quickly make a decision and select a WRF site West of Highway 1. We are asking the Council to work relentlessly to reduce the cost of the WRF to ensure the most affordable project over the long-term life of the WRF and to find creative ways to ease the rate burden for low-income residents. We are asking the mayor and council to consider the residents of our community. Many that are retired and on a fixed income. Many that are hard working people that live paycheck to paycheck. Regards, William & Kathleen Welles 201 Kern Avenue Morro Bay, Ca.

## Dana Swanson

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**From:** Cindie Wiggins  
**Sent:** Sunday, September 24, 2017 8:52 PM  
**To:** Council  
**Subject:** Plug the \$\$ Drain!

Stop wasting our money on consultant's, hire a project manager.  
Approve the least expensive location.  
NO MORE RATE INCREASES

Morro Bay is becoming only a rich persons haven. Housing is unaffordable, food prices keep going up and Morro Bay has the most expensive water in the state.  
Its truly scary.

A concerned 43 year resident  
Cindie Wiggins

Sent from [Mail](#) for Windows 10

**CALIFORNIA COASTAL COMMISSION**

CENTRAL COAST DISTRICT OFFICE  
725 FRONT STREET, SUITE 300  
SANTA CRUZ, CA 95060  
PHONE: (831) 427-4863  
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WWW.COASTAL.CA.GOV



September 22, 2017

Mayor Jamie Irons and City Council  
City of Morro Bay  
595 Harbor Street  
Morro Bay, CA 93442

**Subject: City Council Hearing on the Updated Site Comparison Report for the City's  
Proposed Water Reclamation Facility**

Mayor Irons and Honorable Councilmembers:

Thank you for the opportunity to comment on the Updated Site Comparison Report (Report) and the status of the City's proposed Water Reclamation Facility (Facility) more broadly. Since your July 11 hearing in which you directed staff to both develop this Report detailing options associated with opportunities and constraints of various Facility site locations, as well as to discuss these options with Coastal Commission staff, your staff and members of the public have actively engaged with us on these critically important issues. We would thus first like to thank the City's Facility team and members of the Morro Bay community for this engagement, including the ways in which they have thoughtfully articulated the various issues associated with the options being considered. We understand these are important decisions to be made with lasting impacts on the City and its residents, including with respect to cost to both the City and its utility ratepayers. Thus, we want to make clear that we understand and respect the key issues identified by both the City and members of the public. We also want to clearly state that regardless of the site the Council ultimately chooses to pursue for the Facility, we will continue to actively work with the City during the local process to identify and address project issues with the goal of developing a Coastal Act and Local Coastal Program (LCP) consistent Facility project. As you know, we have a long history of working with the City on this project, and will continue our active engagement as it progresses through the planning and permitting process.

That all being said, we would like to provide the Council and the community with our perspective of the Coastal Act and LCP issues associated with the Report sites. Specifically, we want to reiterate our position from our July 11 letter to the City Council on this topic that the City not pursue a site west of Highway 1, but rather continue its efforts in pursuing a new Facility at the South Bay Boulevard site (or other inland site, such as the Righetti site). Again, this assessment is not without acknowledgement of the issues raised by some members of the public; it is based on our review of the Coastal Act and LCP issues raised by the various sites analyzed. Notably, we believe that the South Bay Boulevard site provides for far greater regulatory certainty than do sites west of Highway 1, and that that certainty will help the City achieve its goal of a long-term Facility that will serve Morro Bay's wastewater needs quicker and most likely less expensive in the long run than alternative sites west of Highway 1. The primary reason for this is because the South Bay Boulevard site simply does not raise the same

type of core Coastal Act and LCP consistency issues associated with coastal hazards that the sites west of Highway 1 do. In addition, at least the Hanson site would also require an LCP amendment to allow the Facility there (and the City may also want to amend the LCP if the Dynegy site were chosen given the City is currently in the process of LCP update), whereas no such amendment would be needed for the South Bay Boulevard or Righetti sites as such a facility is currently allowed for both sites under the San Luis Obispo County LCP that applies in both cases. In short, the sites west of the highway raise a series of important coastal hazard and related questions which make pursuit of them more difficult (including because there is significant uncertainty regarding potential outcomes) and more time intensive. While we have not drawn final conclusions, it is clear to us that these sites would pose significant regulatory hurdles and challenges that would take more time and resources to address than would the inland sites. In addition, while the Regional Water Quality Control Board has allowed the City some timing compliance latitude as it has worked towards moving its Facility and bringing it up to current standards, changing course at this point in time would result in further delay and would lead to a less certain outcome, and could pose issues for the Board – and thus the City – in that regard.

With respect to coastal hazards, the South Bay Boulevard site is not subject to the same coastal hazards, including ocean and riverine flooding and tsunami all as exacerbated by potential sea level rise, that were among the key reasons for the Coastal Commission's denial of a coastal development permit (CDP) for the then proposed Facility west of Highway 1 in 2013. That denial included Coastal Commission direction that the City pursue a new Facility at an inland location where such critical infrastructure would avoid these coastal hazards, including sites such as South Bay Boulevard and Righetti, and we have worked diligently and cooperatively with the City and its Facility team for many years towards that goal. The concept of relocating critical public infrastructure away from lower lying shoreline areas to higher/safer more inland locations, including to avoid the need for shoreline armoring and related development and its attendant coastal resource impacts, and to ensure that shoreline property is used for higher priority uses such as public access and recreation, is a key Commission goal statewide, including as described in the Commission's adopted Sea Level Rise Policy Guidance. And again, the Commission already denied the City's proposed project west of Highway 1 in 2013 for these reasons. As such, we want to be clear that a Facility proposed west of Highway 1 faces significant planning and permitting uncertainties, including the unambiguous possibility that the Commission does not approve such a Facility through an LCP amendment or a CDP.

And, even if the Commission did approve a Facility west of Highway 1, such approval would most likely not meet the City's primary objectives. Namely, when the Commission has most recently approved CDPs for critical infrastructure, including wastewater treatment plants, in areas subject to coastal hazards, the Commission has imposed specific requirements and triggers designed to eventually move these facilities inland and way from such hazards. In many ways, these types of approvals can be considered temporary approvals meant to allow local governments the time to plan for and pursue relocation. These types of 'interim' CDPs have allowed for such facilities in question to remain operational for the short term, but with

restrictions on the type of allowable responses to coastal hazards, including with respect to shoreline armoring and other types of hazard abatement measures, and with the requirement that a longer term effort to relocate such facilities inland away from coastal hazards is undertaken. In other words, the Commission has recently *not* given authorization for permanent infrastructure in these types of more hazardous shoreline areas. We want to highlight this fact, because even if the Commission were to eventually approve a CDP for a Facility west of Highway 1, it would most likely *not* be for the long-term permanent Facility the City desires and needs if these types of conditions were applied. And this could subject the City and its residents to additional costs in terms of the requirement to find another replacement site and to build another relocated Facility in the relative short term. These are additional costs that appear likely to be associated with the west of highway sites if they were ultimately to be approved (and not denied). And again, there may be additional Regional Board 'costs' that accrue during the time that any such options were pursued. Conversely, sites inland of Highway 1, including at South Bay Boulevard, would not be subject to these types of conditions and restrictions, and thus would be able to meet the primary objective of finding a long-term home for the City's critical wastewater infrastructure in the shortest period of time with the most certainty in outcome. This is the path that the Regional Board has also embraced to date. The 'permanency' of a Facility at South Bay Boulevard would therefore better provide the certainty the City needs for successful permitting, construction, and operation of the Facility in the shortest amount of time.

We also understand that the City is in the midst of applying for some \$83 million from the Environmental Protection Agency in low-interest loans for the Facility (as well as funds from the State Water Resources Control Board that are dependent on those federal funds), regardless of location. It seems unlikely if not impossible that the type of near term certainty that is needed to be successful in that process can be found through a west of the highway site. Both any potential LCP amendments and any CDP applications would have to work through the same types of coastal hazards issues that eventually led to denial of the City's 2013 proposal after two years of process. It would be expected that similar analyses and time frames would apply here as well, and that the outcome is unlikely to be without significant conditions and problems of the type described above. Conversely, no LCP amendment is needed for the South Bay Boulevard site (it is already an allowable use in the San Luis Obispo County LCP), it does not present the types of coastal hazard issues that the west of the highway sites do, it could be pursued on a fairly short permitting time frame, and it would be expected to avoid conditions and problems of the type described above that would lead to expenditure of additional time and resources.

In conclusion, we fully appreciate the concerns that some parties have articulated with respect to pursuing a more inland Facility site, where these concerns are fundamentally rooted in a perceived higher cost for such a Facility. However, we respectfully submit that we believe that the inland sites will lead to successful development of the Facility sooner, with more certainty and with less significant requirements such as those expected to be attached to any approval (if one is even granted) for a Facility on a site with the coastal hazard issues present west of the highway. In other words, additional costs accrue to the sites west of the highway, and additional benefits (cost savings) apply to the inland sites for this reason. The Report does not capture these

kinds of costs/cost savings, which would be difficult for it to do at the current juncture as it depends on outcomes and potential requirements for the sites west of the highway that are uncertain, as described above. In any case, we would encourage you to understand the options before you in that context.

Thank you for the opportunity to provide you our perspectives on these important Facility siting questions. We hope that these comments are helpful as you consider the City's next steps moving forward. As described, we continue to believe that the South Bay Boulevard site (or the Righetti site) remains the City's best option at this juncture, including because it is not encumbered by the uncertainties associated with sites west of Highway 1, including needed LCP amendments and CDP restrictions, or even project denial, from the Coastal Commission due to coastal hazards issues. In any case, we continue to stand ready to work with the City on whatever site it decides to pursue moving forward, and we look forward to continued collaboration and dialogue with you, your staff, and the public throughout this process. Please do not hesitate to contact me or Kevin Kahn of my staff if you have any questions or would like to discuss this matter further.

Sincerely,



Dan Carl  
District Director  
Central Coast District  
California Coastal Commission

cc: Rob Livick, City of Morro Bay Public Works Director  
Scot Graham, City of Morro Bay Community Development Director  
John Robertson, RWQCB Executive Officer

**Date:** September 22, 2017  
**To:** City of Morro Bay Mayor, City Council and Staff  
**From:** Donald and Kristen Headland  
**Subject:** **Water Reclamation Facility-Agenda Item C-2**

**RECEIVED**  
City of Morro Bay

SEP 22 2017

City Hall

Hello,

We have lived in Morro Bay for over twenty-seven years. We raised our family here and now our adult son is raising his family here in Morro Bay.

We are very concerned what our monthly water/sewer bill is going to be after the new Water Reclamation Facility is built. We would like to speak up for my son who pays \$1900.00 a month to rent a small house built in the fifties and our neighbors. We're sure our son is not the only one feeling the financial hardship of Morro Bay rents with some families moving to Los Osos or inland where monthly rents are lower. We would like to point out that Del Mar Elementary School has 51% of the students that are eligible for a free/reduced price lunch. Attached is the report with this information. We have neighbors who are on fixed incomes who already rely on Meals on Wheels and the weekly lunch provided at the Community Center to make ends meet. The new monthly water/sewer bill for many citizens and our son will be a major financial hardship. Please understand the impact this will have on the families of Morro Bay.

Our recommendations:

1. The Hansen property or Toro Creek (see Bay News opinion dated 8/24/2017, p 40 by Tom Rost).
2. Cancel the contract with the WRF Program Manager Michael Nunley. No more consultants!
3. Hire a qualified Project Manager.
4. Have a place on the City website where citizens can get regular updates with a section for the accounting of the project.
5. We are not in favor of a new 218-protest vote for higher sewer rates. We will vote "no" on this.

We would like the Morro Bay City Council to move forward with an affordable Water Reclamation Facility. The "Citizens of Morro Bay" are at the top of the Cities organization chart. Please listen to the citizens, take their suggestions and move in the right direction to keep the cost as you promised.

Morro Bay is a beautiful unique town, we need to work as a team to get a new Water Reclamation Facility built that will not be a financial hardship for the citizens of Morro Bay.

Respectfully,

# California School Ratings

[Home](#) [by County](#) [by City/Region](#) [Statewide School Ratings Map](#) [FAQ](#) [Live](#)

## Del Mar Elementary

501 Sequoia St.  
Morro Bay, CA 93442

- [Compare with other schools in Morro Bay](#)
- [Compare with nearby schools](#)

**School Type:** Elementary School

**District:** San Luis Coastal Unified

**Ranking compared to similar schools:** 5

**Achieved API growth target:** Yes

**Teachers with Full Credentials:** 100%

**Teachers with Emergency Credentials:** 4%

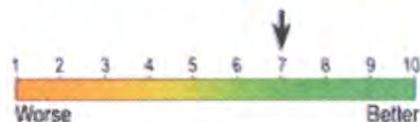
**School Schedule:** Standard

**Grades:** K-5

**K-3 Class Size:** 24

**Grades 4-6 Class Size:** 27

**State Rank:** 7 out of 10<sup>1</sup>



**API Score:** 849<sup>2</sup>  
(2013)

### Student Information:

GATE students: 0%

English learners: 19%

Reclassified as English proficient: 2%

Migrant education program participants: 1%

Eligible for free/reduced price lunch: 51%

Special education within past two years: 7%

### Kindergarten Immunization Information:

(2014-15 School Year)

Up-to-date Immunizations: 81% (67)

Conditional admission: 2% (2)<sup>6</sup>

Medical exemptions: 0% (0)

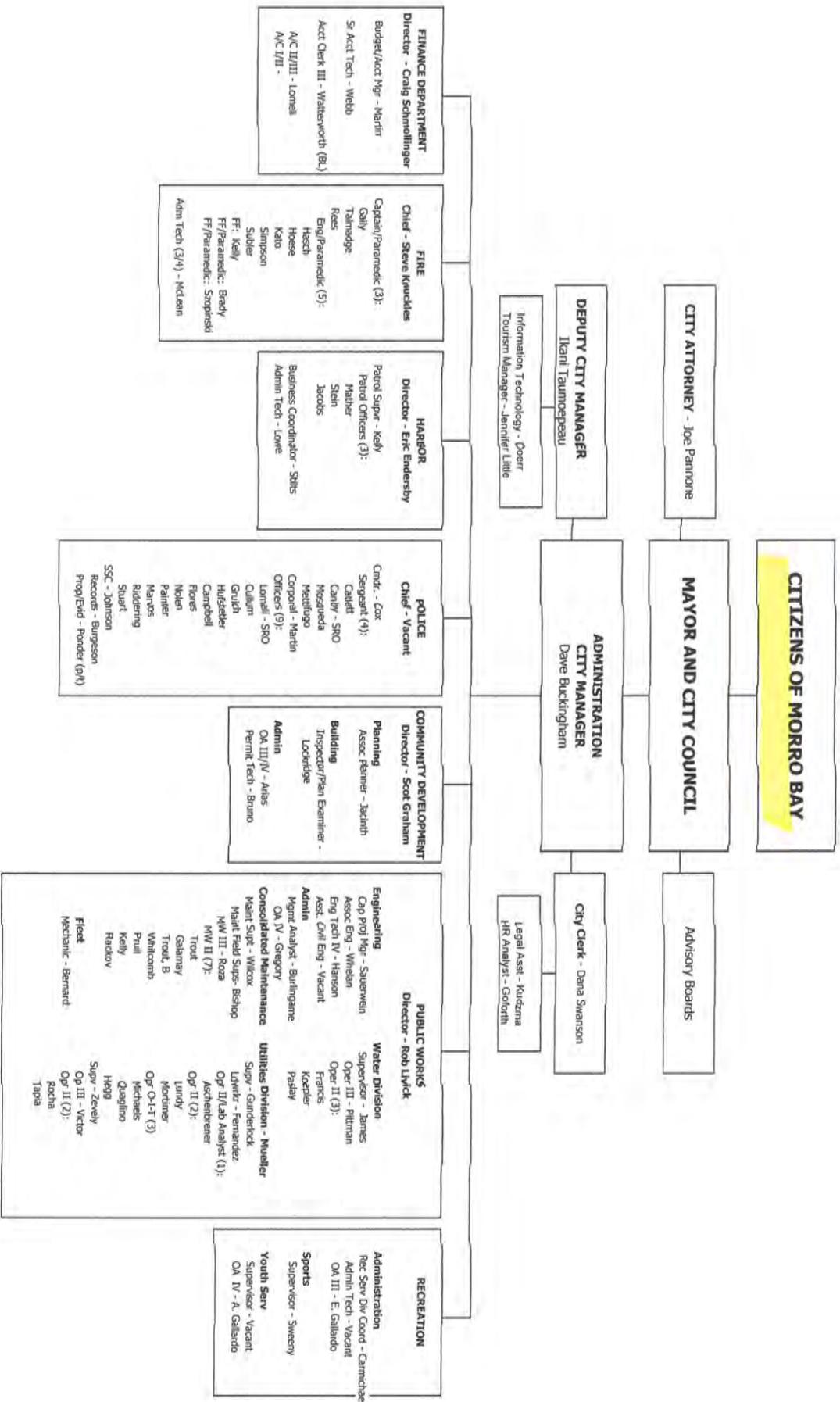
Personal Belief exemptions: 17% (14)

Religious Belief exemptions: 5% (4)

### Parent's Education:

# CITY OF MORRO BAY ORGANIZATIONAL CHART

For the 2016/17 Fiscal Year



**Dana Swanson**

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**From:** Jeffery Heller  
**Sent:** Friday, September 22, 2017 2:40 PM  
**To:** Council; Martin R. Lomeli  
**Cc:** Bart Beckman  
**Subject:** Agenda Correspondence for MBCC Meeting (spec+reg) on 9/26/17  
**Attachments:** 17-August-MB Municipal Service Review + Population Studies.pdf; 170922-CAL Site Comparison Study.pdf

Attached are CAL's "Site Comparison Study", as well as the MB Municipal Service Review issued in August of 2017. Please include in Agenda Correspondence for the 9/26/17 MBCC Meeting.

Thank you

Jeff Heller

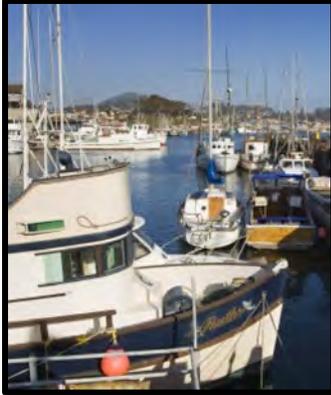
Thank you

Jeff Heller

# CHAPTER 3

## Morro Bay – MUNICIPAL SERVICE REVIEW

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The legislative authority for conducting Municipal Service Reviews is provided in Section 56430 of the Cortese-Knox-Hertzberg Act (CKH). The Act states that, in order to update Spheres of Influence in accordance with Government Code Section 56425, LAFCOs are required to conduct a service review of the municipal services provided by the jurisdiction. The Municipal Service Review factors that need to be addressed include:

1. Growth and Population projections for the affected area
2. Location and characteristics of any disadvantaged unincorporated communities
3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies
4. Financial ability of agencies to provide services
5. Status of, and opportunity for, shared facilities
6. Accountability for community service needs including governmental structure and operational efficiencies
7. Any other matter related to effective or efficient service delivery, as required by commission policy

The above-listed factors are addressed in this chapter and written determinations are included for each factor as called for in the CKH Act.

The Morro Bay Sphere of Influence (SOI) was most recently updated in 2007, and included the reduction of the SOI in the east and the addition of two smaller areas just north and south of the City limits. The Sphere of Influence also includes any existing or future public lots owned by the City created through the County's public lot process. The two SOI areas comprise the present day Morro Bay SOI. The City also has the option of creating a public lot and this site would be added to the SOI. The purpose is to allow a public service facility to be included in the SOI. Figure 3-1 shows the adopted Sphere of Influence. Figure 3-2 shows the Study Areas considered under this review. Please note that a study area is intended to be studied for possible inclusion. The area may or may not be included in the SOI.

