



CITY OF MORRO BAY CITY COUNCIL AGENDA

The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.

Regular Meeting - Tuesday, March 13, 2018 Veterans Memorial Hall - 6:00 P.M. 209 Surf St., Morro Bay, CA

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
RECOGNITION
CLOSED SESSION REPORT
MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

PRESENTATIONS

- Chamber of Commerce Quarterly Report

PUBLIC COMMENT PERIOD

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

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

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

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion. The public will also be provided an opportunity to comment on consent agenda items.

A-1 APPROVAL OF MINUTES FOR THE FEBRUARY 2, 2018 CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE FEBRUARY 13, 2018 CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE FEBRUARY 27, 2018 CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF MINUTES FOR THE FEBRUARY 28, 2018 CITY COUNCIL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

B. PUBLIC HEARINGS - None

C. BUSINESS ITEMS

C-1 CONSIDERATION OF PROPOSAL FROM AND APPROVAL OF CONTRACT TO GSI WATER SOLUTIONS FOR GROUNDWATER FLOW MODELING AND INJECTION TESTING FOR FUTURE INDIRECT POTABLE REUSE IN MORRO VALLEY; (PUBLIC WORKS)

RECOMMENDATION: City Council:

1. Review the recommendation from staff to award a contract to GSI Water Solutions for groundwater flow modeling of lower Morro Valley Basin and injection testing for future indirect potable reuse in lower Morro Valley Basin; and
2. Authorize the Public Works Director to execute an agreement for the amount of \$351,000, with a twenty-percent contingency for a total authorization of \$421,200.

C-2 DISCUSSION AND ADOPTION OF RESOLUTION NO. 08-18 APPROVING ADOPT-A-PARK, ADOPT-A-STREET AND MEMORIAL PROGRAM POLICIES AND RESOLUTION NO. 09-18 ESTABLISHING FEE STRUCTURE FOR MEMORIAL BENCHES AT THE ROCK PARKING LOT AND TARGET ROCK AREA; (PUBLIC WORKS)

RECOMMENDATION: Council review the policies developed for the Adopt-a-Park, Adopt-A-Street, and memorial programs and do the following:

1. Adopt Resolution No. 08-18 Establishing an Adopt-A-Park and Adopt-A-Street Program; and
2. Adopt Resolution No. 09-18 Rescinding Resolution Nos. 40-90 and 04-00 and Establishing a Memorial Tree, Bench, and Bike Rack Program in Parks and Public Rights-of-Way; and
3. Provide direction to staff to prepare a "street furniture" master plan to designate location, density and number of benches, bike racks and other memorial objects to be placed in City parks, rights of way and other public places.

C-3 FISCAL YEAR 2017/18 MID-YEAR BUDGET PERFORMANCE AND STATUS REPORT – SIX MONTHS ENDING DECEMBER 31, 2017, ADOPTING RESOLUTION NO. 10-18:

- A. AUTHORIZING STAFF TO PROCEED WITH MID-YEAR ADJUSTMENTS DISCUSSED AND APPROVED DURING THE FEBRUARY 27, 2018 COUNCIL MEETING;
- B. RATIFYING COUNCIL'S ACTION ON FEBRUARY 27, 2018 TO PREPAY THE CITY'S SAFETY FIRE TIER 1 SIDE-FUND BALANCE IN THE AMOUNT OF \$301,247 FROM THE CITY'S GENERAL FUND EMERGENCY RESERVE;
- C. CONSIDER AUTHORIZATION OF AN ADDITIONAL BUDGET ADJUSTMENT FROM THE FIRE DEPARTMENTS DONATION FUND (515-2305) IN THE AMOUNT OF \$21,500 TO PURCHASE REQUIRED MANDATED ELECTRONIC PATIENT CARE, NATIONAL INFORMATION REPORTING SYSTEM (NIFRS), AND FIRE INSPECTION PROGRAM.
- D. CONSIDER AUTHORIZATION OF AN ADDITIONAL BUDGET ADJUSTMENT FROM THE HARBOR ACCUMULATION FUND IN THE AMOUNT OF \$20,000 TO THE ICE MACHINE MAINTENANCE CAPITAL FUND TO ENABLE CONTINUED CITY OBLIGATIONS OF ICE MACHINE CAPITAL REPAIRS AND MAINTENANCE; (FINANCE)

RECOMMENDATION: City Council Adopt Resolution No. 10-18:

- A. Authorizing staff to proceed with mid-year adjustments discussed and approved during the February 27, 2018 Council meeting, and**
- B. Ratifying Council's action on February 27, 2018 to prepay the City's Safety Fire Tier 1 side-fund balance in the amount of \$301,247 from the City's General Fund Emergency Reserves; and**
- C. Authorizing an additional budget adjustment in the amount of \$ 21,500 from the Fire Departments Donation Fund (515-2305) for the purchase of EMS, National Information Reporting System, and fire inspection electronic reporting system.**
- D. Authorizing an additional budget adjustment in the amount of \$20,000 from the Harbor Accumulation Fund to the Ice Machine Maintenance Capital Fund to fund necessary machine maintenance.**

C-4 ADOPT RESOLUTION NO. 11-18 RESCINDING RESOLUTION NO. 02-06 FORMING UNDERGROUND UTILITY DISTRICT NO. 7 (BEACH & MAIN STREET) DUE TO INSUFFICIENT CREDITS TO PERFORM WORK AND AUTHORIZATION TO SELL A PORTION OR ALL THE REMAINING CREDITS; (PUBLIC WORKS/FINANCE)

RECOMMENDATION: Council:

- 1. Adopt Resolution No. 11-18 Rescinding Resolution No. 02-06, which formed the Beach and Main Streets Utility Undergrounding District 7 ("UD7"); and**
- 2. Authorize the Finance Director to "market" all or a portion of the City's remaining undergrounding credits to fund other priority "one-time" City needs, as authorized by the City Council at some future date.**

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, March 27, 2018 at 6:00 p.m.** at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

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

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

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

PRESENT:	Jamie Irons	Mayor
	Robert Davis	Council Member
	John Heading	Council Member
	Matt Makowetski	Council Member
	Marlys McPherson	Council Member
STAFF:	Scott Collins	City Manager
	Lori Kudzma	Deputy City Clerk
	Jennifer Callaway	Finance Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Greg Allen	Police Chief
	Steve Knuckles	Fire Chief
	Eric Endersby	Harbor Director
	Jennifer Little	Tourism Manager
	Kirk Carmichael	Recreation Services Manager
FACILITATOR:	Garrett Olson	

ESTABLISH QUORUM AND CALL TO ORDER

<https://youtu.be/UxLhOoz4tVQ?t=26s>

The meeting was called to order at 12:04 p.m., with all members present.

I. INTRODUCTION AND OVERVIEW OF CITY COUNCIL'S STRATEGIC PLANNING PROCESS

City Manager Collins welcomed everyone and went over the process for the meeting.

II. STATUS UPDATE ON EXISTING GOALS & OBJECTIVES

City Manager Collins and staff went over updates on goals & objectives and answered questions from Council.

City Manager Collins introduced Garrett Olson, City of San Luis Obispo Fire Chief, who will be facilitating the meeting.

III. COMMUNITY INPUT ON GOALS & OBJECTIVES FOR UPCOMING YEAR (2018)

Facilitator Olson initiated an exercise inviting the public to comment on existing goals and add other goals they would like considered by the Council.

Public Comment was opened:

<https://youtu.be/UxLhOoz4tVQ?t=28m58s>

Glenn Silloway, speaking on behalf of the Historical Society of Morro Bay, shared they are ready to begin improvements to the Franklin Riley Park. There will be a dedication picnic sometime this summer. Regarding Goal 3.5, Mr. Silloway encouraged the City to partner with community groups to help beautify public spaces. Public space improvements will bring tourists back.

Aaron Ochs, Morro Bay, spoke regarding the need to ensure affordability for the WRF project and would like to see the following: 1) Hire a Project Manager 2) Utility Discount Program 3)

Information about the WRF on website 4) Focus on loan and grant financing options 5) More transparency such as an engagement portal.

Jim Reed, Morro Bay, spoke regarding the vacation rental situation. There are 5 bed & breakfasts/vacation rentals operating in his neighborhood. Would like to see an ordinance as soon as is practical.

At 1:05 p.m. Mayor Irons briefly stepped out of the meeting and returned at 1:06p.m.

Linda Merrill, Morro Bay, spoke regarding the quality of life being the essence of Morro Bay and is thankful for the small-town atmosphere. Ms. Merrill would like to see a day to celebrate the sea otter. Ms. Merrill would like to see the City examine what it means to be a "Tree City" and replant some trees. Ms. Merrill has concerns regarding eelgrass and noted that the back bay is especially valuable for birds. Ms. Merrill appreciates support for seniors and is concerned that the cost of the sewer could run people out of town.