Figure 3-1 - Morro Bay's Existing SOI

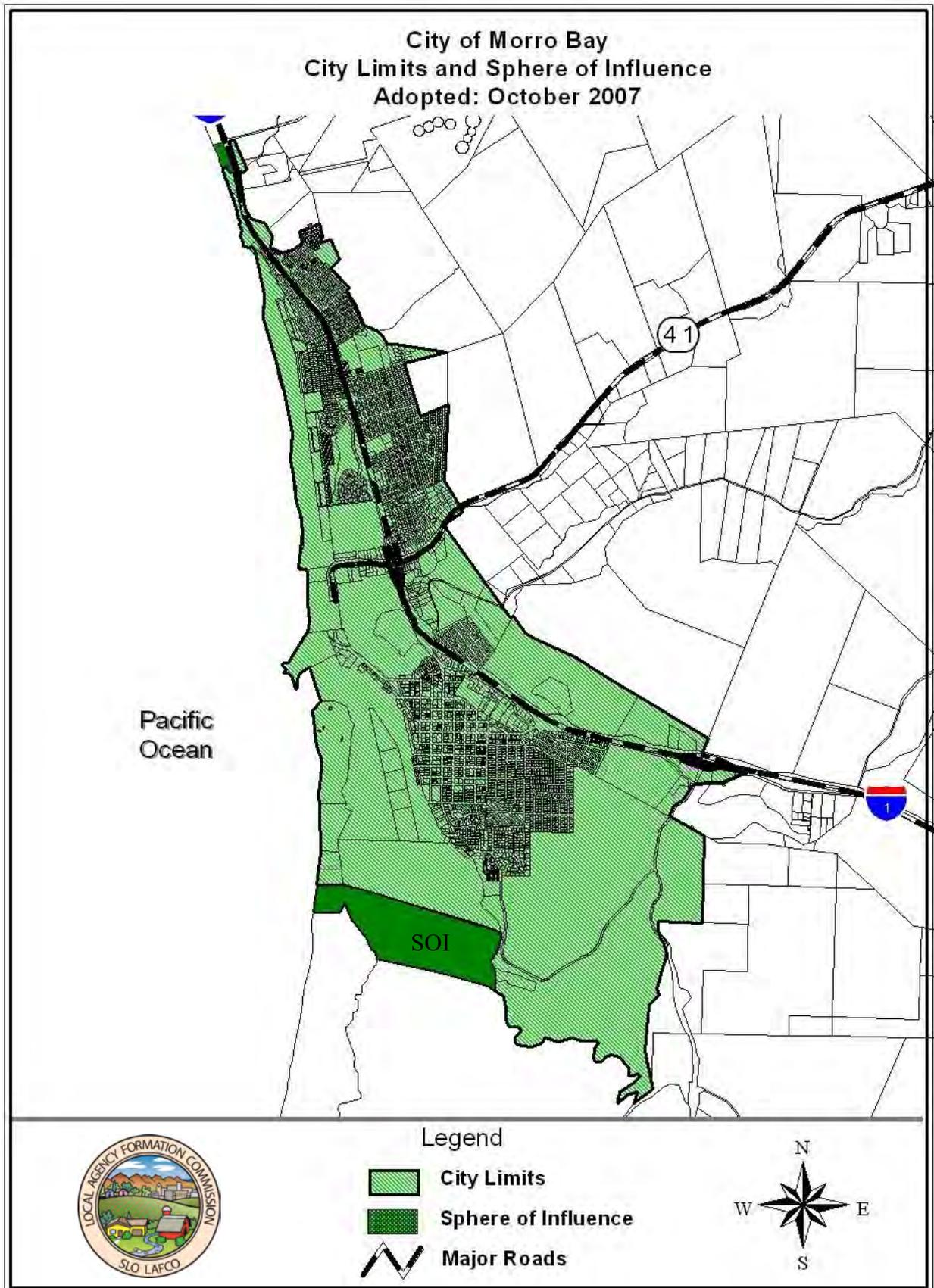
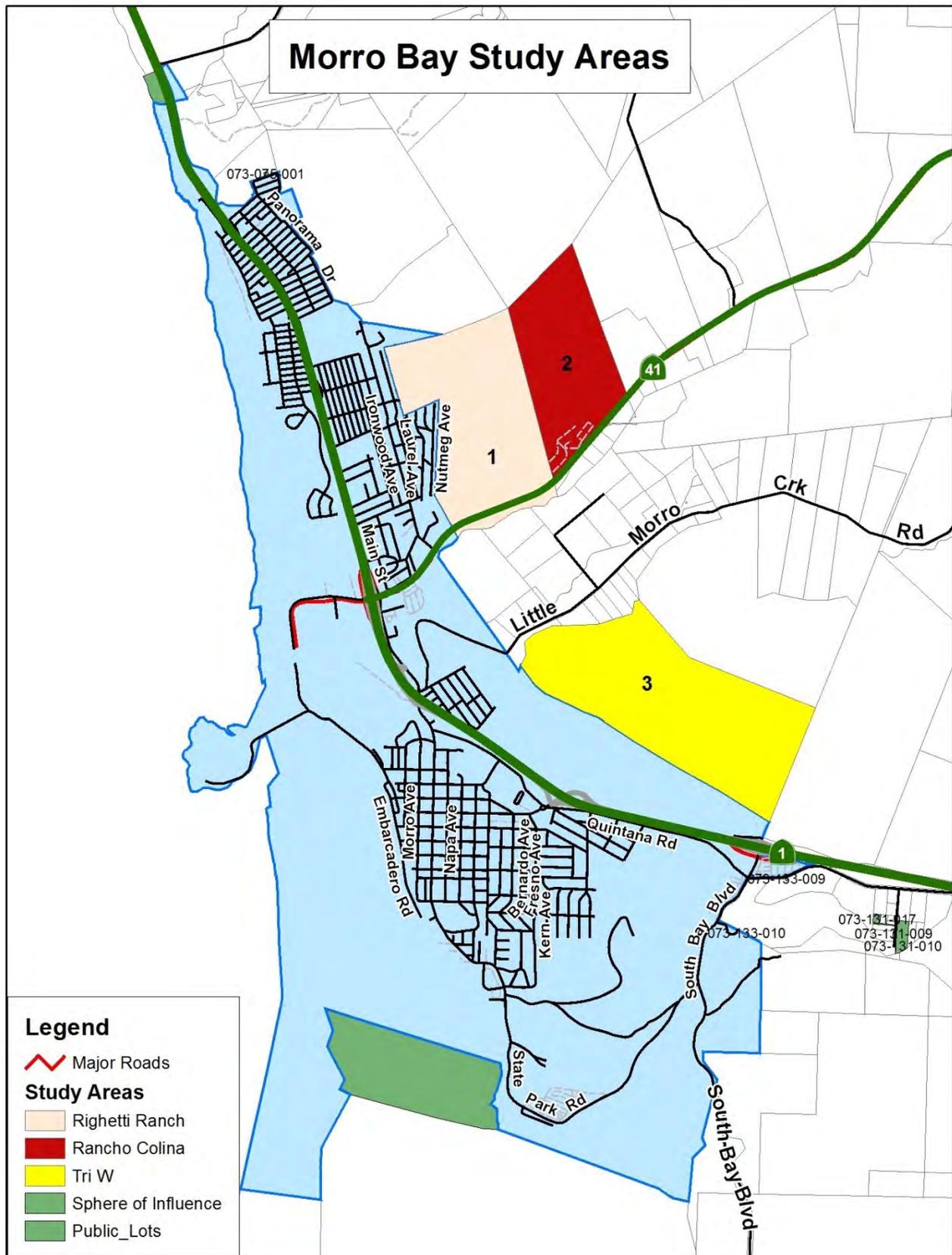


Figure 3-2 – Study Areas



### **3.1 GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA**

**Purpose: To identify future growth patterns and project population increases.**

#### **POPULATION**

This factor is intended to identify growth and population projections for the affected area of a jurisdiction. This section will use various sources of information to project growth and population for the City of Morro Bay. The previous Sphere of Influence update and Municipal Service Review for Morro Bay provides background information. The Growth and Population factor includes a summary of population data and land use and zoning in the area as well as growth trends.

#### **US Census**

According to the 2010 US Census, the City had a population of 10,234. Total housing units were estimated to be 6,689 units. The City's estimated build-out population within the current City limits is estimated to be 12,200. At 1.9 persons per household and an 80% occupancy rate the average estimated population would be approximately 12,200 at build-out.

Most of the City's population growth occurred from 1950 to 1980. Since the late 1980's, the City of Morro Bay has experienced a slow rate of growth; less than 1% per year. From 2000 to 2010 the City's population decreased by 116 people. In summary, the City's slow growth rate is likely to continue based on the current General Plan/LCP and growth trends. The City's policies encourage in-fill development.

#### **California Department of Finance Population Estimates-2005 to 2015**

The California Department of Finance (DOF) population estimates come from administrative records of several state and federal government agencies, as well as numerous local jurisdictions. According to the DOF, the total state estimate was within one-half of one percent (0.5%) of the 2000 census count. The table below reflects the DOF estimates for Morro Bay and the County of San Luis Obispo over the last decade. DOF estimates Morro Bay's current population as 10,234.

**Table 3-1: Population Estimates**

	2005	2006	2007	2008	2009	2010*	2011	2012	2013	2014	2015
Morro Bay	10,270	10,521	10,485	10,521	10,576	10,234	10,294	10,274	10,234	10,194	10,152
County Total	261,699	263,939	266,043	268,636	270,901	269,637	270,305	271,483	271,754	272,773	273,792

Source: DOF E-4; E-1; P-1 Population Estimates for Cities, Counties and State, 2005-2015

\* DOF made an adjustment after the 2010 Census was released for San Luis Obispo County.

### Council of Governments Population Projections - 2011

The Council of Governments recently had the consulting firm of AECOM Technical Services update population projections for San Luis Obispo County, including the City of Morro Bay. The original study was completed in 2006 and was updated in 2011 to take into account the recent economic downturn. These projections use a variety of data sources and assumptions to project the future population of the cities and unincorporated areas of the County. These projections incorporate information from the State of California about future population increases, past and present County growth trends, and projected changes within the region. The consultants worked with local planners to anticipate future growth in the various areas of the County to estimate the potential for increases in population. The updated report presents low, medium, and high population growth projections for areas in the County including the City of Morro Bay. The table below shows those results:

**Table 3-2: Projected Population Growth Morro Bay  
San Luis Obispo Council of Governments Projections**

	2010	2015	2020	2025	2030	2035	2040
LOW	10,073	10,152	10,244	10,450	10,708	10,969	11,237
MEDIUM	10,073	10,152	10,244	10,482	10,778	11,078	11,381
HIGH	10,073	10,152	10,244	10,509	10,842	11,177	11,512

Morro Bay is one of the seven cities in the county. The 2010 population for the City was 10,234, down only 116 residents from 2000. In 2010, there were 6,689 housing units with 1.9 persons per household and a 20% vacancy rate.

## COUNTY'S GENERAL PLAN

The County's San Luis Obispo Estero Planning Area of its General Plan establishes land use policy in the unincorporated areas around the City of Morro Bay. The urban reserve line identifies where the County anticipates urban development over the next 20-years. The County's URL for Morro Bay essentially encompasses the same boundary as the existing City limits. County areas within the URL have been planned for urban development, while areas outside of the urban reserve line are larger parcels. The uses of these parcels are for the production of agricultural crops. These parcels are also considered of high aesthetic value. The County's Plan promotes the preservation of prime agricultural lands and open space corridors. It has a number of policies that call for guiding growth away from agricultural areas and promoting infill or other non-prime agricultural use.

The purpose of the Estero Area Plan is to establish a vision for the future of the Estero Planning Area that will guide development over the next 20 years. The vision described in this plan represents the desires of the affected communities, and the plan contains the policies, programs and standards to help achieve it. The planning area occupies a narrow strip along the coast north of the city of Morro Bay and south of the unincorporated community of Los Osos. Elsewhere, the planning area extends as far as seven miles inland. It includes large portions of the Morro and Little Morro Creek watersheds on the north, a portion of the Irish Hills on the south, and a portion of Cuesta College on the east. The planning area includes the city of Morro Bay and the unincorporated communities of Cayucos and Los Osos.

### Goals for the Planning Area

1. Encourage economic development that will generate local employment for residents, create an adequate supply of goods and services locally, help generate revenues to fund needed public services and facilities, and make the area more economically self-sufficient.
2. Provide sufficient areas for a variety of commercial, tourist-serving and employment-generating businesses to provide jobs for residents, generate local business activity, increase taxable sales and reduce loss of such sales to other areas, and increase transient occupancy and property tax revenues.
3. Maintain a strong agricultural sector of the economy by offering incentives and positive county programs that support agriculture.
4. Take advantage of the planning area's scenic beauty and recreational attractions to expand tourist and visitor-serving development where appropriate such as a golf course;

small-scale resort/retreat; visitor accommodations; bicycle, hiking and equestrian trails; and low-cost recreation.

5. Promote both visitor-serving development and development that serves local residents, while maintaining the small-town, rural character of the area's communities.
6. Improve commercial areas by making them more attractive and pedestrian friendly in order to attract shoppers and businesses and increase economic and general activity.

The County's Estero Area Plan envisions continued opportunities for economic vitality and growth, along with the opportunity to maintain the environmental attributes that have contributed to the area's historically healthy economy. The community's excellent living environment and educational opportunities can act to attract or retain businesses providing high quality job opportunities for local residents, enabling them to afford housing within the area, while also enhancing local tax revenues needed for public services. The planning area's goal is to maintain a rural character in harmony with agriculture, business, recreational, environmental and residential opportunities. Conservation of the area's resources is an integral part of economic development in order to have a lasting economy that is strengthened by the region's environmental assets.

### **Conservation and Open Space Element**

The County's Conservation and Open Space Element (COSE) was adopted in 2010 and consolidated five previous individual elements (conservation and open space, historic, esthetic, and energy elements). The COSE is utilized as a policy tool to protect and preserve the unique community resources. The element addresses many issues with regard to conservation, development, and utilization of natural resources. The element includes policies and strategies that address reducing greenhouse gas emissions, directing growth away from areas with constrained natural resources, water and energy conservation, use of low impact development and green building techniques, increased protection of community separators and scenic corridors. The County's overarching land use planning framework Strategic Growth Principles guided the element to direct growth to occur in a more sustainable manner.

Figure 3-3 (E) Land Use



Development projects are sometimes approved contingent upon receiving water and sewer services from community water and sewer systems such as those operated by the City. The County's General Plan identifies the type and intensity of development allowed in each of several land use categories (zoning) for County. The following table summarizes the existing zoning and acreage for the study areas being reviewed:

**Table 3-3: Existing Land Use**

Study Areas	Acreage	Land Use/Zoning	Existing Land Use	Build-Out Potential
#1 Righetti	260	Agriculture	Residential/Grazing	2 units
#2 Rancho Colina	187	Agriculture/Rec	Grazing/MHP	2 units
#3 Tri-W Property	396	Agriculture	Grazing	2 units

Source: SLO County Planning & Building Department, General Plan.

### Williamson Act

A Williamson Act contract preserves land for a certain period of time that is used for agricultural purposes and provides the owner with a decrease in property taxes. Williamson Act contracts exist that surround the City of Morro Bay, however no contracts exist in any of the Study Areas. The Cortese-Knox-Hertzberg Act states that the Commission shall only include parcels under Williamson Act contract in a Sphere of Influence if the SOI change meets the criteria found in GC 56426.6 of the CKH Act. The Commission must find that the change in the SOI would facilitate planned, orderly and efficient pattern of land use or provision of services and the public interest in the change substantially outweighs the public interest to maintain the area in the contract.

### RMS Biennial Report – 2010-2012

The County's Resource Management System (RMS) provides information to guide decisions about balancing land development with the resources necessary to sustain such development. It focuses on, 1) Collecting data, 2) Identifying resource problems and 3) Recommending solutions.

According to the 2010-2012 Resource Management System Biennial Report, the City estimates that it now serves approximately 10,100 residents in 2012 compared to an estimated 10,152 in 2000. Over the last 12 years, it is estimated that Morro Bay's population has decreased by approximately 52 people. This equates to 0.05% of population decrease over the 12 year

period. The table below reflects the population data from the census and the County's Resource Management System Biennial Report: The year 2030 population estimate is 10,778. Buildout population is approximately 12,200.

**Table 3-4: Historical & Projected Population Growth  
Morro Bay California: Census and RMS Data**

	1990 <sup>1)</sup>	2000 <sup>1)</sup>	2010 <sup>2)</sup>	2015 <sup>2)</sup>	2020 <sup>2)</sup>	2025 <sup>2)</sup>	2030 <sup>2)</sup>
Population	9,664	10,152	10,073	10,152	10,244	10,482	10,778
5 Year Increase	--	488	-79	79	92	238	296
5 year % Incr.	--	<1%	- <1%	<1%	<1%	<1%	<1%

Sources: 1) US Census, 2) Resource Management System Biennial Report, 2010-2012

## City of Morro Bay Urban Water Management Plan, 2015

**Housing Units and Growth Projections.** In the 2015 Urban Water Management Plan, the City of Morro Bay estimates that 10,608 people lived in the City. In 2010, the U.S. Census stated the total number of dwelling units as 6,689 with an average household size of 1.9 persons and an occupancy rate of about 80%. The City's Urban Water Management Plan projects the current City limit boundaries to yield a population of 12,200 persons. The 2015 UWMP based its projections from the City's General Plan. The City of Morro Bay has not updated its General Plan since 2000s. However, the City is currently undertaking a comprehensive Plan Morro Bay study that will consider an update to the City's General Plan and Local Coastal Plan some time in 2018.

The Urban Water Management Plan estimates the population build-out for the year 2035 will be 12,255 persons. The use of 2 persons per household is based on current occupancy patterns. The table below is taken from the 2015 Urban Water Management Plan and shows historic and projected growth rates:

**Table 3-5: Historical & Projected Population Growth**

	1980 <sup>(1)</sup>	1990 <sup>(1)</sup>	2000 <sup>(1)</sup>	2010 <sup>(2)</sup>	2015 <sup>(2)</sup>	2020 <sup>(2)</sup>	2025 <sup>(2)</sup>	2030 <sup>(2)</sup>	2035 <sup>(2)</sup>
Population	9,064	9,664	10,350	10,608	10,224	10,244	10,482	10,778	11,078
10 Year Increase	--	600	686	258	-364	20	238	296	300
10 year Avg. Increase	--	6.2%	6.6%	2.4%	-3.5%	<1%	2.2%	2.7%	2.7%
Average per Year	--	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%

(1) Source: U.S. Census

(2) Source: City's 2015 Urban Water Management Plan.

### **CITY OF MORRO BAY GENERAL PLAN,**

The City of Morro Bay adopted its General Plan and Local Coastal Program in 1988 and 1982 respectively. The City is once again working to update its General Plan entitled Plan Morro Bay. The 2004 General Plan and Local Coastal Plan was submitted to the Coastal Commission for review and certification. The certification process can be lengthy and the Coastal Commission process stalled during its review. The City intends to take a fresh look at what updates are necessary to accomplish its goals and get the plan through the Coastal Commission. The changes previously proposed to the existing General Plan were largely procedural and targeted at making the plan easier to use and clarifying the intent of the General Plan and Local Coastal Plan. A key piece to the update of the General Plan/LCP was that there are no changes made to land use designations or zoning designations that resulted in increased density, increased population potential, major infrastructure upgrades, or other development. The major organizational change was bringing together the Local Coastal Program with the General Plan into a single document. An update to the City's General Plan and policies will be necessary to reflect the current studies taking place to be updated and address when the GP/LCP is completed.

Over the past 40 years, the City has experienced a slow rate of growth; less than 1% per year. From 1950 to 1980 the City's population increased at an average growth rate of 2.2% per year. In the 1980's (1980-1990) the City's population again grew at a rate of 5.4% per year. From 1990 to 2000 population growth slowed to about a rate of .7% per year. Over the past 10 years the City has grown at a very slow rate of approximately .5% per year.

Morro Bay's growth is likely to remain at a nominal level as the economic recovery continues to evolve over the next few years. In 2010, the City's Public Services Department estimated the City is about 95% built out with a potential for approximately 504 new dwellings in the community at this time. Under the certified Housing Element 2009 the City estimates a total of 504 units as a realistic build-out based on 80% of existing zoning at maximum densities.

The City's policies encourage in-fill development, mixed-use, and higher densities within the core to accommodate the growth at build-out. The following table shows the vacant land available within the City:

**Table 3-6 Build-out Summary: Vacant Land within City plus Expansion & SOI**

<b>Zone</b>	<b>Description</b>	<b>Acres</b>	<b>Approx. Units</b>	<b>Population</b>
R-A	Low-density Residential	103	302	574
R-1/R-2	Low/Medium-density Residential	13.76	76	144
R-4	High-density Residential	5.73	108	205
<b>Total Vacant Sites within City Limits</b>		<b>122.49</b>	<b>486</b>	<b>923</b>

Source: City of Morro Bay 2016.

### **Recent Building Permit Activity**

Building Permits have been compiled for Morro Bay from the Community Development Department. The table below shows the building permits by year from 2007 through 2016. Since 2007 the City has finalized 193 new single-family units and 9 multi-family units.

**Table 3-7: Building Permits Finaled 2007-2016**

	SF	MF
2016	19	1
2015	15	1
2014	15	0
2013	10	0
2012	11	0
2011	10	0
2010	17	1
2009	16	4
2008	32	1
2007	48	1
Total	193	9

Source: Morro Bay Community Development Department 2016

## Land Use

The City's General Plan allows for new growth within the City based on an analysis of available resources (water, sewer, etc) and demand for those resources. The Elements of the City's General Plan have been formatted into one document that includes the Land Use Element, Circulation Element, Pubic Facilities and Services Element, Conservation and Open Space Element, Access and Recreation Element, Harbor Resources Element, and the Visual Resource and Scenic Highway Element. Each Element contains Goals, Policies, Implementation Standards, and Programs that are relevant to the particular topic.

It should be noted that the City's General Plan/LCP provides a clear and detailed policy base with regard to future growth and development. It comprehensively addresses the various facets of development, provides clear information to the public, and gives decision- makers a sound foundation for considering future projects. The following are the Goals, Policies, Implementation Standards, and Programs that address the Sphere of Influence or the provision of City Services to existing and future residents. Goals, Policies, standards or programs that directly address Sphere of Influence issues will be addressed when the City completes the GP/LCP and One Water Plan updates.

## Study Areas

The areas being studied for possible inclusion into the City's Sphere of Influence are in the County's Estero Area Plan. These areas are zoned Agricultural and are currently developed with a single family residence, existing marine terminal facilities (some which are being demolished), and an existing wastewater treatment facility. These properties are not under Williamson Act contracts. Each area is described below:

**The Righetti Ranch (Located in SLO County; Not Within the SOI).** The 301-acre area just east of the City limits is owned by the Righetti family. A portion of this property is currently leased by the City for the purposes of accommodating the Nutmeg Water Tanks. The California Coastal Commission has requested the City consider this site as an alternative potential area closer to Highway 41 for the siting of a new wastewater treatment and reclamation facility. The City would potentially need to purchase or lease the property and apply for a General Plan Amendment (GPA) from the County if leased to develop a WWTP facility. If the City purchased the property, the City would need to pre-zone the site for use as a public facility before LAFCO considered any SOI or annexation amendments. Or the City could annex the property based on a zoning permit they approved in cooperation with the property owner. The western boundary of the Righetti site is located just east of the boundary of the developed, residential areas of the City of Morro Bay. Currently, the site consists of a single-family residence and grazing areas. The land is surrounded by cropland to the south, undeveloped areas to the north and east and a mobile home park, RV park, and agricultural lands to the east.

**The Rancho Colina Site (Located in SLO County; Not Within the SOI).** The Rancho Colina site is 187-acres owned by William Macelvaine. The site is located north of Hwy 41 about one mile east from the City limits and consists of a mobile home park and grazing land. The site is designated recreation and agricultural on the northern portion of site pursuant to the County's LCP. The site is currently developed with several facilities, including a single-family home occupied by the property owner, and an existing wastewater treatment facility constructed in 1971, which serves the nearby Rancho Colina residential community. The City's focus is on the roughly 10 to 15-acre area in the lowest portion of the property, generally in the vicinity of the location of the existing WWTP, but could be expanded as appropriate.

**Tri-W Property (Located in SLO County; Not within the SOI).** The Tri W site is 396-acres owned by Tri-W Enterprises. The site is located adjacent to the City limits and consists of grazing land. Most of this site is generally over 250 feet in elevation, and ranging to nearly 500 feet, which is too high in elevation to be a suitable WRF site. However, there is a significant portion of the site at lower elevation (100 to 160 feet above sea level) that has potential for development a new WRF, primarily near the eastern edge of the site, about 1,500 to 2,000 feet north of the South Bay Boulevard/SR 1 interchange. Two separate and roughly 15-acre portions of this area are considered the most viable location for a WRF within the Tri--W site.

**Housing Element.** The City's Housing Element was adopted by the City Council and certified by the State Department of Housing and Community Development (HCD) in 2010 and again in 2014. The Goals, Policies and Programs found in the Housing Element are the Housing Implementation Plan for the period from January 1, 2014 through July 1, 2019. Under the previous planning cycle the city's total number of residential units was 98 that the City of Morro Bay must provide zoning for in that time period. Under the next planning cycle January 1, 2014 through July 1, 2019 the City must provide zoning for 154 residential units. HCD completed the review and certified the Housing Element in 2014.

**Table 3-8: 2014-2019 - SLOCOG Regional Housing Needs Allocation**

	Units By Income Category					Totals	% of Units
	Very Low	Low	Moderate	Above Moderate			
Arroyo Grande	60	38	43	101	242	5.8%	
Atascadero	98	62	69	164	393	9.5%	
Grover Beach	41	25	29	69	166	5.8%	
<b>Morro Bay</b>	<b>39</b>	<b>24</b>	<b>27</b>	<b>65</b>	<b>154</b>	<b>3.7%</b>	
Paso Robles	123	77	87	206	492	11.8%	
Pismo Beach	38	24	27	64	152	3.6%	
San Luis Obispo	285	179	201	478	1,144	27.3%	
County Unincorp.	336	211	237	563	1,347	32.5%	
<b>Total Units</b>	1020	640	720	1710	4,090	100%	

Source: SLOCOG RHNA 2013

The Housing Element is one of the seven State mandated elements of the City's General Plan and is updated every six years to identify recent demographic and employment trends and can be correlated with the three-year cycle of transportation planning, which may affect existing and future housing demand and supply. The Housing Element is used to identify and provide for the

housing needs of the community. The Housing Element addresses the City's ability to meet the State assigned regional housing needs shown in the above table. It specifies the number of units to be zoned for in terms of affordability. The City has developed a set of objectives and specific policies and programs to prepare for the production of housing in the City of Morro Bay.

A Housing Element is required by California law to establish policies and programs that will support the provision of an adequate housing supply for citizens of all income levels. The intent of State law is to assure that jurisdictions in the State provide adequate housing to all members of the community. While the State Department of Housing and Community Development (HCD) reviews the Housing Element to assure compliance with housing law, each jurisdiction must identify its particular issues to successfully address its housing needs.

The Housing Element provides a detailed assessment of the housing stock in Morro Bay, including data on housing types, physical condition, cost and availability. The Element also examines special housing needs of the population such as the elderly, farm workers and the homeless. It identifies opportunities for energy conservation when housing is constructed or remodeled. The Element assesses the effectiveness of past housing programs. The availability and capacity of land and public services for housing development are examined along with factors that may constrain the production of affordable housing. Particular attention has been paid to the need for affordable housing.

An understanding of existing housing conditions in the City is necessary as a basis for new Housing Element policies to guide the use and development of housing that will be adequate and affordable. In addition to this focused information, throughout the document comparisons to San Luis Obispo County demographics and statistics are used to identify possible issues or pertinent relationships. This assessment is representative of the larger area and informative of the trends the entire county is experiencing, helping to gain a better understanding of the City in a regional context.

State law is more specific about the content of Housing Elements than any other portion of the General Plan. That specificity is reflected in the detailed demographics and other data contained herein. The Housing Element is also the only part of the General Plan that is subject to mandatory deadlines for periodic updates. Except for the Local Coastal Plan, it is the only

element that is subject to review and "certification" by the state. The City's Housing Element for the planning period 2014 to 2019 has been certified by the State.

According to the City's Housing Element a recent available land inventory has been conducted which concludes the City has additional land available for 507 new residential units within the City limits. The Housing Element also evaluated the City's infrastructure to accommodate these new potential residential developments. The Housing Element states that the City Council determined that there is adequate water for the buildout of the City under the current General Plan. The average consumption in 2008 according to the Water Management Plan was 122 gallons per capita per day (gpcd), which is below the 130-gpcd threshold amounts. The City estimates it is at 40% capacity for water service and 56% capacity for wastewater. The City is in the process of a major upgrade to the treatment standards. According to the annual daily flow average over five years, Morro Bay contributes to 75 percent of the flow while Cayucos accounts for 25 percent. The plant has adequate capacity through the year 2021 based on population estimates outlined in the Facility Master Plan Report. These services are further discussed in the next section.

The City's current General Plan is based on the ability of the City to accommodate a population of 12,200. Currently, the City's population is approximately 10,224 people. The year in which the City reaches their projected build-out is driven by a number of factors, including economic and real-estate market conditions. The City projects build-out no sooner than year 2035.

## **WRITTEN DETERMINATIONS**

The following written determinations are based on the information contained in the above section regarding Growth and Population:

1. The City's General Plan provides for the logical and reasonable growth and development of the City and is currently being updated.
2. According to both the County's Resource Management System and the Council of Governments Population Projections the City of Morro Bay is projected to grow at a rate of less than 1% per year.

3. The projected number of people in the City of Morro Bay over the next 5, 10, 15 & 20 years based on the San Luis Obispo Council of Government's 2011 Update to Long Range Socio-Economic Projections can be accommodated within the existing City limits.
4. The City's current General Plan is based on the ability of the City to accommodate a population of 12,200. Currently, the City's population is approximately 10,224 people.
5. Development of the proposed Sphere of Influence areas in the City, under its land use policies and procedures, would allow for areas to be served with City services.
6. The Memorandum of Agreement between the City and County provides a mechanism for the City and the County to work together on land use projects proposed in the Sphere of Influence. The MOA would also include more specifics about the development process, logical phasing of development, timing of infrastructure and services, and the intent of the City and County.
7. A major constraint for future growth is the water and wastewater capacity of the City.

## **3.2 LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES**

**Purpose: To identify any disadvantaged unincorporated communities.**

LAFCO is responsible for determining the location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence of a jurisdiction. If a jurisdiction is reasonably capable of providing needed resources and basic infrastructure to disadvantaged unincorporated communities within the sphere of influence or contiguous to the sphere of influence, it is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations are proposed by the District or property owners.

The community of Morro Bay has a variety of economic diversity that reside within the city boundary and surrounding area. A Disadvantaged community is defined as a community with an annual median household income that is less than 80 percent of the statewide annual median household income. Morro Bay's Sphere of Influence does not have any disadvantage communities that have a present and probable need for public facilities and services nor are the areas contiguous to the sphere of influence qualify as a disadvantage community.

### **WRITTEN DETERMINATIONS**

The following written determinations are based on the information contained in the above section regarding disadvantaged unincorporated communities:

1. The City of Morro Bay's Sphere of Influence does not have disadvantaged unincorporated community located within or adjacent to its boundaries.

### **3.3 PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS OR DEFICIENCIES**

**Purpose: To identify the infrastructure needs and deficiencies in terms of supply, capacity, condition of facilities, and ability to provide services.**

LAFCO is responsible for determining that a jurisdiction is reasonably capable of providing needed resources and basic infrastructure to serve areas already within the City and in the Sphere of Influence. It is important that the infrastructure and resource capacities be adequate and reliable when revisions to the SOI and annexations are proposed by the City or property owners.

The MSR analyzes present and long-term infrastructure demands and resource capabilities of the City of Morro Bay. LAFCO reviews and evaluates: 1) the resources and services that are currently available, and 2) the ability of the City to expand such resources and services in line with future demands.

The most important infrastructure needs are the provision of water and wastewater services. Beyond these basic services, police and fire protection, and circulation/road services are considered high priority needs for future growth of the City.

This section evaluates the City's resources and capabilities to provide services to existing and future residents. The key topics addressed include water supply and demand, the water pipeline system, wastewater system capacity and condition, fire and police protection, traffic and roads, as well as, other services.

## **WATER**

The City updated its Urban Water Management Plan in 2015. The County updated its Urban Water Management Plan in 2015. These plans, and other documents, are the basis for this section of the Municipal Service Review. The City and County are currently updating their Water Master Plans. The City is also updating a One Water Plan document to address the City's water picture under one document. The MSR will be revisited once the document is completed by the City and the data in this report will be revised to reflect this new information. The Urban Water Management Plan are due every five years, in years ending in "5" and "0" for water suppliers having more than 3,000 connections or selling at least 3,000 acre-feet of water per year. A jurisdiction's ability to provide water to existing residents and the Sphere of Influence areas is a key consideration in updating an SOI. Because a Sphere is the area that is envisioned for probable growth and service by a jurisdiction, it is important that an adequate water supply be documented. Also to be considered are a jurisdiction's policies with regard to growth and the provision of water.

### **Water Supply**

The City of Morro Bay's Water supply can come from three sources: Morro & Chorro watersheds (groundwater), from State Water Project (SWP) since 1997, and Desalination plant. The City has been receiving State Water since 1997 and it has become the primary source of water for the City. The groundwater and desalination sources have become secondary supplies used on occasion when needed by the City. To supplement its supply, the City also contracted to receive more short-term State water from agencies that are not using their allocations.

**State Water Project.** Since 1997 the City's primary source of water has been the State Water Project. The City entered into and executed two contracts with the San Luis Obispo County Flood Control and Water Conservation District to obtain State Water. The first contract addresses the construction of facilities such as water treatment and the Chorro Valley pipeline. The second contract covers the delivery of State Water and the payment for State water facilities. Both contracts were needed to allow the City to obtain State Water.

The City's State Water entitlement is 1,313 acre-feet per year, plus an additional drought buffer of 174% which equates to a total of approximately 2,290 afy of buffer. The drought buffer helps to insure delivery of the full allocation of water from the Department of Water Resources which

may be reduced because of a drought situation. The drought buffer is an “insurance policy” for the City that increases the reliability of the State Water Project. For example, the City would still receive 100% of its allocation as long as the State deliveries on a statewide basis remain at 36% or above. The table below shows the benefits of contracting for the drought buffer.

**Table 3-9: State Water Entitlements and Drought Buffer**

Benefit of SWP Drought Buffer			
Statewide SWP Deliveries	Delivery to Morro Bay without Drought Buffer (AFY)	Delivery to Morro Bay with Drought Buffer (AFY)	Delivery to Morro Bay with Drought Buffer and Uncontracted County SWP Entitlement (AFY)
100%	1313	1313	1313
75%	985	1313	1313
50%	657	1313	1313
36%	479	1313	1313
33%	433	1187	1313
7%	92	252	1303
5%	66	180	931
4%	53	144	745

State Water is conveyed from the Coastal Branch Phase II pipeline through the Chorro Valley pipeline. The City had the foresight to upsize the pipeline from 10 to 16 inches to allow for increased deliveries that may come from other sources than just State Water. This capacity increase provides the City with water supply options in the future. However, increases in the City’s State Water allocation are not possible due to the limited capacity of the Coastal Branch Phase II pipeline, which was sized to only deliver the existing contract allocations of 4,830 afy. Analysis of the system capacity is currently underway and additional deliveries may be possible in the future. The uncertain availability of State Water is a possible constraint to future growth.

**Agreement with California Men’s Colony.** The City and the California Men’s Colony (CMC) have signed a mutual aid agreement. The agreement allows each jurisdiction to help the other during periods of water shortages. The agreement with CMC provides the City with access to water from Whale Rock and Salinas Reservoirs in emergency situations. The City would essentially borrow water from CMC and repay the loan with water from Morro Bay sources at a later date. This supply was used during the 30-day maintenance shutdown of the State Water Pipeline in 2001. The CMC water treatment facility treats water from Whale Rock, Chorro and

Salinas Reservoirs and the City is looking into a possible longer term agreement that would allow for more frequent water exchanges that benefit both the City and CMC. The existing water treatment facility could be used to treat up to 1.7 MGD (1,900 afy) for the City; however the agreement limits this supply based on an emergency situation and/or CMC demand for the water. The agreement is helpful; however it is not a reliable long-term source of water for the City.

**Desalination Plant.** In 1992 the City was facing an emergency drought situation and constructed a seawater desalination plant. Permits to construct the facility were expedited with the condition that the plant only be used during emergency drought situations. The final Environmental Impact Report evaluated the impacts of the facility for emergency and normal use of the plant. This led the Coastal Commission to approve a Local Coastal Plan Amendment that allows the City to operate the plant “as needed to ensure that the City’s minimum water quality standards are met, as routine replacement, and to offset drought conditions.”

The plant uses reverse osmosis to desalinate seawater pumped from five wells located on land near the Morro Bay Harbor. The desalination plant is capable of producing 400 gallons per minute which equates to 645 acre-feet per year. The plant has only been used on rare occasions due to the high operating costs. The plant was constructed in 1992 and was operated for several months, but was shut down because of the high operating costs. It was not used again until 1995 when it was used to supplement the water supply during a drought period. The plant was shut down from 1995-2002. The desalination plant is ready for operation as the community expands or if a supplemental water supply is needed to offset unforeseen shortages. Morro Bay’s desalination plant supplements the water supply at times during SWP shutdowns and emergencies. The City was recently re-permit the desalination plant for permanent use of saltwater wells, outfall line, and appurtenant piping for temporary use by the California Coastal Commission. With the treatment upgrade in 2009, the desalination plant can serve as a reliable source of water for Morro Bay in emergencies and perhaps as a regular source of supply.

**Groundwater.** Prior to receiving State Water, the City relied solely on the Chorro and Morro groundwater basins for its water supply. These alluvial basins are located in the Morro and Chorro Valleys and have limited storage capacity. This means that the basins can be drained after a short-term drought as was the case in the late 1980’s and early 1990’s. These basins rely on annual rainfall for recharge and replenishment which percolates into the basin and flows

to the ocean. These types of basins are similar to underground streams and are regulated by the State Water Resources Control Board (SWRCB). In 1972, the SWRCB categorized these basins as riparian underflow. The City of Morro Bay subsequently applied for appropriative water rights which were granted by the SWRCB in 1995. The Chorro Creek must be flowing at a minimum of 1.4 cubic feet per second for the City to pump from that aquifer.

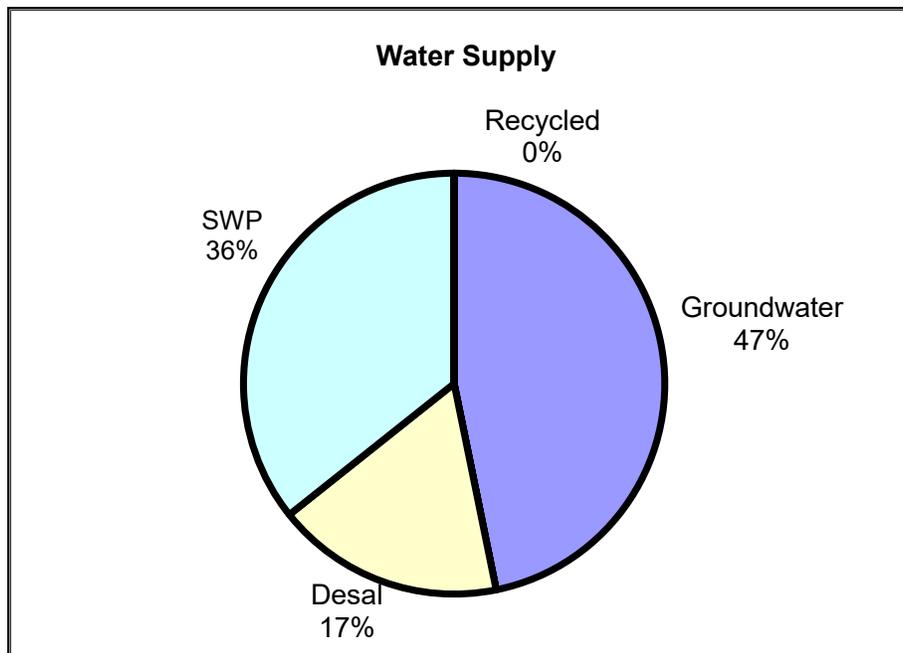
The Morro Groundwater Basin was previously unavailable to the City due to nearby methyl tertiary butyl ether (MTBE) contamination in the groundwater basin. The City began treatment for MTBE in 2002 and continued this treatment until MTBE contamination levels fell below the Regional Water Quality Control Board's (RWQCB) monitoring threshold in 2008. Since then the MTBE levels continue to remain below the RWQCB's monitoring threshold. One of the Chorro Basin wells (Well No. 8) has been abandoned and a second Chorro Basin well (Well No. 12) is out of service due to proximity to surface water and the associated water quality concerns. The City's Ashurst well field in the Chorro Groundwater Basin (consisting of wells 9, 9A, 10, 10A, and 16) was taken out of service (per direction from the California Department of Public Health) in 2009 due to nitrate contamination in the basin. The City's groundwater source does not appear to be a reliable long-term source at this point in time.

**Recycled Water.** The Morro Bay-Cayucos WWTP Facility discharges about 1.1 mgd of mixed primary and secondary treated effluent and does not currently have the ability to supply Title 22 recycled water. A *Comprehensive Recycled Water Study* was conducted jointly by the City and CSD in 1999 (Carollo, 1999). The City and CSD have decided to upgrade their WWTP's separately to provide tertiary treatment. Once the City's facility has been upgraded, there may be increased opportunities for the use of recycled water. The cost of a recycled water distribution system and water quality parameters may ultimately limit reuse.

**Table 3-10 – Morro Bay Current Water Supply**

Source	Amount (acre feet)
Groundwater (pumping rights)	1,724
Morro	581
Chorro	1,143
Recycled Water	0
Desalination	645
SWP	1,313
<b>Total</b>	<b>3,682</b>

**Figure 3-4**



The City uses an average per capita water use rate, moderated by the use of the ten-year from 1995 to 2004 to normalize weather events. The ten-year average is 125 gpcd. The 2020 water use target for the City is 113 gpcd. This water use rate is used with the City’s build-out population and current population to project the primary water supply and reliability reserve. The City’s aggressive approach to water conservation during drought years produces significant results in a relatively short period of time. The city reduced their per capita down even further in 2015 to 95 gpcd.

**County Biennial Resource Summary Report – 2010-2012**

The County Department of Planning and Building prepares the Biennial Resources Summary Report that summarizes the resource situation (including water) of Morro Bay and other incorporated cities of the County. The Report evaluates the capability of incorporated cities and unincorporated communities to provide public services. The Biennial Report uses a Level of Severity rating system for water supply and water delivery systems. The rating system for water includes evaluating the available supply and the production and distribution system for a particular jurisdiction. The following rating system is used:

The RMS utilizes three alert levels called levels of severity (LOS) to identify differing levels of resource deficiencies.

- Level I is the first alert level. Level I occurs when sufficient lead time exists either to expand the capacity of the resource, or to decrease the rate at which the resource is being depleted.
- Level II identifies the crucial point at which some moderation of the rate of resource use must occur to prevent exceeding the resource capacity.
- Finally, Level III occurs when the demand for the resource equals or exceeds its supply. It is the most critical level of concern. The County should take actions to address resource deficiencies before Level III is reached.

The following is an excerpt from the 2010-2012 Biennial Resource Summary Report for Morro Bay:

The City receives water from a variety of sources: groundwater from the Morro Creek underflow, groundwater from the Chorro Creek underflow, converted saltwater through the City’s desalination facility, and State water via the Chorro Valley pipeline. The desalination facility also treats brackish water from the Morro Creek underflow for nitrate removal. The City’s desalination plant provides water during the times that the State Water Project pipeline is undergoing annual maintenance.

Total water supply= 3,105 acre feet per year (AFY)

**Table 3-11 Morro Bay Water Use  
Estimates, AFY**

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1,423	1,475	1,400	1,384	NA	1,420	1,369	1,317	1,223	1,240

Source: 2010-2012 RMS

**Water Demand**

The City completes water demand projections in order to know how much water might be needed to serve residents, businesses and other uses as growth and development occur in the

City. The City's Urban Water Management Plan provides information and establishes policies for meeting the current water demand and for projecting future water demand. This document is a valuable water resource planning tool and was updated in 2015. The City has provided the following historic water demand calculations. These numbers show the City's ability to conserve water when necessary. The City's highest water use year was in 1970 with an average of 193 gallons per person per day. The City's lowest water use year was 114 gallons per person per day in the drought year of 1991. However, the City just reported a new lowest year in 2015 with a water use of 95gpcd. The table on the following pages shows the water used and rainfall from 1960 to 2015.

In 2015, the City reported annual water use of 1,074 acre-feet.

YEAR	RAINFALL	CITY POP.	PRODUCTION IN ACRE FEET	PRODUCTION IN MILLIONS OF GALLONS	AVERAGE DAILY PRODUCTION IN MILLIONS OF GALLONS	AVERAGE GALLONS PER CAPITA PER DAY
1960	10.48	5599	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	9435	1534	500	1.37	145

1984	10.08	9599	1669	544	1.49	155
1985	10.02	9747	1691	551	1.51	155[129]a
1986	17.17	9881	1614	526	1.44	146[120]
1987	12.29	9819	1655	539	1.48	150[127]
1988	15.01	9975	1648	537	1.47	147[124]
1989	10.88	10133	1559	508	1.39	137[118]
1990	8.78	9664	1527	498	1.36	141[115]
1991	16.01	9806	1256	410	1.12	114[92]
1992	19.63	9736	1319	430	1.18	121[98]
1993	24.21	9979	1391	452	1.24	124[98]
1994	11.05	10071	1414	462	1.26	126[106]
1995	40.01	9518	1418	462	1.27	133[110]
1996	15.47	9687	1501	462	1.34	138[110]
1997	18.56	9696	1535	489	1.37	141[115]
1998	18.01	9845	1326	432	1.18	120[102]
1999	13.11	9871	1393	454	1.24	126[108]
2000	19.63	10410	1400	456	1.25	120[103]
2001	16.04	10486	1410	459	1.26	118[107]
2002	9.36	10510	1454	474	1.3	123[108]
2003	13.75	10485	1421	466	1.28	122[108]
2004	9.48	10522	1477	481	1.32	125[105]
2005	30.19	10270	1361	444	1.22	118[106]
2006	18.9	10,491	1371	447	1.23	117
2007	7.24	10,436	1446	471	1.29	118
2008	13.34	10,548	1439	469	1.23	122
2009	12.25	10,555	1448	472	1.29	120
2010	17.26	10,608	1259	410	1.12	106
2011	12.99	10,234	1243	405	1.11	108
2012	10.16	10,327	1203	392	1.07	105
2013	4.05	10,370	1349	440	1.21	117
2014	12.62	10,234	1183	385	1.05	103
2015	8.55	10,284	1074	354	0.97	95

Source: City of Morro Bay-Public Works Department

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

**Water Conservation.** The City has a very effective water conservation program. In 1988, the year before drought conservation measures were implemented by the City, the average number of gallons used per person per day was 147. In 1991, the third year of drought/conservation measures, water use had decreased by 23%, to 114 gallons per person per day. The City's aggressive approach to water conservation during drought years produces significant results in a relatively short period of time. The City can implement this water conservation program in drought situations by phasing in water-saving measures.