Homer Alexander would like to include in Goal #2, an additional objective to include a public forum to discuss state water. The Forum would have a discussion regarding the potential future costs and sustainability of State water deliveries. Mr. Alexander inquired as to the impact of the 1991 vote on Measure G for the City to sell State water. Mr. Alexander believes getting facts directly from the State regarding the sustainability of future State water supplies is very important.

Joan Solu, Morro Bay resident, spoke regarding the need to continue with the goal of fiscal sustainability and not start another goal until completion of those already adopted. Ms. Solu also spoke regarding the Tourism related Resolution No. 03-16 and stated the City is not keeping their side of the agreement and urged the Council to ask for a report from staff.

Erica Crawford, Chamber of Commerce, spoke regarding the economic development plan worked on with Chabin Concepts and stated they have been actively working on road map since new City Manager's arrival. Our community is uniquely challenged with economic development. Looking at a plan similar to what was implemented in Chico through constant outreach, mentoring and workforce training. Want to make sure this plan is something that can be implemented.

Chuck Stoll, Morro Bay resident, thanked all present for their efforts – hoped there would be more participation. Believes there is a value to what Mr. Silloway spoke about. Suggested looking for more diversity in the revenue stream.

Facilitator Olson went over items added to the board by the public and asked for feedback on the goals listed. Staff addressed items raised during public comment.
<https://youtu.be/UxLhOoz4tVQ?t=58m44s>

The Council gave individual comments regarding the items suggested during public comment.

The Council took a recess at 2:04 p.m. and reconvened at 2:27 p.m.

IV. COUNCIL DISCUSSION AND GENERAL DIRECTION FOR STAFF

<https://youtu.be/UxLhOoz4tVQ?t=1h41m53s>

Facilitator Olson went over the 5 category levels:

Dinner Plate – serve it up and complete this year

Boiling Pot – will not be completed this year but is important

Simmering Pot – Equally important as the boiling pot, but if there is a need to choose, the boiling pot items will be addressed first.

Refrigerator – do not want this goal to spoil, keep it for later

Trash – already completed or will not be completed.

Facilitator Olson walked the Council through the process of categorizing each of the goals. The goals were ultimately categorized as follows:

DINNER PLATE:

3 (f) Closely monitor the maintenance and cleanliness of public facilities and report to Council for reprioritization of resources if maintenance is not keeping up with demand.

4 (e) Bring to Council for adoption a rewrite of the secondary unit ordinance (updated in FY 16) base on changes in State law.

4 (a) Complete the GP/LCP rewrite no later than August 2018.

4 (c) Ensure affordable housing and vacation rental challenges are addressed in the GP/LCP process and all land use planning.

4 (b) Complete the zoning code update approved and started in FY17

Assign a budget for the WRF

Utility discount connected to marijuana tax revenue.

Ensure affordability for the WRF/Utility Discount Program

Evaluate MOU with Chamber to further economic development objects

Implement Marijuana Ordinance

Morro Bay Aquarium Site

Managing Homeless Issue

Place WRF info on front of website

Enhance Communication re: Utility Discount Program

Better Communication with citizens/make a website that works

Community Trust (communication) – constant varied, repetitive

Strategic Planning Process /Framework Policy: Refresh & Communicate

Enhance accountability of goals, objectives, measurements, progress and completion with consistency.

Engage business community in dialogue about water issues

Goal #2 – Objective F: Public Forum to discuss State Water

Enhance multi-media multi-source effective communications plan with community in mind

1 (d) Evaluate opportunities for new or expanded revenue sources, including but not limited to: paid parking, marijuana associated revenues, other tax measures and a review of City fees.

3 (e) Inventory, evaluate and refresh existing programs for volunteer groups to assist in providing routine maintenance in the City, while soliciting and facilitating additional volunteer group support for routine maintenance and small capital projects.

3 (b) Bring to Council for information, consideration and possible implementation a review of circulation and parking management plans and options in the downtown and waterfront districts.

1(e) Considering Council direction to identify no less than \$400k of cost reductions across FY19 and FY20, develop a cost control and reduction plan to achieve these cuts, including a complete review of staffing levels and non-labor costs in all departments.

3 (d) Compete the approved RFQ process for a marine services facility (boatyard) and bring to Council for information and consideration of next steps prior to any decision on feasibility study.

1 (c) Evaluate and implement opportunities to increase TOT revenues.

1 (f) Develop a staff-internal emergency cost reduction plan to inform future fiscal emergencies.