The City also recognizes the importance of long-term water efficiency by supporting programs that will enhance water supply reliability and comply with any current and/or future state mandates in water use reductions. In 2009, Senate Bill X7-7 was passed requiring water agencies to reduce per capita water use by 20 percent by the year 2020. There are three options (with a fourth being developed) on how to determine the year 2020 target for the City. Using the methodology which best corresponds to the City's situation and recognizes the City's past investment in conservation, the City's target per capita water use would be 113 gpcd which is an additional five percent reduction from 2010 per capita water use. However, the city reduced their per capita down even further in 2015 to 95 gpcd.

### Water Supply and Demand

The City's existing water supply is found adequate within its 2015 UWMP to serve the anticipated build out of its General Plan. The Supply/Safe Yield available to the City is currently estimated at 3,105 acre-feet per year. The demand in 2015 was estimated to be 1,074 acre-feet per year. The City anticipated future water demand to be 1,452 acre-feet per year at build out under the existing General Plan. However, the sources have some constraints that may limit reliability.

Water use in the City includes single-family, multi-family, commercial (includes institutional and industrial), and irrigation customers. No agricultural uses are supplied by City water and the City does not sell water to other agencies. The historical and projected number of connections and deliveries to the City's customers are presented in the table below.

**Table 3-13 Past, Current, and Projected Water Deliveries**

		Water Use Sectors				
		Single Family	Multi-Family	Commercial, Industrial, & Institutional	Irrigation	Total
<b>2005</b>	# of metered accounts	4,489	330	523	60	5,402
	Deliveries ac-ft/yr	706	105	384	19	1,214
<b>2010</b>	# of metered accounts	4,481	355	497	51	5,384
	Deliveries ac-ft/yr	653	99	489	14	1,255
<b>2015</b>	# of metered accounts	4,609	365	511	52	5,537
	Deliveries ac-ft/yr	693	105	520	15	1,334
<b>2020</b>	# of metered accounts	4,735	375	516	54	5,690

	Deliveries ac-ft/yr	695	106	521	15	1,336
<b>2025</b>	# of metered accounts	4,883	387	541	56	5,867
	Deliveries ac-ft/yr	709	108	531	15	1,364
<b>2030</b>	# of metered accounts	5,031	399	558	57	6,045
	Deliveries ac-ft/yr	733	111	549	16	1,409
<b>2035</b>	# of metered accounts	5,177	410	575	59	6,220
	Deliveries ac-ft/yr	755	115	566	16	1,452

**Notes:** Source: Morro Bay UWMP, 2010

1. Department of Water Resources, Tables 3 through 7
2. The City has no unmetered accounts

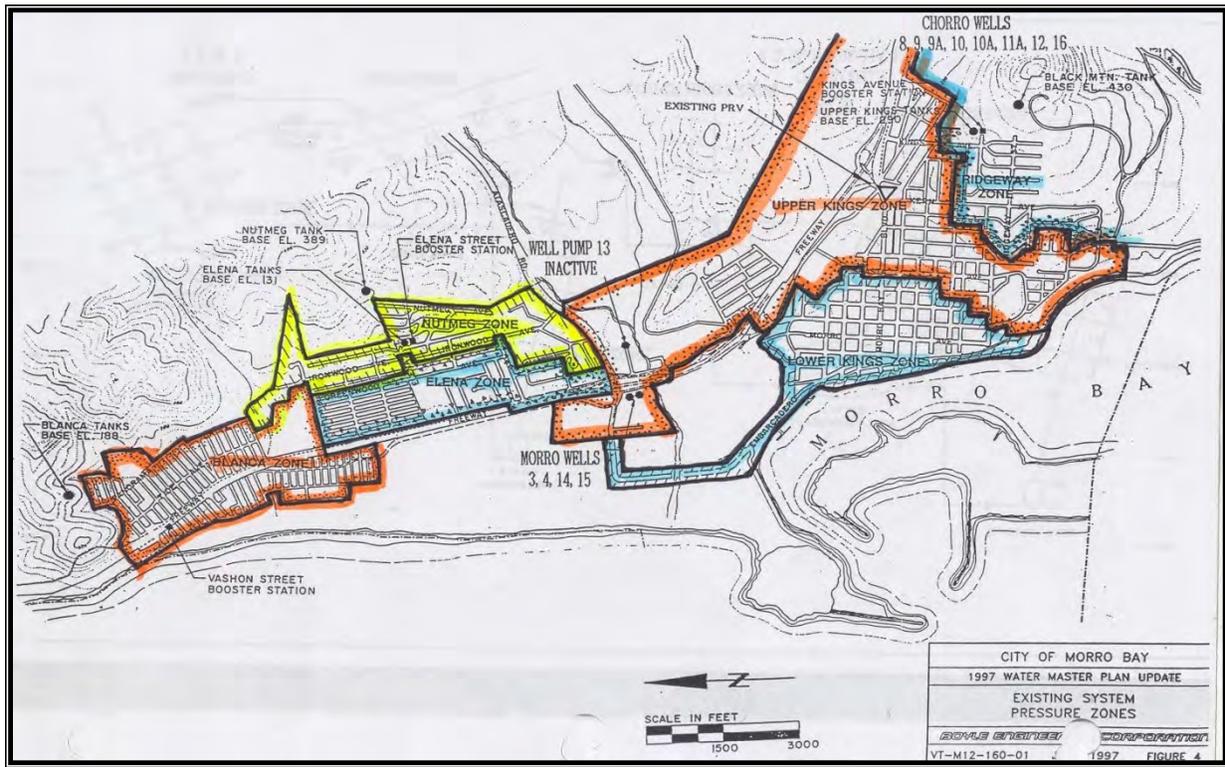
### Water Distribution and Storage System

The City operates and maintains an extensive water transmission and distribution system. It consists of wells, storage tanks, pump stations, pressure relief valves and zone valves. The City is divided into six different pressure zones to ensure adequate water pressure throughout the City.

**Water Distribution.** The City's distribution system is made up of six pressure zones, five storage tanks, three booster stations, and one main pressure regulator. The water system operates in two main areas: the northern sub-area containing Blanca, Elena, and Nutmeg Zones and the southern sub-area with the Upper Kings, Lower Kings and Ridgeway Zones. These zones are in the process of being reconfigured to increase system efficiency pursuant to the recommendations found in the 1997 Water Master Plan. The City is in the process of converting to the plan-recommended pressure zone configuration but, as of the writing of this report, the system's pumps and pressure zones remain largely as described in the 1997 plan. The City has added a number of pipelines and tanks to the water system. A blending pipeline has been installed from the Morro wells to the Kings storage tanks. A 12" pipeline west of Highway 1 and north of Atascadero Road has also been installed as well as an 8" pipeline on Monterey Avenue north of Dunes Street. A pressure-regulating valve (prv) on Morro Bay Blvd. has been installed and two of the Blanca storage tanks have been replaced and upgraded. Also, the Morro wells have been rehabilitated with new pumps and motors.

**Pressure Zones.** The City's water distribution system is comprised of six pressure zones. These zones are shown on the map and help the City to maintain adequate water flow to different areas within the City.

Figure 3-5: Pressure Zones



**Storage Facilities.** The City operates and maintains five storage facilities and includes the following:

TANK	CAPACITY	CONDITION
• Upper Kings Tanks	2.5 Million Gallons	Good-Regularly Maintained
• Black Mountain Tank	.18 Million Gallons	Good-Regularly Maintained
• Elena Tanks	.12 Million Gallons	Good-Regularly Maintained
• Blanca Tanks	.61 Million Gallons	Recently Upgraded
• Nutmeg Tank	.14 Million Gallons	Good-Regularly Maintained
Total Capacity	3.55 Million Gallons	

These storage tanks are maintained on a regular basis. The five-year Capital Improvement Plan indicates that several improvements/replacements are scheduled for the above storage system.

**Booster Stations.** The City operates and maintains three booster stations: the Vashon Booster, the Elena Booster, and the Kings Avenue Booster. The City regularly maintains these

boosters. The plan is to consolidate the Blanca, Elena, and Lower Kings Pressure Zones which would eliminate the need for the Vashon Booster.

**Pipelines.** The City operates some transmission pipelines which are 10 inches or larger in diameter, however; most of the distribution lines are between 6 and 8 inches in diameter. Normally, transmission pipelines connect water supply, storage tanks, booster stations, and key points in the pressure zones. The City system is unusual in that it is set up with the water supply discharging into 6 and 8 inch lines in some locations. This is not an uncommon situation for older water systems such as the City of Morro Bay's system. Also the 6 and 8 inch lines are looped in a manner that assists in the flow of water throughout the City. The network of smaller distribution lines then transfers water to the end users. The Water Master Plan recommends a number of improvements that are still being implemented. The Capital Improvement Plan described below shows a number of those improvements.

**Capital Improvement Plan-Water System.** The City's Capital Improvement Plan (CIP) comprehensively schedules and finances all capital projects and equipment purchases. The City is facing fiscal challenges in balancing the budget due to General Fund revenue shortfalls. Because of this the General Fund CIP focused on maintaining, repairing or replacing the facilities, infrastructure and equipment on an as needed basis. The City's Capital Improvement Plan contains project-by-project information and aligns with the goals of the City for project implementation. The City's approach considers the current fiscal situation and makes adjustments based on the City's ability to pay for improvements. According to City Staff, the water system has adequate funding for the needed Capital Improvement Projects.

#### **Projects Budgeted 2016/2017**

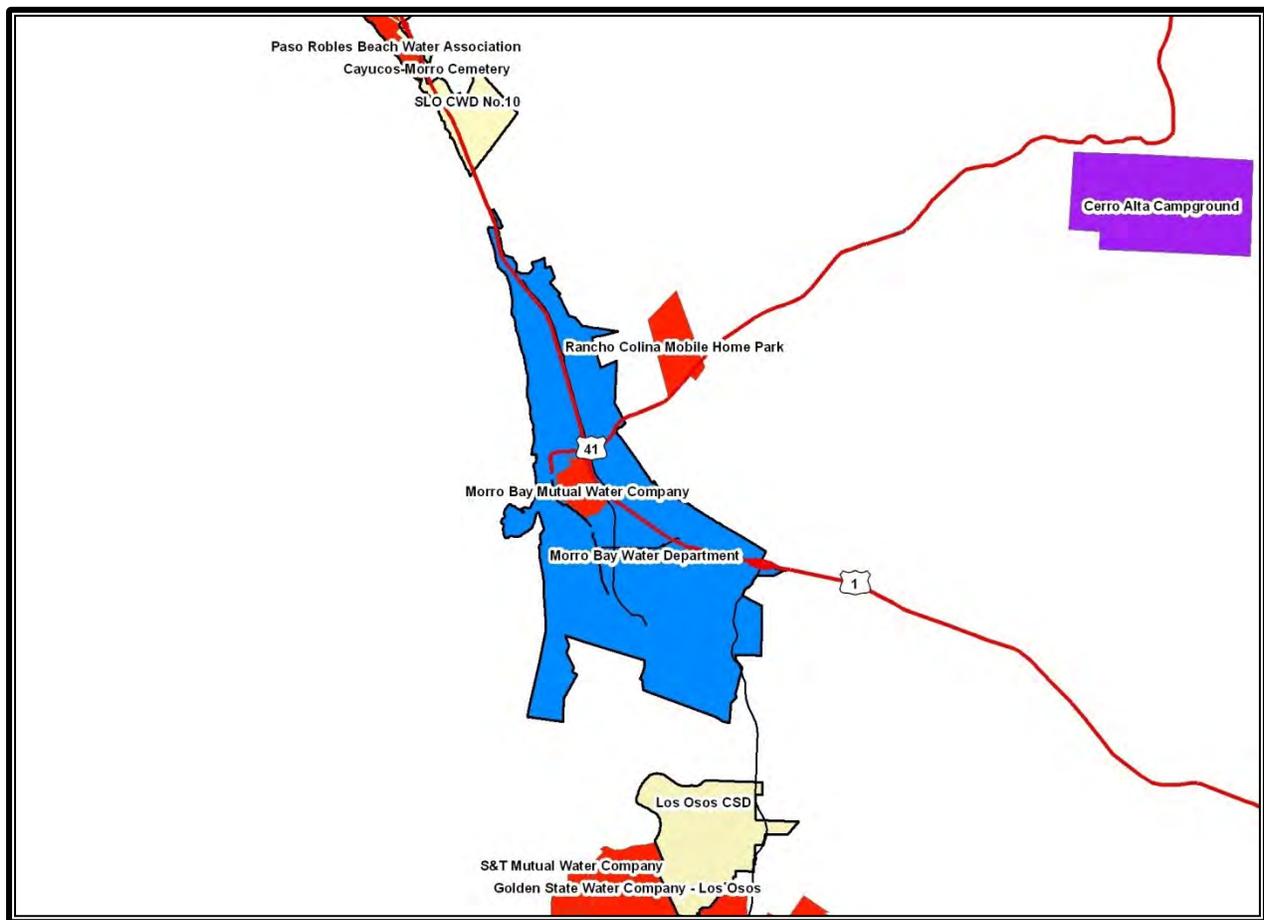
- ▶ Blanca pipeline budgeted \$250,000
- ▶ Nutmeg Tank, budgeted \$1,060,354
- ▶ Desal upgrade/energy recovery project, budgeted \$1,297,349
- ▶ Master Plan improvements, budgeted \$350,000
- ▶ Chorro Creek stream gauges budgeted \$455,660
- ▶ Brackish Water Reverse Osmosis budgeted \$?

**Other Water Providers**

In addition to the Morro Bay, nine other private/public water purveyors provide water services to area residents. Some providers are located within the City limits. The primary source for all of these other water providers is groundwater pumped water from local Groundwater Basin. These include:

- Cero Alta Campground
- Rancho Colina Mobile Home Park
- Morro Rock Mutual Water Company
- Morro Bay Mutual Water Company
- SLO County Water District (CSA 10)
- Cayucos-Morro Cemetery
- Paso Robles Beach Mutual Water Association
- Los Osos Community Services District
- Golden State Water Company – Los Osos

**Figure 3-6 Other Water Providers**



## **WASTEWATER COLLECTION & TREATMENT SYSTEM**

**Facility Description.** Morro Bay operates the wastewater treatment facility under a Joint Powers Agreement (JPA) with the Cayucos Sanitary District. The Morro Bay/Cayucos Wastewater Treatment (MBCSD) facility is an advanced primary treatment plant that consists of screening, grit removal, primary clarification, trickling filters, secondary clarification, odor control, and chlorine disinfection. Wastewater contains large solids and grit that can interfere with treatment processes or cause undue mechanical wear and increased maintenance on downstream wastewater treatment equipment. To minimize potential problems, these materials are removed prior to primary treatment. Primary treatment involves the removal of floating solids and suspended solids, both fine and coarse, from raw sewage and is a means of treating urban wastewater by a physical and/or chemical process involving settlement of suspended solids, or other processes in which the incoming wastewater is processed. To avoid discharging contaminants into the ocean habitat, most sewer plants in the coastal area of California have upgraded to at least secondary treatment levels.

The City and Cayucos Sanitary District were in the process of upgrading the wastewater treatment plant to full secondary treatment and to provide tertiary filtration capacity of 1.5 million gallons per day. The tertiary filtered effluent would meet standards for disinfected secondary recycled water and as such could be used for limited beneficial uses. The project was required to be completely operational and in full compliance with state and federal permits by March 31, 2014. However, the schedule is now on hold due to the denial of the California Coastal Commission permit. The California Coastal Commission has requested alternative sites be considered, including the potential Study Areas. Since, the City and CSD has decided to go separate ways to address their wastewater needs.

**Capacity.** The treatment system currently has the capacity to process 2.06 million gallons per day of wastewater on an average dry day. The system is operating at 56% of capacity with an estimated 1.15 million gallons per day currently being processed at the treatment facility. The proposed City plant upgrade will provide tertiary filtration capacity of 1.5 million gallons per day (average dry weather flow—ADWF). The new plant will have less rated capacity based on extensive population projections developed for this project.

**Wastewater Collection.** The existing wastewater collection system within the City is made of a network of roughly 60 miles of gravity pipeline, 2.5 miles of force-main, 3 wastewater-pumping stations, and approximately 1,116 manholes, lampholes and clean-outs.

#### **Projects Budgeted 2016/2017**

- ▶ Section 6 rehabilitation, budgeted \$250,000
- ▶ Laurel easement rehabilitation, budgeted \$200,000
- ▶ Lift Station #1 rehabilitation, budgeted \$100,000
- ▶ Embarcadero rehabilitation, budgeted \$500,000
- ▶ North Main St. trunk line replacement, budgeted \$32,994
- ▶ New screening device for headworks, budgeted \$500,000
- ▶ Digester #2 cleaning and repairs, budgeted \$250,000
- ▶ Chlorine contact tank equipment replacement, budgeted \$200,000
- ▶ Preliminary facility master plan/facility master plan, budgeted \$500,000

### Water and Sewer Rates Comparison

The following tables compare the water and sewer rates of the seven cities. The sample monthly bill was calculated using 10 units of water as a base. This information was gathered from website research from each City.

**Table 3-14 – Single-Family Water Rates**

Rate/Fee	Pismo Beach	Arroyo Grande	Grover Beach	Morro Bay	Paso Robles	Atascadero	San Luis Obispo
Monthly Service Meter Charge	\$32.57	\$7.19	\$10.06	\$24.18	\$0.00	\$18.00	\$8.00
Water (per 100 cubic feet)	\$2.72	\$3.42	\$3.34	\$7.00	\$4.40	\$2.10	\$7.90
Other Charges	\$0.00	\$20.33 (Lopez Treatment)	\$0.00	\$0.00	\$0.00	\$2.50 (Nacimiento)	\$9.88 (over 8 units) + 5% tax
Sample Monthly Bill (10 units of water)	\$59.77	\$61.72	\$76.86	\$71.18	\$44.00	\$41.50	\$94.66

**Table 3-15 – Single-Family Sewer Rates**

Rate/Fee	Pismo Beach	Arroyo Grande	Grover Beach	Morro Bay	Paso Robles	Atascadero	San Luis Obispo
Flat Monthly Rate	\$63.53	\$2.40	\$9.92	\$62.50	\$0	\$20.18	\$8.32
Sewer (per 100 cubic feet water)	\$0.00	\$0.67	\$0.00	\$0.00	\$7.80	\$0.00	\$9.17
Other Charges	\$0.00	\$14.86	\$14.86	\$0.00	\$0.00	\$0.00	\$0.00
Sample monthly bill (10 units of water)	\$63.53	\$23.96	\$24.78	\$62.50	\$78.00	\$20.18	\$100.02

Figures 3-10 and 3-11 show a rate comparison for all seven cities in the County. Overall, Morro Bay's water and sewer rates for residential customers are on the higher end than other county cities. The charts are based upon a sample billing using "10 units" of water as a basis.

Figure 3-7

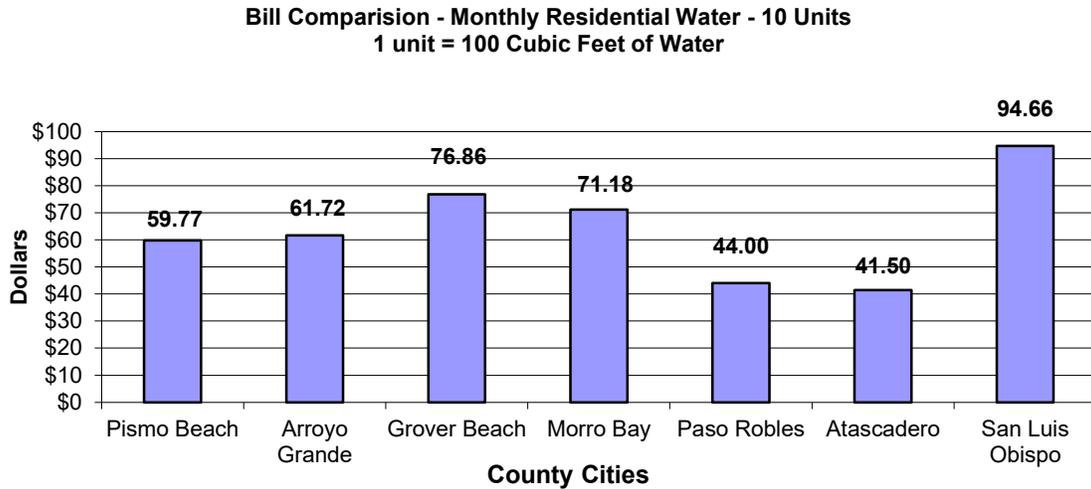


Figure 3-8

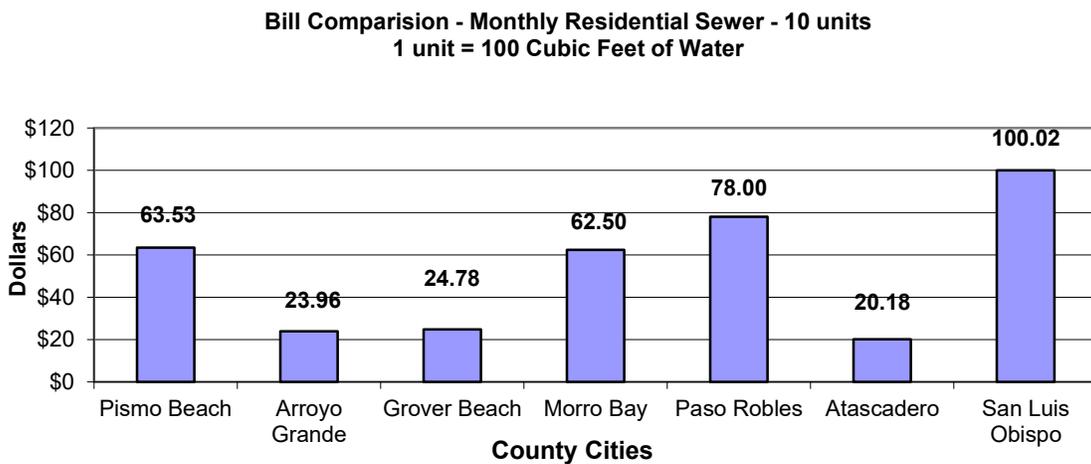
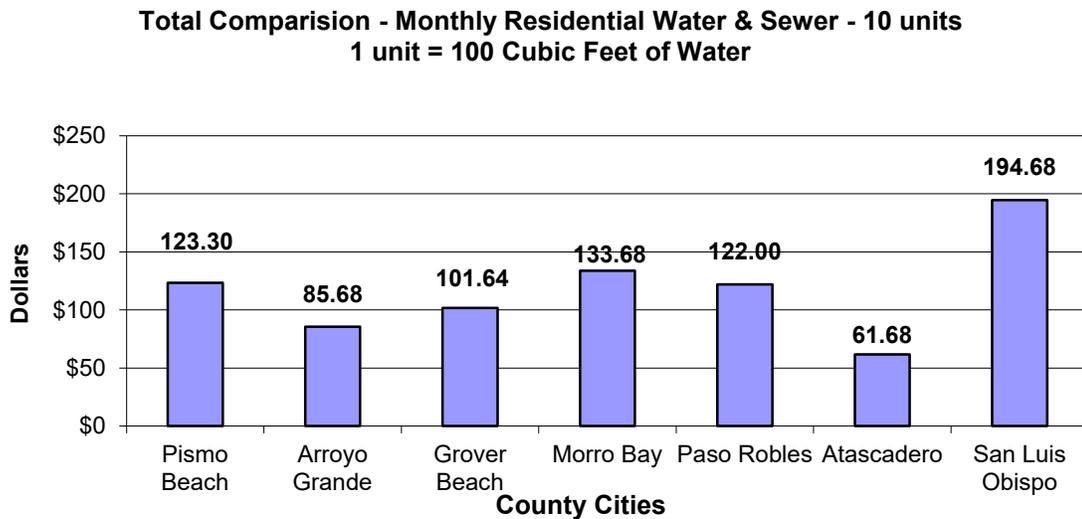


Figure 3-9



## **TRANSPORTATION - STREETS – ROADS**

### **Morro Bay General Plan, Draft Circulation Element 2004**

The Circulation Element of the City's General Plan describes how the City will manage transportation issues as the City grows and develops. The Circulation Element was updated in 2004 along with other elements in the General Plan but never certified. The City is current undertaking a new comprehensive update to its General Plan. The Element contains goals, policies and implementation standards and programs to guide the future development of the City's circulation system.

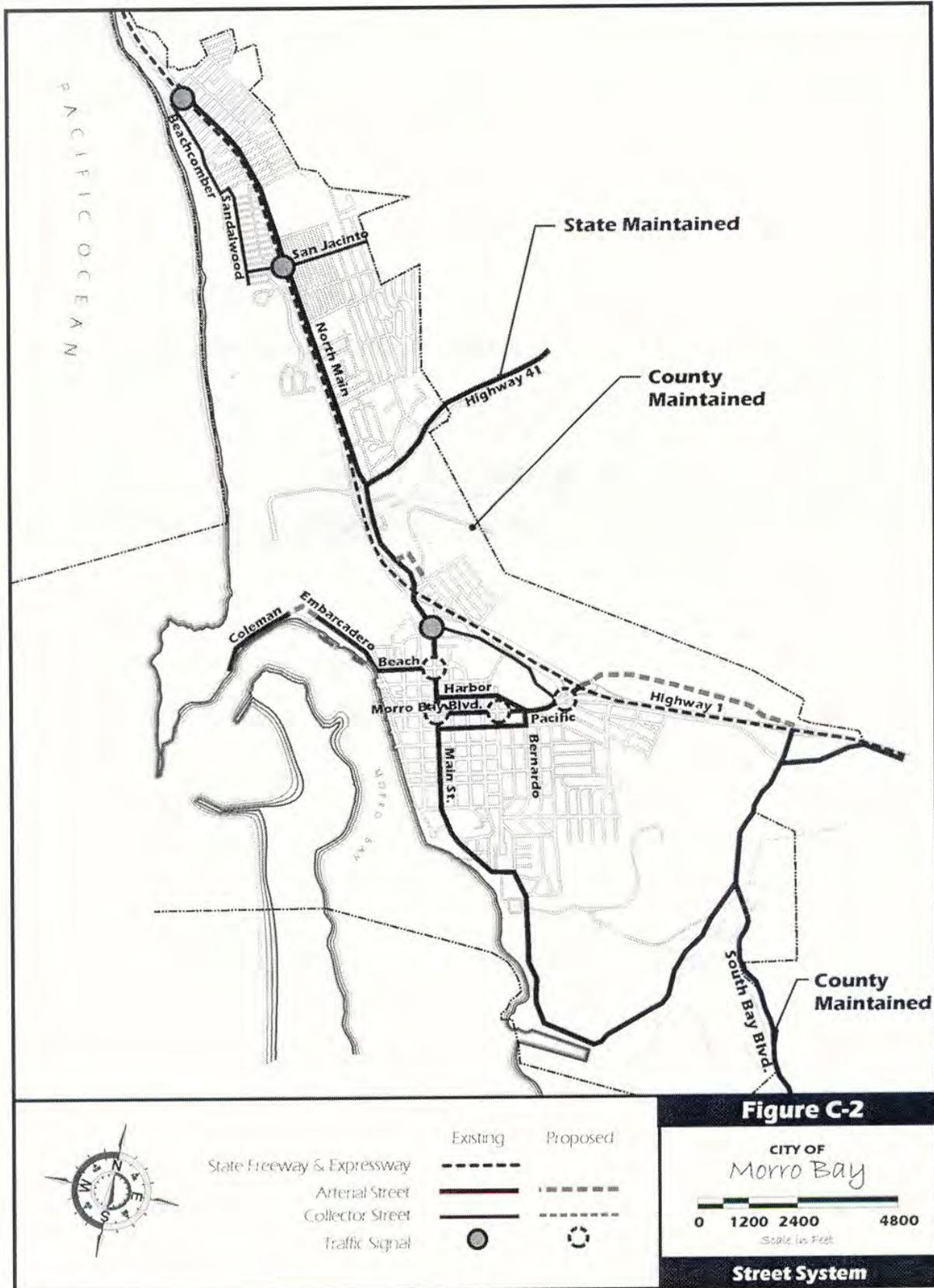
The Circulation Element provides sound policy base for the continued improvement of the City's circulation system. The map on the next page shows the existing and proposed arterials and collector streets. Existing and proposed traffic signals are also shown.

The following table shows a list of street projects that have been completed over the last five years.

**Table 3-16: CIP Street Projects**

<b><i>CIP No.</i></b>	<b><i>Dept.</i></b>	<b><i>Description</i></b>	<b><i>Current Status</i></b>
8307	Streets	STIP Street Rehab	-COMPLETED-
9825	Streets	Main Street Bike path	-COMPLETED-
n/a	Streets	Kern Street	-COMPLETED-
n/a	Streets	Beach Street	-COMPLETED-
n/a	Streets	Marina Street	-COMPLETED-
n/a	Streets	Pacific Street	-COMPLETED-
n/a	Streets	Harbor Street	-COMPLETED-
n/a	Streets	Mimosa Street	-COMPLETED-
n/a	Streets	PD Alley	-COMPLETED-

Figure 3-10 Circulation System



Below is a list of local street improvement projects proposed in the City's Capital Improvement Program. Funding for these projects is allocated based upon available funding and budget priorities.

#### **Projects Budgeted 2016/2017**

- ▶ Five Year Pavement Management Plan - Street Maintenance Projects – \$250,000
- ▶ Clarabelle – \$31,724
- ▶ Driftwood – \$9,485
- ▶ Napa – \$123,285
- ▶ Pacific – \$50,125
- ▶ Piney – \$305,970
- ▶ Prescott – \$43,200
- ▶ Shasta – \$72,770
- ▶ Sienna – \$21,419
- ▶ Surf Alley – \$4,556
- ▶ Tuscan – \$13,631
- ▶ Zanzibar – \$17,525

#### **SLOCOG Regional Transportation Plan, 2014**

The most recent adopted RTP, Sustainable Communities Strategy, acts as a blueprint for a transportation system that addresses transportation projects that will meet access and mobility needs. The 2014 Regional Transportation Plan (2014 RTP) is intended to be a comprehensive Plan guiding transportation policy for the region and will make recommendations concerning improvements to the existing transportation network of highways, transit, air and water, rail and bicycling.

**Regional Improvements.** According to the San Luis Obispo Council of Government's (SLOCOG) 2014 Regional Transportation Plan a significant increase in traffic volume on Highway 1 is projected from the 2008 number of 23,100 average daily trips to 28,000 average

daily trips in 2035. The Level of Service in the Morro Bay area on Highway 1 is expected to drop to LOS D. The North Coast segment of the route is projected to increase very modestly as development is expected to be minimal on the North Coast. The SLOCOG 2014 RTP Planned improvements would be limited to enhancements such as billboard removal, Class I bike facilities, undergrounding of utilities, improvements at the Hwy1/SR41 interchange and various beautification and non-motorized transportation improvements.

**Transit.** RTA provides regional fixed-route services within San Luis Obispo County. RTA's Route 9 operates on the Highway 101 corridor between San Miguel, Paso Robles, Templeton, Atascadero, Santa Margarita, and San Luis Obispo. Route 12-A operates between San Luis Obispo, Cuesta College, Morro Bay, Baywood Park, and Los Osos. There is also one express trip (in each direction) between Los Osos, Cal Poly and San Luis Obispo on weekdays. San Luis Obispo Transit operates seven fixed-route buses and trolley, on weekdays and weekends.

**Route 12-A** operates between San Luis Obispo, Cuesta College, Morro Bay, Baywood Park, and Los Osos. There is also one express trip (in each direction) between Los Osos, Cal Poly and San Luis Obispo on weekdays.

**Route 12-B** operates between Morro Bay, Cayucos, Cambria, and San Simeon and feeds Route 12-A in Morro Bay on weekdays.

**Ride-On** a non-profit organization that provides social services clients' transportation and transportation alternatives to members of the general public to increase mobility while reducing congestion, air pollution, and parking demand. Seniors' Shuttle offers rides with advanced reservations to seniors (age 65 and over) by geographical sector; the shuttle operates between 9 am and 4 pm with coverage as follows: North Coast on Mondays and Wednesdays.

**The Trolley** - The City of Morro Bay operates three seasonal trolley routes seven days a week with extended evening hours on Fridays through Mondays with a \$1.00 cash fare. Morro Bay also operates a year-around general public paratransit service from 6:45 am to 6 pm on weekdays within the city limits. As of July 1, 2010, the paratransit service will be replaced by a weekday flex fixed route service from 6:40 am to 5:30 pm with a \$1.25 base fare for fixed route and \$2.50 base fare for the deviated service.

## **HARBOR SERVICES**

The City provides boater assistance, water emergency response, and facilities maintenance for the regional harbor facility within city limits. Morro Bay Harbor is designated as "a state harbor of refuge" by special legislation and the home of USCG station Morro Bay with 35 federal personnel providing marine security for Diablo Canyon Nuclear Power plant and the California coastline between Monterey and Santa Barbara. The Harbor Department includes a staff of 5.75 employees with a budget of about \$1.6 million. The Chief Harbor Patrol Officer and Harbor Patrol officers are City employees who respond to water emergencies outside city jurisdiction, depending on incident location and resources available. The City provides community education for boating and beach safety, and resources management; i.e. snowy plover management, state/federal/private NGO wildlife and environmental protection initiatives etc. In recent years the City has seen public demand for these services increase and along with unfunded state and federal mandates requiring additional management effort and financial resources with no associated revenues.

The federally designated navigational channels must be maintained through dredging at an approximate annual cost of \$1.5 million or the harbor would become un-navigable to most vessels. This would be a significant detriment for safety, regional vessel traffic, and the county economic environment. The city considers maintenance dredging of the harbor navigational channels as a critical service. The city maintains all waterfront public facilities such as the large T piers, and the no-cost public boat launch ramp right down to the street end docks, and these types of maintenance are very costly, requiring significant resources be dedicated for Waterfront facilities maintenance every year. The Harbor Department has the following objectives:

- To maintain all harbor facilities including responsibility for all City piers, docks, equipment and harbor patrol vessels. Maintain and enhance existing City facilities and waterfront businesses through reconstruction projects as need and funding priorities allow. Assist other City departments whenever possible in City with services. Interface with outside agencies to sustain and enhance business environment and quality of life in Morro Bay. Coordinate Federal dredging activities. Provide a clean, safe waterfront area.
- Administer tidelands lease property management program for 50 lease agreements providing annual revenues. Represent the public interest in all lease site use/agreement

negotiations and build a partnership concept with tenants through City cooperation in Embarcadero business promotion improvements.

- Responsible for general administration of the Harbor including; code enforcement of Chapter 15 of the Municipal Code, collection of user fees and providing general City business office functions in an efficient manner.
- The Harbor Patrol shall maintain equipment and City waterfront facilities at a level that reflects well on the City of Morro Bay. Provide boater assistance and water emergency response in a friendly and professional level equal to or higher than other harbors in California.

**Fire**

The City’s Fire Department provides a full range of services including fire suppression, wild land fire response, paramedical emergency medical service, initial HAZMAT response, vehicle extrication, technical rescue and confined space response. The Fire Department is the first responder to non-law enforcement emergency incidents including those at the Power Plant. The Department responded to 1,908 calls in 2014. The Fire Department total budget for FY 16/17 is \$2,327,667.

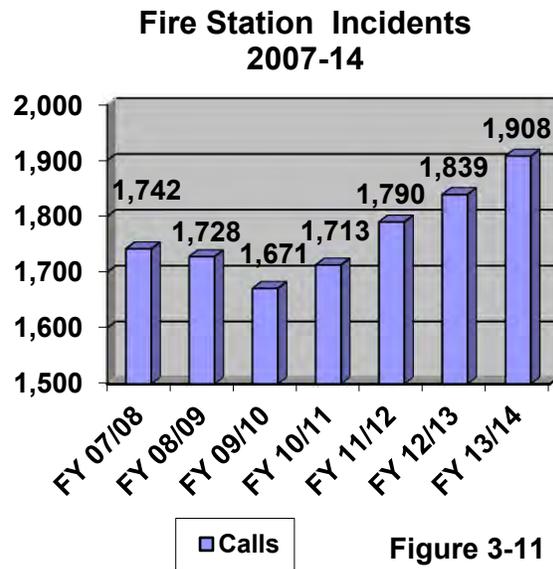


Figure 3-11

The Department maintains two stations located in the City. Station 53 is the operational station and is located at 715 Harbor Street. This station has been newly constructed/remodeled and is staffed daily. The other station (#54) is located on 460 Bonita Street and is un-staffed and is used to store equipment and vehicles.

The Department has 10.5 full-time employees that work from one fire station. The City has a minimum staffing level of two firefighter/paramedics from one station, with three staff on duty unless staff is training, on sick leave or vacation.

The City's Fire Department is able to serve the City's emergency response needs, however, expansion of the Fire Department would be considered if growth and development increase. The sales tax increase, (measure Q), provides some funding for emergency response needs; however, more financial resources may be needed to construct a new station and increase staffing levels. The Department has difficulty in responding to simultaneous calls for service.

## **POLICE**

The Morro Bay provides law enforcement services for the residents of the City. The Police Station is located at the corner of Santa Rosa and Walnut. The total budget for the Police Department for fiscal year 2016-17 is \$3.2 million. The services provided by the Department are briefly described below. The Morro Bay Police Department consists of 20 employees, 16 of which are sworn police officers. The Department is divided into two bureaus, with a Police Captain commanding each.

The Operations Bureau consists of a Patrol Services Division, Traffic Safety Unit, Situation Oriented Response Team (SORT), and Neighborhood Services. In 2008 construction began on the new Emergency Communications Center located adjacent to Fire Station #1. The ECC is equipped with new state-of-the-art technology.

**Service Levels.** Service levels for Police are often measured in terms of the number of sworn officers per 1,000 people in a community. This is a general measure and should be used only as one piece of information in characterizing police service levels. Service levels vary from city to city because of minimum patrol staffing, officer safety, available back-up from surrounding law enforcement agencies, demographics, geographic features, special service needs, specific crime problems, and other factors. The following is a ratio of full-time sworn officers per 1,000 in population for the Morro Bay in 2014, calculated using the following formula:

$$\begin{aligned} 10,234 \text{ population} \div 1,000 &= 10.23 \text{ people} \\ 18 \text{ sworn employees} \div 10.23 &= 1.75 \text{ officers per 1000 people} \end{aligned}$$

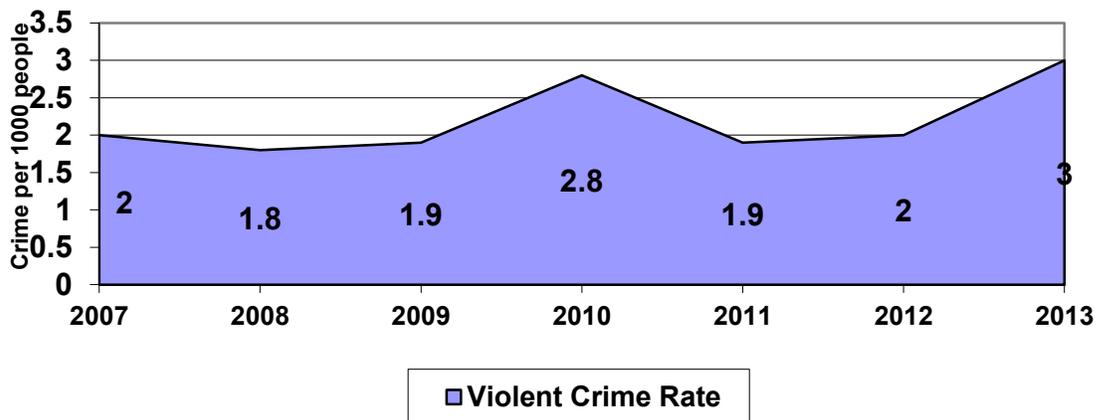
Nationwide the Department of Justice-FBI law enforcement statistics show the ratio to be an estimated two and a half officers per 1000 people for communities the size of Morro Bay. The average officers/1,000 ratio for the seven cities in San Luis Obispo County is about 1.6 officers, with Pismo Beach being the highest at 2.6 and Paso Robles the lowest at 0.90 officers/1,000.

The figures below show the violent and property crime rates per 1,000 people for the Morro Bay from 2007 through 2013. Violent crimes include homicide, rape, robbery, and aggravated assault and have been steadily decreasing. Property crimes include burglary, larceny, auto theft, and arson. This information is from the California Department of Justice Crime statistics. The 2007-2013 crime statistics are based on data from the State of California's Office of Attorney General, Department of Justice, Criminal Justice Statistics Center.

**Figure 3-12: Violent Crime Rate**

Source: California and FBI Crime Index Table 11, 2007-2013

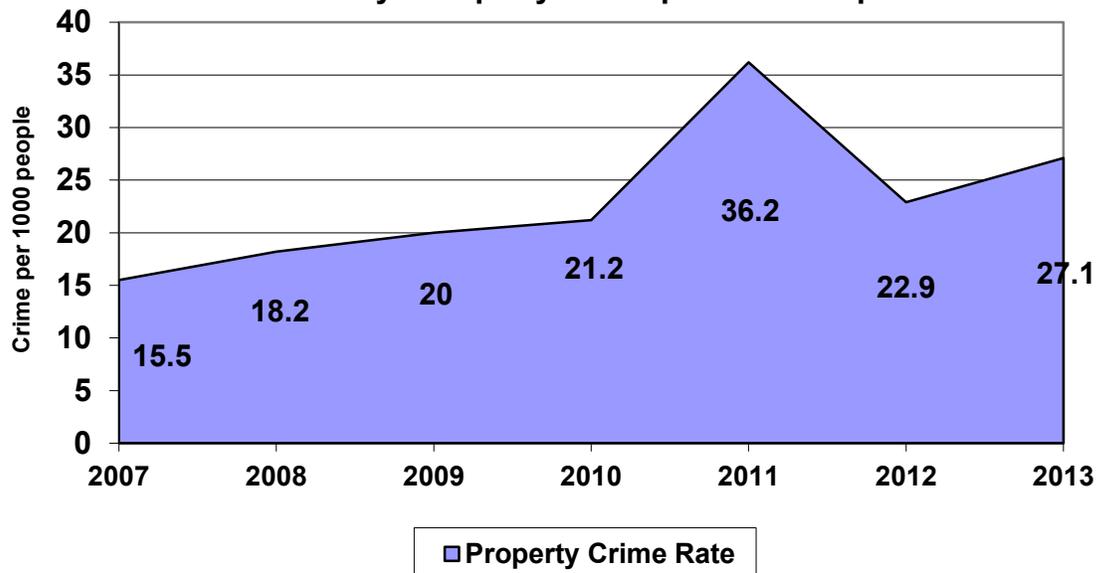
**Morro Bay - Violent Crime per 1000 people**



**Figure 3-13: Property Crime Rate**

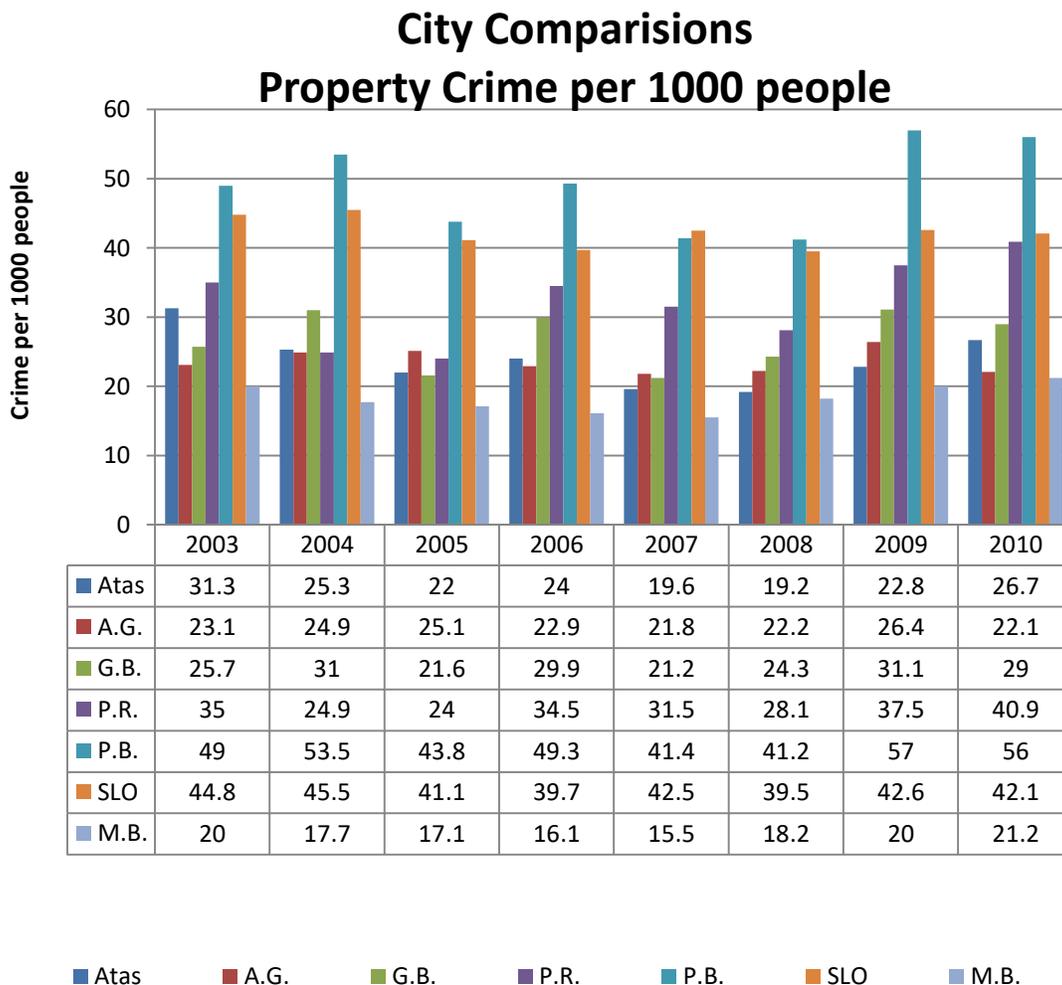
Source: California and FBI Crime Index Table 11, 2007-2013

**Morro Bay - Property Crime per 1000 People**



The following figures show the Morro Bay property and violent crime rates compared to the other cities in the County. Property crime involves burglary, larceny, auto theft and arson. The crime rate is normally calculated as the number of crimes per 100,000 people. Due to the lower population of San Luis Obispo County and cities, the crime rate shown is per 1,000 people. Morro Bay had a crime rate of 20 in 2003 with a steady crime rate increased to 27.1 in 2013.