Enact vacation ordinance quickly – before General Plan update

1 (a) Consider the proposed strategies in the Economic Development Strategic Plan and act on those most likely to generate revenues in the near term.

Create greater efficiencies and coordination with partner (community organizations)

2 (c) Complete and submit the State Revolving Fund loan application with the State Water Control Board for the WRF project to secure funding for the project – Use visual calendar with dates.

2 (a) Complete water/sewer rate study and bring to Council for Prop 218 process consideration any rate increase requirements to fund the proposed WRF.

2 (b) Following CEQA guidelines, bring the WRF Environmental Impact Report (EIR) to Council for approval and certification.

2 (d) Complete the acquisition of the preferred site for the WRF project.

2(g) Budget for, select a consultant, complete, and bring to Council for initial consideration a “OneWater” plan for the City that considers all water resources – from storm water to groundwater to wastewater – as a single “water resource”
Return to Council with discussion item re: Vacation Rentals & RV Parks and TOT.

BOILING CAULDRON

2 (f) Take all appropriate actions, and bring to Council for information/approval, as required, information that will allow the City to make a decision to achieve water independence. Include an evaluation of future options regarding our existing State Water allocation.

3 (c) Bring to Council for decision proposals for a public/private partnership redevelopment of the City-owned “Market Plaza” property, and, if appropriate, to be included in redevelopment, the “Front Street” parking lot (below DiStasio’s), and the parking lot at Pacific and Market.

SIMMERING POT

1 (b) Pursue opportunities and relationships that are likely to result in the revitalization and redevelopment of important properties including 1 – the Morro Bay Power Plant, 2- the existing Wastewater Treatment Plant Site 3 – Morro Bay Elementary School.

3 (a) Bring to Council for decision an item to consider adding a street improvement tax measure to the November 2018 ballot.

4 (f) Begin community outreach and Council discussion on future use of the 26-acre Atascadero Road site (location of existing WWTP) to be prepared to begin master planning that site in FY19.

4 (g) Explore opportunities to protect important scenic, recreational, natural and agricultural resources on the Estero Marine Terminal site and surrounding lands.

REFRIGERATOR

4 (d) Bring to Council for consideration the results of Code Enforcement outreach on existing codes related to fences and hedges, and boat, RV and trailer parking/storage on City streets and neighborhoods to determine whether to keep, or modify, related existing ordinances.

Code Enforcement is a priority

Old Objectives: Boat/RV, Signs, Vacation Rental – thoughtfully evaluate/prioritize

TRASH CAN

2 (e) Take appropriate selection action and bring to Council for approval, a contract for the design-build construction delivery of the new WRF. (completed)

Public Comment was opened.

Dave Zevely, Morro Bay resident, spoke regarding Highway 41 as you enter the City and the need for reduced speed.

There was a brief discussion regarding this item.

There was Council consensus to add this item to the dinner plate: Reduce speed on Hwy 41 before City limit, lower speed at City limit to 30 mph

V. SUMMARY & NEXT STEPS

<https://youtu.be/UxLhOoz4tVQ?t=3h22m25s>

City Manager Collins went over the next steps. This information will be summarized and brought back to Council at their February 27th meeting.

Council Members made brief comments.

The Council recessed at 4:16pm and will reconvene at 5:55 p.m.

The Council reconvened at 5:55 p.m.

ADJOURNMENT

The meeting adjourned at 6:00 p.m. The next Regular Meeting will be held on Tuesday, February 13, 2018, at 6:00 p.m. at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by:

Lori Kudzma
Deputy City Clerk

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PRESENT:	Jamie Irons	Mayor
	Robert Davis	Council Member
	John Headding	Council Member
	Matt Makowetski	Council Member
	Marlys McPherson	Council Member
STAFF:	Scott Collins	City Manager
	Joseph Pannone	City Attorney
	Dana Swanson	City Clerk
	Jennifer Callaway	Finance Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Greg Allen	Police Chief
	Steve Knuckles	Fire Chief
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:03 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION - None

CLOSED SESSION REPORT – No Closed Session meeting was held.

MAYOR AND COUNCIL MEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/PK2u1i89-KU?t=2m37s>

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/PK2u1i89-KU?t=6m56s>

PRESENTATIONS

- San Luis Obispo Council of Governments (SLOCOG) Presentation on SB-1, by Pete Rodgers, Deputy Director
<https://youtu.be/PK2u1i89-KU?t=8m53s>
- Presentation of Black History Month Proclamation
<https://youtu.be/PK2u1i89-KU?t=17m>

PUBLIC COMMENT

<https://youtu.be/PK2u1i89-KU?t=23m42s>

Kimberley Mayes of Mercantile on Main, located at 863 Main Street, provided the business spot.