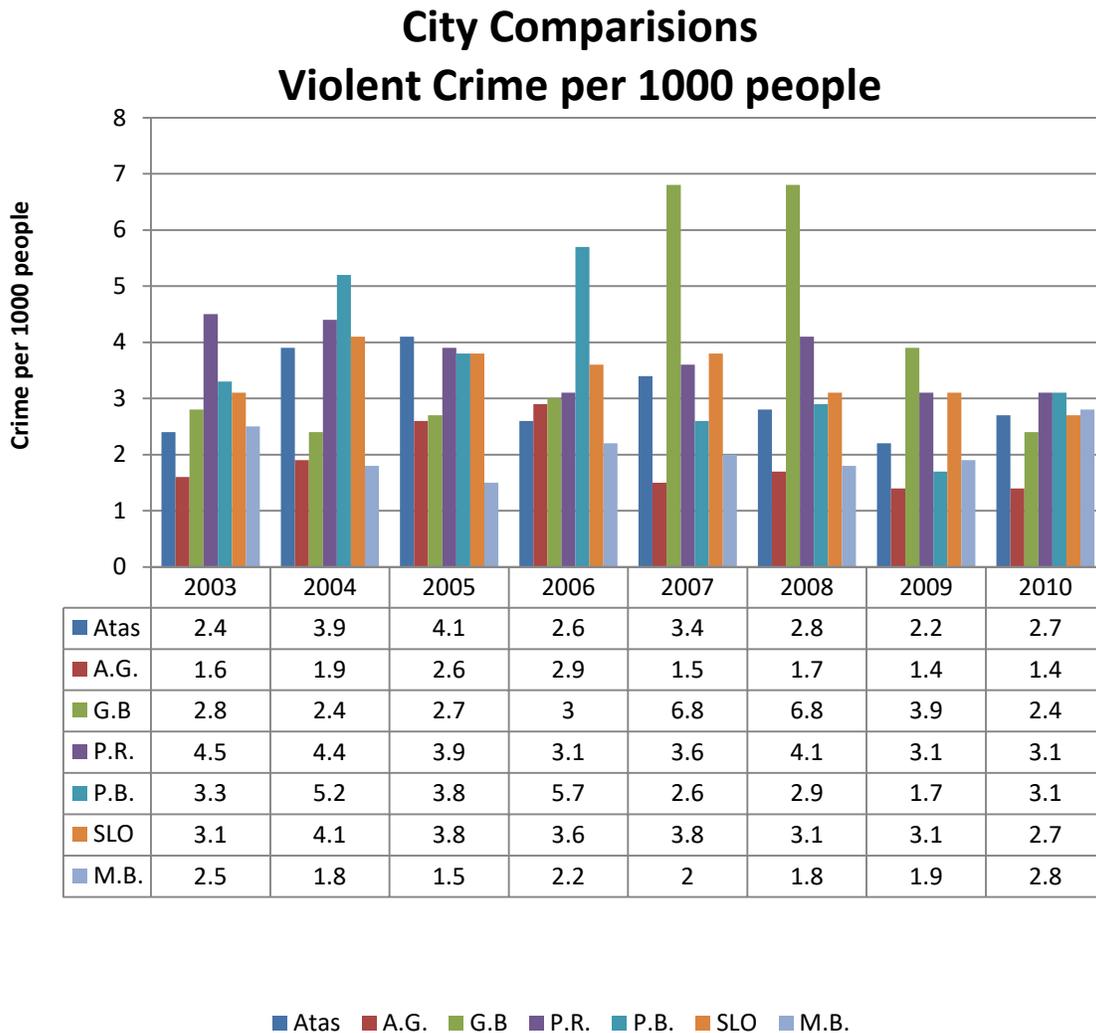
Figure 3-14: Comparative Crime Rate



Source: DOF E4, 2010 and California Department of Justice Department

Violent crime involves homicide, rape, robbery, and aggravated assault. These statistics are from the California Department of Justice Law Enforcement Information Center and the California Department of Finance E4 report, 2010. The crime rate is normally calculated as the number of crimes per 100,000 people. Due to the lower population of San Luis Obispo County cities, the crime rate shown above is per 1,000 people.

**Figure 3-15: Comparative Crime Rate**



Source: DOF E4, 2010 and California Department of Justice Department

The City's General Plan requires that all new development pay impact fees for additional equipment and fixed facilities needed to serve the new development with police services. The City also has a policy of maintaining staffing levels that enable the Police Department to give adequate attention to calls for service, to patrol and crime prevention, and to administrative requirements.

### **DEVELOPMENT IMPACT FEES**

Government Code Section 66000 is intended to hold agencies to a higher level of accountability whenever charges are established, increased, or imposed and whenever updates or reviews are performed. Section 66000 requires ordinances to include language that commits the local agency to establish reasonable development charges and, if those charges are found not to be reasonable, to refund the difference. The City levies a series of development impact fees for new development to address many differing needs. All these fees are based on Government Code Section 66000 et seq., which requires the agency setting fees to (i) identify the purpose of the fee, (ii) identify the use to which the fees will be put, (iii) determine the reasonable relationship (or "nexus") between the type of development charged the fee, the amount of the fee and its use, and (iv) determine the reasonable relationship between the need for the public facility or improvement and the project upon which the fee is imposed. Fees collected by the City include: fees in-lieu of parkland dedication, park development projects, water and sewer capacity and improvement fees, road and circulation fees, public safety fees, and general administrative capital improvement fees.

## WRITTEN DETERMINATIONS

The following written determinations are based on the information contained in the above section regarding Infrastructure Needs and Deficiencies:

### Water Supply and Demand

1. The City is able to provide the services (sewer, police and fire) to the development within the City. However, the recent drought has significantly stretched the City's supply capabilities. The policies and standards in the City's General Plan provide for future services to be funded by the developer.
2. The Safe Yield of the City's Water Supply is estimated to be 3,105 afy in the Biennial 2010-2012 RMS. The estimated demand by the City at build out of the current General Plan is 1,452 afy.
3. The City currently has an adequate water supply to serve the City's anticipated build-out under its current General Plan. However, the City is working to increase the reliability of its supply.
4. The City's General Plan policies would not allow water services to be provided in excess of the available supply.

### Wastewater

5. The City operates and regularly maintains the wastewater collection and treatment system, which consists of sewer pipelines, manholes, pump stations, and a wastewater treatment facility.
6. The treatment facility has the capacity to process 2.06 million gallons per day of wastewater and is currently processing an average of 1.15 million gallons per day. The system is operating at 56% of capacity.
7. The City is in the process of planning for and eventually constructing a new facility that will provide tertiary filtration capacity of 1.5 million gallons per day. The City's future growth depends on the construction of a new facility.

8. The City regularly upgrades their current Sewer System by approving projects and allocating funds as part of their Capital Improvement Program and Plan.

### **Roads and Streets**

9. The City's Circulation Element, in conjunction with the Land Use Element and Capital Improvement Plan, prioritizes and manages the transportation and traffic network.
10. The City improves the transportation network by allocating funds and implementing transportation improvement projects through the Capital Improvement Plan. The City is facing some challenges with adequately funding street maintenance and capital improvements. The City's FY16/17 Budget for street maintenance is funded at 33% and Capital Improvements is funded at 10%.
11. Several transportation projects are in the planning stages and are progressing toward construction. These projects will provide for the continued upgrade of the City circulation system.

### **Infrastructure**

12. Development proposals in the Sphere of Influence would be required to extend physical infrastructure to their respective sites as needed and pay their share for facilities and other City services as a condition of project development.
13. The City is in the process of upgrading and maintaining many of its public facilities, including roads, and wastewater treatment and collection system through its Capital Improvement Plan.
14. The City's General Plan, Capital Improvement Plan, and Circulation Element address the provision of infrastructure for wastewater, roads and other public facility needs.
15. The City should be able to provide the services (sewer, police and fire) to areas within the existing Sphere of Influence while continuing to adequately serve existing residents, pursuant to the policies and standards contained in the General Plan are implemented when considering annexations and development projects.

16. The City's facilities comply with environmental and safety standards and no major enforcement actions by state or federal agencies were identified.

**Police and Fire**

17. The City's Police Department is adequately staffed to provide law enforcement services to its residents given the comparable crime rate with other cities in the County. The City is facing some challenges with adequately funding police services. The City's FY16/17 Budget for police services is funded at 95%.

18. The City is facing some challenges with adequately funding fire services. The City's FY16/17 Budget for fire services is funded at 92%.

19. The City will have the opportunity to add police and fire staff as needed to serve the Sphere of Influence area if annexations are proposed.

### 3.4 FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES

**Purpose: To review the City's existing financial documentation and identify any financial constraints or opportunities.**

#### **Budget**

The Morro Bay's budget document is well organized, thorough and clearly articulates the City's future financial plans. The City has established a comprehensive fiscal policy base that guides the preparation and management of the budget, identifies the City's goals and work programs, and summarizes the progress toward previously established City goals. From this policy base the City prepares the Annual Budget. The budget is a financial planning process that is based on input from the community, comprehensive fiscal information, and clearly stated documentation. The City prepared a ten-year budget forecast to provide a long-term perspective and help identify the structural imbalances.

Indicators of the City's financial condition include pension and pent-up labor demand, unfunded replacement costs and deferred maintenance concerns for fiscal years 2016-2017. The City recognizes the challenging situation is faced with. About 75% of the city's services can be funded under its current revenues. The budget projects inadequate funding to continue with some basic services and adequately maintain existing facilities, infrastructure and equipment. The budget forecast identifies four areas of concern; Police services are funded at 95% only addressing officers and not equipment or administrative staff, Fire services are funded at 92% addressing firefighters and not equipment or administrative staff, street maintenance is funded at 33%, and Capital Replacement is funded at 10%. This is a significant challenge considering that the City is anticipating two fiscal impacts of a pension contribution spike and moderate recession for 2017 leaving the City to face a very challenging financial situation.

#### **Priority Based Budget Process**

1. Identify goals and priorities in advance of preparing the budget
2. In the fall, meet with the five City advisory boards/committees to identify budget goals and priorities.
3. A list of goals and priorities is considered by the City Council for review and feedback.
4. Public Workshops are conducted with notices sent to all residents in their water bills. Purpose is to gather feedback from the residents regarding the goals and priorities.
5. Public Hearings to consider the budget are conducted.

The City has been proactive in addressing the financial situation by setting aside reserves that have been used in making it through this period of financial challenge. In prior years, the City anticipated that a fiscal crisis might be looming and prepared by ensuring its reserves were funded at the level required by the budget policies. The City managed the current situation by taking several actions; 1) not filling several vacant positions, 2) eliminating several authorized positions, and 3) using reserves to address the revenue shortfall.

In 2006, the City passed Measure Q, which enacted a general purpose ½-cent sales tax that generates more than \$800,000 annually. This is a General Fund tax and has no sunset date. The Citizens Oversight Committee was established to review the semi-annual expense report of the City relative to activities funded with the additional general purpose local sales tax monies. The City Council divides the annual revenue estimate between the departments based on the language in the measure and campaign polls, and department requests. To date these funds have been predominantly used for infrastructure and public safety.

In recent years the City Council's decisions related to pension reform have helped to ensure a balanced budget. Twenty-three percent of the City's workforce (22 employees) are now under the new pension formulas. The City conducts two goal setting workshops which resulted in 10 City goals:

1. Develop a New Water Reclamation Facility
2. Improve Streets
3. Update Plans for Current and Future Land Use Needs
4. Maintain Core Public Safety Services
5. Ensure Fiscal Sustainability
6. Support Economic Development
7. Improve City Infrastructure
8. Enhance Quality of Life
9. Boost Community Disaster Preparedness
10. Leverage Outside Resources to Support City Goals

The actions that are being implemented by the City based on the past two years of working with the employees include 1) reducing wage and benefit costs; 2) paying attention to expense control; and 3) reducing the size of the City organization.

The 2016-2017 Budget Plan falls short by \$3 million dollars to provide the desired level of services. The City is looking to sustain its current level of limited services over the next 5 to 8 years. The City has made budget adjustments while building the reserves to meet the policy level. The budget is designed to implement the Council's top priorities.

The City levies a series of development impact fees for new development to address a variety of impacts and services. All these fees are based on Government Code Section 66000 et seq., which requires the agency setting fees to (i) identify the purpose of the fee, (ii) identify the use to which the fees will be put, (iii) determine the reasonable relationship (or "nexus") between the type of development charged the fee, the amount of the fee and its use, and (iv) determine the reasonable relationship between the need for the public facility or improvement and the project upon which the fee is imposed. Fees collected by the City include: fees in-lieu of parkland dedication, park development projects, water and sewer capacity and improvement fees, road and circulation fees, public safety fees, and general administrative capital improvement fees.

### **Annual Audits**

Annual audits are required by State Law and are performed with the purpose of identifying any inconsistencies or non-compliance with mandated accounting requirements. As part of this Service Review, the 2015 audit prepared by an independent auditor over the last year was submitted to LAFCO by the City for review. In reviewing the audit, the City was found to be in compliance with standard accounting principles and standards. The Auditor identified no issues or financial problems and provided an "unqualified opinion" regarding the financial statement presented by the City. The following excerpt from the Independent Auditor documents the auditor's opinion:

*"In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015."*

An "unqualified" independent audit indicates that the organization is managing its financial resources in accordance with accepted accounting principles and standards. This is an indicator of the financial health of an organization and provides information regarding its financial practices. The City also posts its annual budget and audits on its website. This provides the

public with easy access to the annual budget and audits. Conversely, an independent auditor would identify accounting financial concerns if these were found.

### **Constraints**

Like many jurisdictions during this difficult fiscal period the Morro Bay has carefully managed its financial resources. Construction of new infrastructure to serve the SOI areas presents a challenge in terms of funding such projects. Serving the SOI areas will likely require a plan for financing infrastructure improvements in these areas. This plan would address funding sources for a number of needed improvements including roads, pipeline infrastructure, and other capital improvements. Funding and timing of these improvements would require planning and investment of resources.

LAFCO considers the ability of a jurisdiction to pay for improvements or services associated with future annexed sites. This planning can begin by identifying what opportunities there are to fund infrastructure and maintenance needs associated with future annexation and development. Also identifying limitations on financing such improvements, as well as the opportunities that exist to construct and maintain those improvements, is important.

### **Fiscal Trend Analysis**

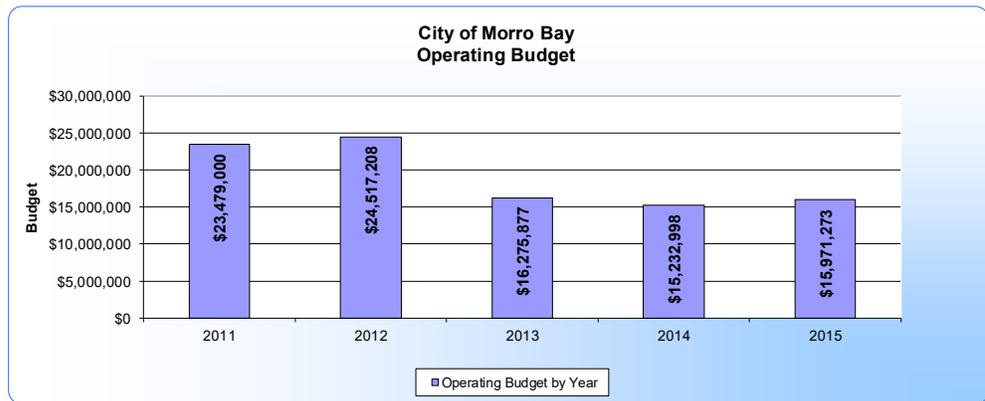
The following charts show the fiscal trend analysis for the past five years for key fiscal indicators that represent an early warning system for an agencies fiscal health. The key indicators are overall operating budget, general fund expenditures, property tax revenues, elastic revenues (which include transit occupancy tax, sales tax, and franchise fees), reserves, long-term debt, and fund balance for each year. The information was derived from the City's comprehensive annual financial statement for each year.

Operating Budget Figure 3-16

**Formula:**  
Consolidated  
Expenditures /  
Fiscal year

**Trend Analysis:**  
Monitor expenditures  
over time.

**Source:**  
Comprehensive Annual  
Financial Statements:  
Statement of Activities  
Basic Financial  
Statements: Statement  
of Revenues,  
Expenses & Changes  
in Net Assets



**Description:**

This indicator refers to the overall operating budget and expenditures including enterprise funds. It shows the expenditure pattern over a period of several years.

General Fund Budget Figure 3-17

**Formula:**  
General Fund  
Expenditures / Fiscal  
year

**Trend Analysis:**  
Monitor expenditures  
over time.

**Source:**  
Comprehensive Annual  
Financial Statements:  
Statement of Activities  
Basic Financial  
Statements: Statement  
of Revenues, Expenses  
& Changes in Net  
Assets



**Description:**

This indicator refers to the General Fund expenditures Not including debt service, capital improvements or capital projects contributions. For special districts it is assumed that all expenditures (except as otherwise stated) are expenditures for services related to charges.

Property Tax Revenues Figure 3-18

**Formula:**  
Property tax revenue / Fiscal year

**Trend Analysis:**  
Monitor property tax revenues over time.

**Source:**  
Comprehensive Annual Financial Statements: Statement of Activities Basic Financial Statements: Statement of Revenues, Expenses & Changes in Net Assets



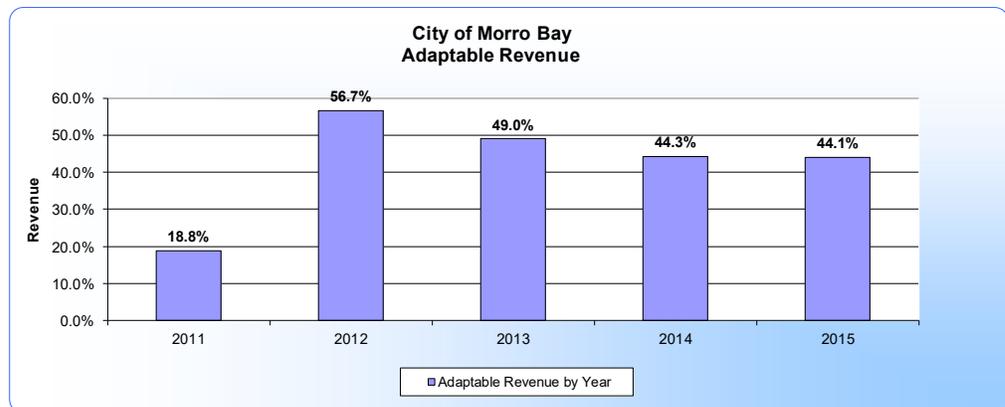
**Description:**  
This indicator will have more importance for those agencies heavily reliant upon property tax revenues such as cities. As these revenues are closely tied to market conditions, this indicator can depict the ability of an agency to respond to economic fluctuations. The property taxes are distributed based on the calendar year and the years indicated in the chart are the ending years for each calendar year.

Adaptable Revenues Figure 3-19

**Formula:**  
Adaptable operating revenues / Net operating revenues

**Trend Analysis:**  
Monitor amount of adaptable operating revenues as a percentage of net operating revenues.

**Source:**  
Comprehensive Annual Financial Statements: Statement of Activities Basic Financial Statements: Statement of Revenues, Expenses & Changes in Net Assets



**Description:**  
This indicator can help agencies determine how adaptable revenues are impacting their abilities to provide services. If revenues rely heavily on adaptable sources the agency may want to explore opportunities for increasing inelastic sources to offset the shortfalls in the inelastic revenues. Adaptable revenues consist of TOT, sales tax, and franchise fees, for special district elastic revenues also include water and sewer sales and availability.

Reserves Figure 3-20

**Formula:**  
 Unrestricted operating revenues / Net operating or general fund expenditures

**Trend Analysis:**  
 Monitor amount of reserves as a percentage of net operating or general fund expenditures.

**Source:**  
 Comprehensive Annual Financial Statements: Statement of Activities  
 Basic Financial Statements: Statement of Revenues, Expenses & Changes in Net Assets



**Description:**

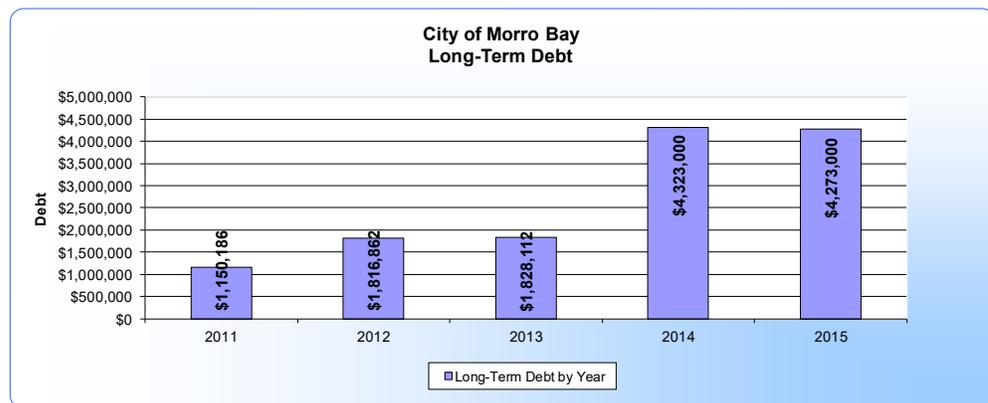
As the percentage of reserves increases, a local government gains its ability to respond to changing conditions and to citizens' needs and demands. Decreases in reserves may also indicate future inability to maintain or enhance service levels. For special districts reserves are a % of next FY operating budget. It should be noted that reserves for agencies with infrastructure maintenance obligations will likely exceed 100% as the agency builds the necessary reserves to upgrade and maintain infrastructure.

Long-Term Debt/Liabilities Figure 3-21

**Formula:**  
 Current liabilities / Net operating revenues

**Trend Analysis:**  
 Monitor Long-term debt at the end of the year as a percentage of net operating revenues over time.

**Source:**  
 Statement of Net Assets



**Description:**

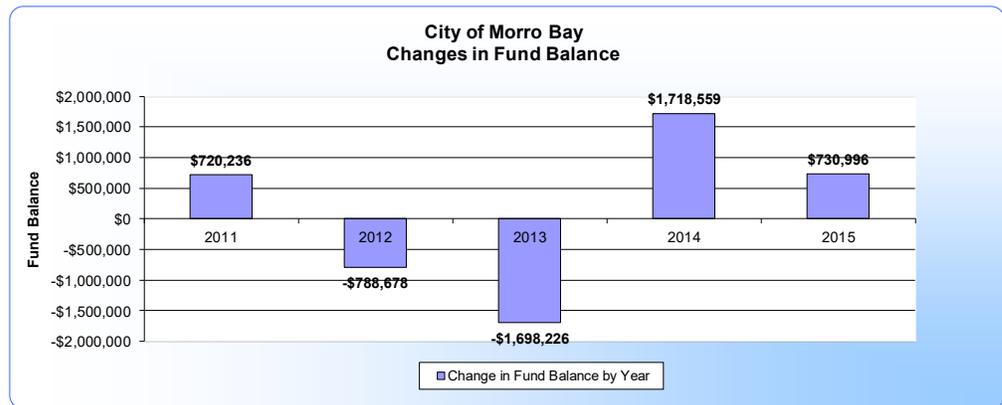
A major component of a jurisdictions liability may be long-term debt in the form of tax or bond anticipation notes. Although long-term borrowing is an accepted way to deal with uneven cash flow, an increasing amount of long-term debt outstanding at the end of successive years can indicate deficit spending problems.

Changes in Fund Balance Figure 3-22

**Formula:**  
General fund operating deficit or surplus / Fund operating revenue

**Trend Analysis:**  
Monitor general fund operating deficit or surplus as a percentage of net operating revenues.

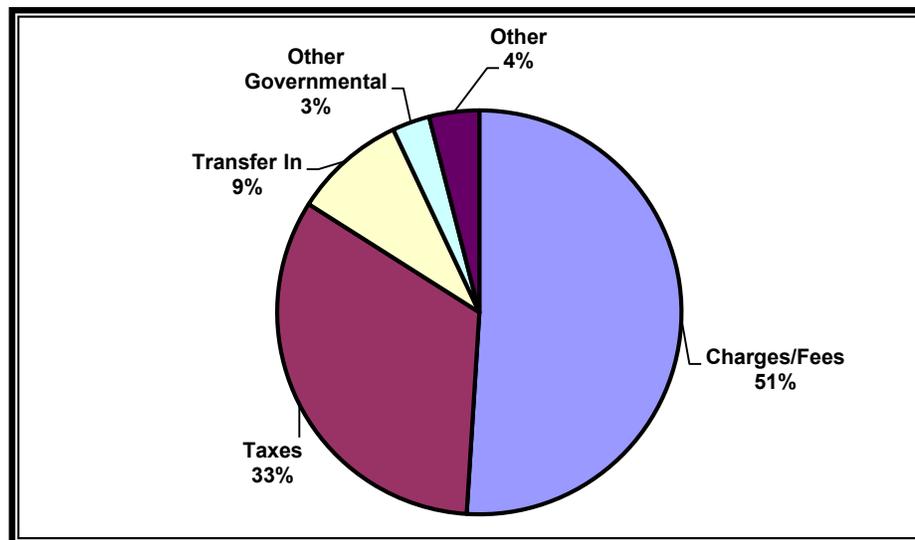
**Source:**  
Comprehensive Annual Financial Statements: Statement of Revenues, Expenses and Changes in Fund Balance (Government Funds)  
Basic Financial Statements: Statement of Revenues Expenses & Changes in Net Assets



**Description:**  
This indicator is especially important because a pattern of operating deficits of the general fund can be one of the first signs of an imbalance between revenue structure and expenditures. It should be noted that it would not indicate a problem if the agency had planned the operating deficits and was deliberately drawing down reserve fund balances or using extra revenues from another fund for temporary needs.

**Major Revenues.** Property tax is the City’s number one General Fund revenue, accounting for 29% of General Fund sources and is expected to increase by 1% or \$3.6 million in 2016-17. Sales tax has been on the decline for the past several years. The City is anticipating a modest recovery of 2% growth or \$1.8 million in 2016-17. TOT revenues also make-up the top three revenues for the City. The City has had relative steady revenue in TOT of \$2.9 million in 2016-17.

Figure 3-23 Major sources of Revenues



### **Long-Term Debts**

The City uses debt financing only for one-time capital improvements whose life will exceed the term of the financing and where expected revenues are sufficient to cover the long-term debt. The City does not use long-term debt financing for any recurring purpose such as current operating and maintenance expenditures. At the end of the fiscal year 2015 the City had a total debt outstanding of over \$4million. The largest amounts are comprised of \$134,121 for construction of the T-Pier and other harbor improvements from 1997, \$442,828 owned for accumulated unpaid vacation, sick pay, and other employee benefits. The City maintains a double A (“AA”) rating from Standard & Poor’s.

### **Revenues**

While residential uses generally do not cover the full cost of municipal services from property taxes and local sales taxes that are generated, the opportunity to require privately maintained amenities, roads and open space in residential development projects, coupled with the inclusion of commercial development suggests that the SOI areas as recommended may be able to break even in terms of revenues versus costs of services. In December 2016, the median home price in the City was \$572,100. Since the property taxes are calculated based on the sales price of homes, the higher the selling price the more property tax revenue would be generated. These issues would be thoroughly analyzed as the development review process moved forward for areas located in the SOI and being considered for annexation.

Increased revenues from new homes would be directly derived from property taxes. The likely fiscal benefits to the City from the areas annexed may include modest levels of property tax collections from residential land development or Transient Occupancy Tax if tourist-oriented development takes place. Other residential income that could help offset the costs of residential development would be derived from indirect sales and use taxes and one-time development impact fees. Commercial uses would generate sales tax for the City.

Likely fiscal costs to the City would typically include public maintenance of infrastructure completed for the new projects. Possible programs to minimize and off-set public maintenance costs include private maintenance through homeowner’s associations, as well as public maintenance through a utility or assessment district established by the City. Assessment districts can be a valuable tool used in many communities to offset on-going maintenance costs.

The use of these districts should be considered for undeveloped properties planned to be included in the City.

Morro Bay, like most cities, requires new development projects, and in particular annexations, to “pay their own way.” At the time an annexation is considered for any of the SOI properties, the City requires an economic analysis to be prepared to identify a cost-benefit breakdown of the proposed land uses and projects.

The current Master Property Tax Agreement policy for property tax exchanges upon annexation of “raw land” allows for the County to retain all of the base property tax, with 66% of the increment being allocated to the County. The City retains 33% of the property tax increment and all of the sales tax, if any. A different tax exchange agreement can be negotiated between the City and the County if both parties agree.

Other income from residential uses would be derived from indirect sales and use taxes, as well as enterprise fund payments, and one-time development impact fees. Morro Bay would also gain sales tax and transient occupancy tax (TOT) revenues from any retail or visitor-serving uses added to the SOI sites.

### **Reserves**

The City has adopted a Fiscal Policy which includes maintaining a General Fund Reserve of 27.5% of budgeted annual operating expenditures and emergency reserves. This is considered the minimum level for maintaining a good credit rating, to provide for economic uncertainties, contingencies for unforeseen expenses, and cash flow requirements. Healthy reserves are one indicator that the City is in sound financial condition. The combination of conservative revenue projections and holding the line on expenditures has helped Morro Bay build a reserve of upwards of \$3.59 million at the end of fiscal year 2016 or 22%. The City will have met its goal for the first time since 2008. However, the City is projecting to use these reserves to balance its budget over the next 5 years.

### **Rates and Fees**

In 2009, the City retained Maximus, Inc to complete a city-wide Cost for Services Study to reflect current conditions in Morro Bay. The purpose of the study was to address the need to maintain the City’s services at levels equal to the standards set by the City Council and to

maintain effective policy and management control of City Services. As described earlier, the annexation of any site will be done through the preparation of specific plans that will include payment of annexation and development fees by the landowners, as well as requirements to install and maintain basic infrastructure to serve the developments. Impact fees for the following types of facilities and improvements were evaluated; planning, building and safety, police, fire, utilities, and recreation, (water, wastewater, transportation facilities were adjusted in 2006 with a CIP index). This study provided information and guidance to the City Council on how the City can continue as a viable financial entity, finance the services and facilities that its citizens and businesses have come to expect, and yet be able to live with budgetary limits. Using this study the City adjusted their fee structure by increasing the costs of key development applications. This adjustment resulted in the City recouping a higher percentage of the actual expense of providing and maintaining various facilities and infrastructure needs for new development.

In 2006, the City retained MuniFinancial to provide Transportation Impact Fee Justification Study. Using this study the City adjusted its fee structure by increasing the cost of new development and identifying the public facilities and costs associated with mitigating the direct cumulative impacts.

### **Water and Sewer Rates**

In 2015, the City provided water and sewer rate studies and related reports and recommendations for the City's water and sewer enterprise funds. This report provided rate increases for the FY's 2015 to 2020 to maintain reliable water and sewer service. The City will give public noticing for customers to protest the increased rates of providing water service. If the City does not receive a majority of written protest for rate increase subsequently the City will adopt new rates for water and sewer service.

The City's water and sewer services are operated as enterprise funds. This means that revenues to support operations and capital improvements are borne by the ratepayer. Water and sewer funds are reviewed annually by the City Council at a public hearing where the Council then determines the appropriate rate for service. If rate increases are needed, they are usually implemented at the beginning of the new fiscal year, July 1st, and all rates are prorated accordingly. The following is a table that compares the rates and fees of several service providers for water and sewer services:

**Table 3-17: Residential Water Rates Comparison**

Rate/Fee	Paso Robles	Atascadero <sup>2)</sup>	Morro Bay	Pismo Beach	Arroyo Grande	Grover Beach	San Luis Obispo <sup>1)</sup>
Monthly Service Charge	\$0.00	\$20.50	\$24.18	\$32.57	\$27.52 <sup>3)</sup>	\$10.06	\$8
Water Fee	\$0	\$2.10 (3-12 ccf)	\$4.00 (1-3 ccf)	\$2.72 (1-10 ccf)	\$3.42 (1-18 ccf)	\$3.34 (0-12 ccf)	\$7.90 (0-8 ccf)
Per unit used: 100 cubic feet = 1 ccf	\$4.40 (all ccf)	\$3.25 (13-25 ccf)	\$7.00 (4-10 ccf)	\$3.36 (11-20 ccf)	\$3.76 (19-36 ccf)	\$3.53 (13-20 ccf)	\$9.88 (9 + ccf)
100 cubic foot = 748 gallons		\$4.80 (26-50 ccf)	\$9.50 (11-50 ccf)	\$3.97 (21-35 ccf)	\$5.02 (36+ccf)	\$4.04 (21-42 ccf)	5% utility tax
		\$5.50 (51 + ccf)	\$12.50 (50+ ccf)	\$5.43 (36 + ccf)		\$4.57 (42 + ccf)	

- 1) SLO has a 5% tax
- 2) Nacimiento Charge \$2.50
- 3) Lopez Charge

Jurisdictions that have a limited water supply, such as Morro Bay, typically have a graduated rate structure that increases significantly with higher water use. This encourages conservation on the part of the water users and discourages wasteful practices. The Morro Bay water rates are higher in comparison to others in the County. Comparing the various rates and fees, a sample bill using 20 units of water over a two-month period was calculated. In comparison, Morro Bay would have the highest water rates of all the jurisdictions:

**Figure 3-24: Rates for Water Use at 20 CCF**

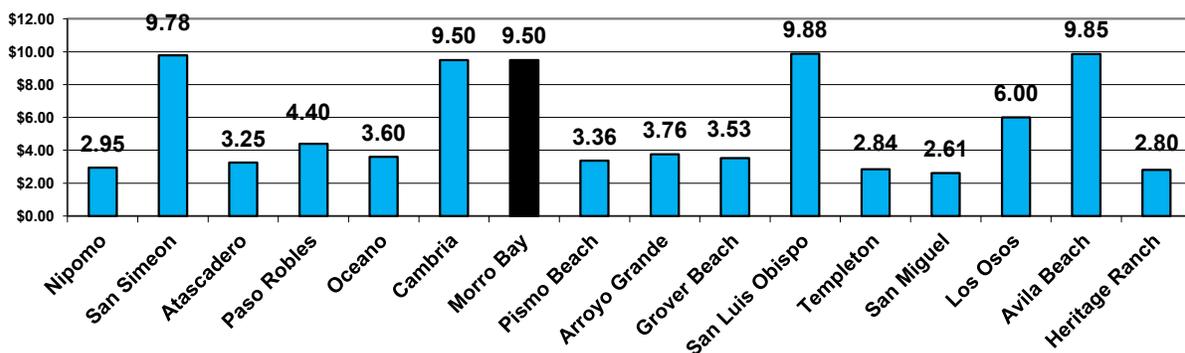


Table 3-18 – Single-Family Water Rates and Monthly Bill

Rate/Fee	Paso Robles	Atascadero	San Luis Obispo	Cambria	Morro Bay	Pismo Beach	Arroyo Grande	Los Osos	Grover Beach	Templeton
Monthly Service Meter Charge	\$0.00	\$18.00 Up to 2 ccf	\$8.00	\$25.50	\$24.18	\$32.57	\$7.19	\$52.36	\$10.06	\$17.05 Up to 3 ccf
Water (per 1 Unit)	20 units @ \$4.40 (all ccf)	9 units @ \$2.10 (3-12 ccf) 9 units @ \$3.25 (13-25 ccf)	8 units @ \$7.90 (0-8 ccf) 12 units @ \$9.88 (9 + ccf)	4 units @ \$6.50 (1-4 ccf) 12 units @ \$8.50 (5-16 ccf) 4 units @ \$9.50 (16 + ccf)	3 units @ \$4.00 (1-3 ccf) 5 units @ \$7.00 (4-10 ccf) 10 units @ \$9.50 (11-50 ccf)	10 units @ \$2.72 (1-10 ccf) 10 units @ \$3.36 (11-20 ccf)	18 units @ \$3.42 (1-18 ccf) 2 units @ \$3.76 (18-36 ccf)	5 units @ \$2.00 (1-5 ccf) 5 units @ \$3.75 (6-10 ccf) 10 units @ \$6.00 (11-20 ccf)	12 units @ \$3.34 (0-12 ccf) 8 units @ \$3.53 (13-20 ccf)	14 units @ \$2.13 (3-20 ccf) 3 units @ \$2.84 (20-39 ccf)
Other Charges	\$0.00	\$2.50 (3)	5% Tax	\$0.00	\$0.00	\$0.00	\$20.33 (2)	\$0.00	\$0.00	\$0.00
Sample Monthly Bill (20 units of water)	<b>\$88.00</b>	<b>\$68.65</b>	<b>\$199.25</b>	<b>\$191.50</b>	<b>\$166.18</b>	<b>\$93.37</b>	<b>\$96.60</b>	<b>\$141.11</b>	<b>\$78.38</b>	<b>\$55.39</b>

(1) Price per unit for Dam retrofit.

(2) Lopez Charge.

(3) Nacimiento

Sewer rates are compared in the table below:

**Table 3-19: Single-Family Sewer Rates**

Rate/Fee	Paso Robles <sup>(1)</sup>	Atascadero	Morro Bay	Pismo Beach	Arroyo Grande <sup>(2)</sup>	Grover Beach	San Luis Obispo <sup>(2)</sup>
Flat Monthly Rate	\$78.00	\$20.18	\$62.50	\$63.53	\$17.26	\$24.78	\$8.32

Note: (1) based on a \$7.80 per unit use @ 10 ccf (2) additional use rate may apply based on amount of water used.

Because the City still has limited built-out potential , the opportunities to recover impact fees is limited in the community. Other programs defined by the City will require the annexed sites to cover their full costs, including one-time capital projects as well as long-term maintenance, repair and replacement needs. Several of these programs have been discussed and describe how the SOI/Annexation areas would comply with these requirements.

The properties in the SOI areas do not presently receive public services for which a fee is paid (such as water deliveries, wastewater service or storm drainage management). These services in particular are not available in the SOI areas. As these areas are largely undeveloped at this time, the impact of new services will be fees for those services. There is no evidence suggesting that the annexation of these areas by Morro Bay will result in unreasonable fees for these services as properties annex and develop within the City. It is expected that fees for the SOI areas will be in line with citywide fees for such services. Largely, the annexation would be of public lots for City service purposes resulting in minimal demands.

The City and the County shall work together to ensure that the cost of services for the jurisdictions is equitable. The MOA will be used to further define this relationship. As stated above the City has specific policies that would require the equitable sharing of the services costs for Sphere of Influence areas.

## WRITTEN DETERMINATIONS

The following written determinations are based on the information contained in the above section regarding Financial Constraints and Opportunities:

1. The City prepares an annual budget with a mid-year update, and strives to use the best practices in managing their financial resources.
2. The City conducts annual budget and goal setting workshops that allow the public to participate in fiscal management that is integrated with long range planning.
3. The City has in place a variety of capital improvement plans, development impact fees, and developer-required mitigation in the form of infrastructure improvements required from new projects and similar programs to monitor public service needs of new development. It is reasonable to conclude that the City endeavors to avoid long-term City obligations for the capital improvements or maintenance of new development projects, such as those that would occur in the SOI areas.
4. The City has in place financial regulations that are implemented through ordinances and resolutions. This is important because the manner of maintaining public infrastructure and maintenance services is documented and available for public inspection and scrutiny.
5. The likely fiscal benefits to the City from the proposed SOI areas could include modest levels of property tax collections.
6. Likely fiscal costs to the City would typically include public maintenance of infrastructure completed for the new projects in the SOI. Possible programs to minimize and off-set public maintenance costs include private maintenance through homeowner's associations, as well as public maintenance through a JPA or utility district established.
7. There are no apparent short- or long-term fiscal constraints limiting the Morro Bay's ability to serve the suggested properties within the SOI because they are either an existing public lot, small area of a northern beach property, or within the water of the marina. However, further study at the time of annexation should be completed.

8. The City is proactively planning for and taking actions to manage the impacts of fiscal difficulties on the City's financial resources.
9. The City has in place financial policies that provide a structure for responsible decision-making.
10. Rates and fees for services are established using the City's policy and procedures and special studies as the need arises.
11. The City completed a fee study that identified the cost of services, the subsidy a service received from the City, which resulted in establishing new fees for selected City permit applications.
12. The City uses the budget cycle to consider updating the fees and rates schedule that is implemented on an on-going basis.
13. Development impacts are used to offset the costs of building infrastructure to serve new development. New development within the SOI will be required to pay the associated costs of infrastructure and services.

### 3.5 STATUS OF, AND OPPORTUNITY FOR, SHARED FACILITIES

**Purpose: To identify the opportunities for jurisdictions to share facilities and resources creating a more efficient service delivery system.**

In the case of annexing new lands into a City, LAFCO can evaluate whether services or facilities can be provided in a more efficient manner if the City, County, District, and/or State are cooperatively working to construct and maintain facilities. In some cases, it may be possible to establish a cooperative approach to facility planning by encouraging the City, County and State to work cooperatively in such efforts.

The annexation of the SOI study areas to the City may lead to shared roadway infrastructure with the County and the State. The SOI area includes opportunities to created shared facilities such as:

- ▶ Roadway connections
- ▶ Coordinated open space preservation
- ▶ Linkages between City and County recreational trails
- ▶ Preservation and enhancement of Agricultural Lands

In the case of roadways and creek trails, the opportunity to coordinate connections between collector and arterial roadways will enhance regional traffic patterns, and will aid in emergency response times. The County has, on occasion, collected impact fees for a City that is affected by a project in the unincorporated areas. This type of coordination can lead to a reduction of impacts and a more positive solution to the problem of development on the City's fringe. Roads that may involve the City, County and State involvement include Highways 1, and 41. Other important City/County roadways would include South Bay Blvd.

The recreational aspects of trail connections, tied into an open space and equestrian trails, offer opportunities for the City and County to join their recreational resources not only to the benefit of the City residents, but for the general public of the County as well. Coordination of open space corridors that cross over the proposed City-County limit lines would enhance the viability of habitat from the area and preserve important habitat for generations to come.

Currently, there is no duplication of existing or planned facilities in the SOI study areas. The City would assume those services provided by the County in the SOI study areas as they are annexed and developed. These do not constitute (and would not in the future) duplication of services in the SOI areas, rather a transfer of services.

The City also works cooperatively with the State Corrections Department in providing emergency water from the California Men's Colony. These relationships are cooperative and help each agency provide public services in a more efficient manner. The City also works cooperatively and maintains working relationships with the following agencies:

- CAL Fire/SLO County Fire through reciprocal Automatic Aid Agreement and all neighboring fire agencies through the San Luis Obispo Operational Area Fire and rescue Mutual Aid Operational Agreement.
- Regional Water Quality Control Board regarding wastewater discharge
- California Department of Fish and Game to protect wildlife and environmental resources.
- Cayucos Sanitary District for the operation of the existing wastewater facility.

Morro Bay operates the current wastewater treatment facility under a Joint Powers Agreement (JPA) with the Cayucos Sanitary District. Continued current operations and future dismantling are necessary as the two jurisdiction proceed with new plans to construct two separate facilities. The City and Cayucos Sanitary District have decided to build individual plant to serve their needs.

## WRITTEN DETERMINATIONS

The following written determinations are based on the information contained in the above section regarding Opportunities for Shared Facilities:

1. The annexation of SOI study areas to Morro Bay may lead to shared infrastructure with the State and County if cooperative agreements can be worked out. The potential to create shared relationships for providing some services may be appropriate when providing certain services.
2. At present, the distinction between City and County services in the SOI study areas is clear. The City would assume those services provided by the County in the SOI study areas if they are annexed and developed. These are not now, and would not be in the future, duplication of services in the SOI areas.
3. The City works cooperatively with a variety of State and Federal Agencies to facilitate improvements that benefit the City and protect residents and visitors.
4. There may be opportunities for the City and County to work out cooperative service agreements for the areas proposed in the SOI (i.e. fire protection, police services, flood management, road maintenance and improvements, and recreation) because a variety of cost-sharing programs could be pursued that might be cost effective to the City and the County.
5. The City and Cayucos Sanitary District are each developing its own wastewater facility. A more cooperative approach may have resulted in shared costs and savings. However, the City and the District decided to move along separate paths when they could not agree on a number of substantive issues.

### **3.6 ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES**

**Purpose: To evaluate the accessibility and levels of public participation associated with the agency's decision-making and management processes.**

The governing body of the Morro Bay is the City Council that is elected in compliance with California Election Laws. The City complies with the Brown Act Open-Meeting Law and provides the public with ample opportunities to obtain information about City issues, including website and phone access. The City's website contains a wealth of information about all of the City's Departments and services. Several newsletters are produced to inform the public of current events, services, utilities information, sales tax and activities in the community. The City supports directly or participates in local business groups and community promotion to the visitor industry (Conference and Visitors Bureau and Chamber of Commerce).

The City Council holds regular meetings at 6:00 p.m. on the second and fourth Mondays of each month in the Veteran's Memorial Hall. Other meetings or study sessions are held as needed. Agendas are posted consistent with the Brown Act. A public comment period is scheduled at the beginning of each meeting for citizens to comment on City issues not on the agenda. All Council meetings are televised live and videotaped for later playback.

The City's budgeting process is based on a one-year cycle that encourages full participation by the public, advisory bodies, Department Staff and Management. Supplemental budget updates are provided as needed.

The City's organizational structure is shown in the chart found on the next page. It should be noted that the City has a number of advisory bodies that provide the council with a variety of recommendations on a range of topics. These bodies consist of citizens and are staffed by the relevant department:

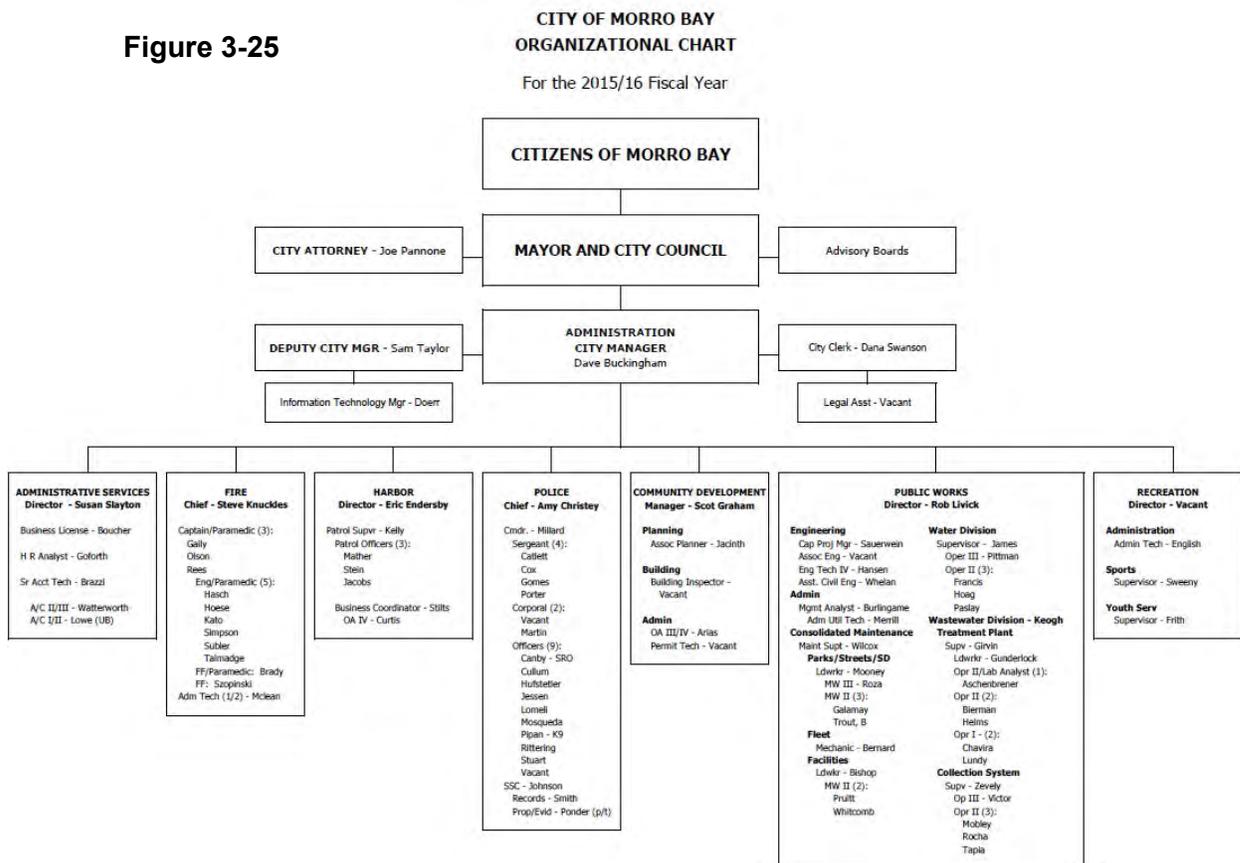
- Citizens Oversight Committee
- Harbor Advisory Board
- Public Works Advisory Board

- Planning Commission
- Recreation & Parks Commission
- Tourism Business Improvement District

Overall, the City is well-organized and equipped administratively to serve the recommended Sphere of Influence. The City accomplishes many goals and implements a variety of initiatives. It is apparent that City manages its resources in an efficient manner and makes every effort to carefully allocate its revenues.

The City's Budget process is discussed in the Financial Constraints and Opportunities section of this report. The organizational chart shows a structure that is straightforward and efficient. It does not include complex decision making loops that would delay decisions.

Figure 3-25



Morro Bay does maintain various customer-oriented programs, including a mission statement for each City department, customer satisfaction programs, regular in-house safety training and management, and similar programs designed to enhance the experience for the City customer.

It is assumed that public participation in the planning and development process for the SOI territories would be about the same for either City or County development projects. Both the City and the County have well developed Citizen Participation programs that enable access to information and allow for citizen involvement. The City and County have a track record of extensive outreach to the community in making land use and other decisions.

## WRITTEN DETERMINATIONS

The following written determinations are based on the information contained in the above section regarding Local Accountability and Governance:

1. The City has historically made broad efforts to maintain a public dialogue in the community. The City's outreach program includes providing information regarding current issues of significance to the community through a variety of media. In particular, the City produces a newsletter that is distributed quarterly and various other publication throughout the year, has conducted workshops, and public town hall meetings to address matters for the broadest public input possible. The City conducts goal-setting meetings to establish community priorities.
2. The City has maintained relationships with local news media, providing information and/or interviews as requested. Locally elected and appointed officials pride themselves on being available to their constituencies.
3. The City conducts budget reviews and goal-setting workshops that are designed to keep the public informed regarding budgetary situations. It is possible for the public to participate in the budget hearing process. Annual audits are completed and made available to the public upon request.
4. The City is well-organized, and is administratively capable of managing any annexations that may be proposed for the Sphere of Influence.
5. The City evaluates the services provided to residents and services that may need to be upgraded or started.
6. Long-term effects of individual annexations and development will be analyzed on a case by case basis when site-specific annexations are presented. A cost-benefit analysis should evaluate effects on both the City and County when these are prepared and submitted for review.
7. The City has recently updated many of its service plans, including the Sewer System Management Plan, Housing Element of the General Plan, and fee and rate structures.

8. Because development relies on infrastructure available from the City, it is logical that the City assume the lead in planning for these SOI areas, consistent with the General Plan. It is reasonable to conclude that public services can be provided by the Morro Bay, and that those services will meet or exceed present levels of service provided in the County.
9. Public participation in the development review process may be improved if the City and County adopt a cooperative effort. This cooperation could result in heightened public involvement at both the City and County levels.

### 3.7 OTHER MATTERS

This factor allows LAFCO to discuss other issues and topics that may need to be addressed or focused on in the MSR.

The following is a summary of issues that are relevant to the Morro Bay area, and if further explored could help improve public services to the residents of the area.

**Wastewater Treatment.** An emerging issue is beginning to occur for communities to provide a higher level of treatment. Tertiary level of treatment or the potential for reclaimed water from wastewater is quickly becoming the focus of many communities. Not only does the reuse of wastewater flows benefit the environment but the potential shortages in water supply and the reliance on groundwater in the region could be addressed. Costs associated with joint or regional facilities to provide these services have caused friction such that the surrounding communities are building separate facilities. This may lead to a lost opportunity to provide a regional benefit. The North Coast and its communities should give special attention in this area so that at some point in the future the opportunity to consolidate wastewater services is not lost. The jurisdictions should continue to work to provide and meet regional standards for wastewater treatment and services to their residents. However, greater study and evaluation on coordination and cost sharing should be addressed to ensure these services are efficiently being handled.

## REFERENCES

- Morro Bay Budget FY 2010/11 to FY 2016/17
- Morro Bay Capital Improvement Project 2016-2017, 2016
- SLO County Resource Management System Biennial Report, 2011
- SLOCOG AECOM Population & Employment Forecast, 2011
- Morro Bay Fee Schedule, 2011
- Morro Bay Urban Water Management Plan, 2010
- SLO County Conservation, Open Space Element, 2010
- San Luis Obispo Council of Governments Regional Transportation Planning Agency, Regional Transportation Plan, 2010.
- California Department of Finance E-4 Report, 2010
- California Department of Finance E-4 Report, 2010
- SLO County Estero Area Plan, revised 2009
- San Luis Obispo County Tourism Analysis Report, 2008
- SLOCOG Regional Housing Needs Allocation, 2008
- Morro Bay LAFCO, Sphere of Influence Study, 2007.
- Morro Bay General Plan,
- Morro Bay, Official Website, [www.ci.san-luis-obispo.ca.us/](http://www.ci.san-luis-obispo.ca.us/).
- County of San Luis Obispo, Official Website, [www.slocounty.ca.gov](http://www.slocounty.ca.gov).
- San Luis Obispo Council of Governments, Official Website, [www.slocog.org](http://www.slocog.org).
- California Attorney General, Official Website, [www.ag.ca.gov](http://www.ag.ca.gov).

## Morro Bay Water Reclamation Facility Site Comparison Sep't. 2017

Site	City owned?	Pumping Required?	Cost Ranking	Jurisdiction	Regulatory Agencies Involvement	Overall Ranking
Giannini	no	yes	third lowest	city	3,4,5,6,7,8,9,10,11 & 12	3
Righetti	no	yes	third highest	county	1,2,3,4,5,6,7,8 & 12	4
Hanson	yes	little or none	lowest	city	3,4,5,7 & 12	1
Dynegy	no	yes	second lowest	city	3,4,5,6,7,9,10,11 & 12	2
South Bay Blvd	no	yes	highest	county	1,2,3,4,5,6,7,8,9,10,11 & 12	6
Chevron (Toro Creek)	no	yes	second highest	county	1,2,3,4,5,6,7,8,9,10,11 & 12	5

***Note that all sites, except for the Hanson site, require a certified EIR before the city can acquire the land. The Hanson site is the most expeditious option.***

### **Regulatory Agencies**

#### **County:**

- |   |  |
|---|--|
| 1 Local Agency Formation Commission (LAFCO) | Approves or disapproves annexations. Only applicable to sites outside of city. |
| 2 Planning and Building                     | Issues land use permits within the county's jurisdiction.                      |

#### **State:**

- |   |   |
|---|---|
| 3 California Coastal Commission             | Has appeal jurisdiction over Coastal Development Permits issued by either the city or the county. |
| 4 Regional Water Quality Control Board      | Requires discharge permit whether it be to the ocean, to the creek or any reservoir.              |
| 5 State Water Resources Control Board       | Reserves jurisdiction over the city's permitted ground water extractions.                         |
| 6 State Fish & Wildlife                     | Requires agreement to alter in any way, a lake or streambed.                                      |
| 7 State Historic Preservation Office (SHPO) | Has jurisdiction over cultural resources that may be affected.                                    |
| 8 Caltrans                                  | Issues encroachment permits within the state highway right of way.                                |

#### **Federal:**

- |  |  |
|--|--|
| 9 Army Corps of Engineers                    | Has Jurisdiction over wetland disturbances such as pipeline crossings.         |
| 10 United States Fish and Wildlife Service   | Required to render a biological opinion regarding affect on sensitive species. |
| 11 National Marine Fisheries Service         | Required to render a biological opinion regarding affect on steelhead.         |
| 12 Advisory Council on Historic Preservation | Has jurisdiction over cultural resources that may be affected.                 |

**Dana Swanson**

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**From:** Jeffery Heller  
**Sent:** Friday, September 22, 2017 1:50 PM  
**To:** Council; Martin R. Lomeli  
**Cc:** Bart Beckman  
**Subject:** MBCC Mtg-Agenda Correspondence for 9/26/17 meeting  
**Attachments:** 170922-J Heller Agenda Correspondence-Spec Mtg 9-26-17.docx

Dana

Please incorporate attached into the Agenda Correspondence for item C-2 (special mtg+regular mtg.)

Thanks

Jeff Heller

## 9/22/17 – MBCC Mtg Agenda Correspondence

### Special Meeting and Regular Mtg.– Item C-2—Meeting Date: 9/26/17

Dear Mayor and City Council,

In my professional opinion based on managing public money projects valued in the 100's of millions over the past 30+ years, the City staff has not responded sufficiently to the motions made by the MBCC at the 7/11/17 meeting. Site selection feasibility must be focused on COST—nothing else. The goal is to select a site which allow the design and construction of the LEAST EXPENSIVE SEWER PROJECT possible. The staff comments do not get the city any closer to being able to make a site selection---since they do not provide PROJECT COST information established by QUALIFIED CONTRACTORS.

A few comments are listed below:

1. Staff wants the City to select a WRF site now, and states that there are “no additional fiscal impacts” by doing so, since **the funding for FY17/18 (\$4.3M!) has already been approved** by the City. This budget was protested by residents during the budgeting process---but was approved by the City nonetheless. The money approved is for soft costs only. How many more millions of dollars does the City plan to pay consultants? What assurance does the City have that these expenditures will get us closer to the design/construction of an **“AFFORDABLE PLANT”?**
2. Another staff comment states that potential financing would be jeopardized if a site is not selected by 11/1/17. Since the City does not have **reliable PROJECT COST INFORMATION or SITE- BASED DETAILED PROJECT DESCRIPTIONS** how can a site be selected? How can the amount of required financing be established? Has the City determined an actual debt service amount it can support based on the rate increases mandated in 2015? Selecting a site without knowing what the project will cost and what the City can support financially-- **IS AN ADDITIONAL WASTE OF TIME AND MONEY.**
3. The City has received a proposal from a sewer contractor who suggests a 1 MGD plant can be built at the existing site for \$20M. The Cayucos Sanitary District is building a plant for no more than \$25M including all engineering, project management, design and construction. How can City staff continue to promote a budget range of \$124M--\$150M? There has been **ABSOLUTELY NO EFFORT BY STAFF or CONSULTANTS** to rein in the project budget—with the exception of the one day of “expert peer review” --- which was mandated by the City Council.

#### **RECOMMENDATIONS to the Council:**

1. All consultants need to be put on hold immediately. With no budget to work to---spending money on consultants is fiscally irresponsible.
2. City staff who are not qualified to manage the project need to be replaced with well qualified personnel .

3. The City needs to establish the maximum debt service it can support---based on the rate increases mandated in 2015. **THIS WILL ESTABLISH THE PROJECT BUDGET.** If the City does not have sufficient funds to design and build the project, then it should save money until it does.
4. The “project budget” needs to include the cost of design, engineering, permitting, and construction of the new plant, but also must include costs for demolition of existing infrastructure, major infrastructure upgrades to the existing sewer and water systems as identified in the 2015 rate increase documents. Additionally---the O&M, site requirements, and cost of annual capital replacement reserve contributions must be included.
5. When comparing **THE TOTAL PROJECT COST OF DIFFERENT SITES AND PLANT EQUIPMENT** the “Life Cycle Cost” needs to be established.
6. The community cannot and will not support another 218 Protest Vote. It is ridiculous to suggest that the final project will cost between \$124M--\$150M. That will never happen.

Regards

Jeff Heller

**Dana Swanson**

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**From:** Phillip Baggett  
**Sent:** Friday, September 22, 2017 6:59 AM  
**To:** Council  
**Subject:** Sewer Bill

Dear council members,

Please stop raising my sewer bill. I am already paying almost \$100 a month. Single income and retirement wages can be in your futures as well. STOP SPENDING MONEY AND USE WHAT I HAVE ALREADY PAID YOU please.

Vickie Baggett

Morro Bay, CA. 93442

**Dana Swanson**

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**From:** Reuel Czach  
**Sent:** Thursday, September 21, 2017 10:31 PM  
**To:** Council  
**Subject:** Wastewater plant costs

Dear City Council,

I honor you for having the courage to help with the challenging projects that face our community!

I would like you to chose a site that keeps the cost of the wastewater plant down as low as possible. It doesn't make sense to me to choose a site such as the South Bay Blvd. site because then we are paying for the costs of pumping waste up hill. Also the pipes, pumps. and system is already designed to run downhill toward the Highway 41 site. It seems to make sense to me that we should use that existing system to bring wastewater to the new plant somewhere off of Highway 41, either where the existing plant is or to the east of Highway 1.

I also think that we should not just build a water treatment facility to produce potable water that is too expensive. If the farmers need water, let them pay for the cost of the water and facility that produces it. I don't mind the minimal costs involved in creating a plant that has the option to add further treatment at a later time, when it may be needed by the City, the farmers, or a buyer is available to pay for the cost of that improvement, but I don't think it is a good idea to add that extra cost to our community at this time.

These are my opinions with the information that I have, which I am sure is much more limited than what you have. I am sure you will make the best decisions that you can. My request is that you keep sewer and water cost increases to a minimum.

Thank you for the time you are giving to our community and the decisions you will make for us,

Ruel Czach

Morro Bay, CA 93442

## Dana Swanson

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**From:** Tim Hixson  
**Sent:** Thursday, September 21, 2017 9:38 PM  
**To:** Jamie Irons; Council  
**Subject:** WRF

Dear Mayor Irons & City Council members. Please, please help the city of Morro Bay you were elected to serve. Take a stand & some fiscal responsibility & redirect the the course that the WRF has been on & where it appears currently to be headed. Stop the hemorrhaging of \$\$ the citizens of Morro Bay cannot afford. If the city can save 60 million \$\$ by moving it back to the Hanson concrete plant location that is what must happen. We certainly must have learned some thing watching the Los Osos plant's construction with it's huge cost over runs due to very poor planning, back & forth site locations & the total lack of fiscal responsibility & common sense. Learn from them, please don't repeat it here in Morro Bay.

As our Mayor & City Council you are in a very, very powerful position. You hold the welfare & the ability of an affordable lifestyle for the citizens of Morro Bay in your hands. We can neither afford the proposed huge future water bill or afford to move out of our home. It puts us in a very, very uncomfortable place.

As our elected Mayor & Council I ask you to please exercise some serious fiscal responsibility on our behalf. The time has come to remove all egos from this project & the burning desire to have your way on a relocation of plant that has such dire consequences to the financial well being of the citizens of Morro Bay.

Please nail this thing down & get this plant built. No more delays. No more studies. No more reviews by every board known to man. We need it, then build it. The meter is running & it's costing us by the day & we haven't even selected a site yet.

Put it up the road from the existing plant at the Hanson site where trenching & pipe work will be much less expensive. The South Bay site while out of view is too far away & too expensive to entertain. Going back to the sites off of 41 caused & will cause unrest, protests & delays if not law suits.

Common sense must be at the forefront of this project. I am begging you to use some for the good of us all.

Sincerely, Tim Hixson  
Morro Bay, Ca.

**Dana Swanson**

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**From:** Andy King  
**Sent:** Thursday, September 21, 2017 6:22 PM  
**To:** Council  
**Subject:** WRF site

If there's any chance of getting the WRF moved back to Rancho Colina, that sounds best to me. There is no need to move the equipment yard to the site of the WRF, and it's my understanding that the Coastal Commission has no objection to the equipment yard staying where it is.

Also, please don't spend any more time or money lobbying or otherwise trying to get the Coastal Commission to do what Morro Bay wants. Let's not throw good money after bad.

Thank you for your attention to this matter,

Andy King