Charles Varni, Oceano resident speaking as a representative of Surfider, urged the Council to formally take a position in opposition to the proposal for offshore oil and gas development.

Mandy Davis, Morro Bay, spoke on behalf of Coastal Alliance in opposition of offshore oil drilling and pre-drilling seismic testing, and asked the Council to take a strong stance against offshore drilling.

Eilish McNulty, speaking on behalf of EcoSLO and Cal Poly students, requested the City publicly oppose the 5-year outer continental shelf plan.

Rigmor, Morro Bay, requested maximum building heights not be increased over 30' and expressed concern about using the triangle lot for boat storage.

Carolyn Brinkman, Morro Bay, expressed appreciation the Minutes from the last Council meeting were included in the agenda packet and for the video links provided with each agenda item.

Judi Brown, Morro Bay, shared her support and appreciation for Chief Allen and the Morro Bay Police Department.

Dawn Beattie, Morro Bay, expressed concern community input on issues the City is dealing with come not as help, but an attack. She hopes to see a more cooperative attitude in the future.

Aaron Ochs, speaking as a Morro Bay resident, not columnist or writer, expressed his appreciation for and confidence in Chief Allen, the Morro Bay Police Department and Morro Bay Fire Department.

Pam Ochs, Morro Bay resident speaking on behalf of Save our Seniors, expressed concern the community cannot afford a \$167M wastewater plant.

Betty Winholtz, Morro Bay, spoke regarding Item C-2, suggesting rates should be markedly higher than private businesses, the importance of security and how that will look, avoiding light pollution, and that all revenues belong in the Harbor Fund. She opposed RV storage and subleasing, and suggested Morro Bay residents be given priority.

Jeff Eckles, Morro Bay resident, business owner, and candidate for the San Luis Obispo County District 2 Supervisor seat, requested the City adopt a resolution against offshore drilling and exploration.

Chuck Stoll, Morro Bay, announced a fundraising event benefiting fine arts programs at Los Osos Middle School and Del Mar Elementary, will be held at the Veterans Hall on St. Patrick's Day, March 17. He mentioned two organizations working to protect the environment: Protect SLO County, an organization being formed to protect water, air and the environment, and Citizens Climate Lobby, an international organization directed to find improved solutions for the production of CO₂.

The public comment period was closed.

The Council and staff responded to issues raised during Public Comment.

A. CONSENT AGENDA
<https://youtu.be/PK2u1i89-KU?t=1h5s>

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

A-1 APPROVAL OF MINUTES FOR THE JANUARY 9, 2018 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE JANUARY 23, 2018 CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE JANUARY 23, 2018 CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF JANUARY 24, 2018 CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 ADOPTION OF RESOLUTION NO. 05-18 AUTHORIZATION FOR THE EXECUTION OF SGR PROGRAM CERTIFICATION AND ASSURANCES AND AUTHORIZED AGENTS, AND RESOLUTION NO. 06-18 AUTHORIZATION FOR THE CITY OF MORRO BAY'S PROJECT LIST FOR FY 17/18 FOR THE CALIFORNIA STATE OF GOOD REPAIR (SGR) PROGRAM; (PUBLIC WORKS)

RECOMMENDATION: Staff recommends the City Council do the following:

- 1. Adopt Resolution No. 05-18, authorizing the Public Works Director and Management Analyst to execute all required documents of the SGR Program and any amendments thereto, with the California Department of Transportation; and**
- 2. Adopt Resolution No. 06-18, authorizing the FY 2018/18 City of Morro Bay SGR Project List include the Morro Bay Transit replacement vehicle.**

A-6 APPROVAL OF PROCLAMATION DECLARING FEBRUARY 2018 AS BLACK HISTORY MONTH; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

The public comment period for the Consent Agenda was opened; seeing none, the public comment period was closed.

MOTION: Council Member Heading moved the Council approve all items on the Consent Agenda. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

B. PUBLIC HEARINGS - NONE

C. BUSINESS ITEMS

C-1 REQUEST FOR DIRECTION REGARDING DIABLO CANYON NUCLEAR POWER PLANT CLOSURE SETTLEMENT AGREEMENT AND BUDGET APPROPRIATIONS FOR LEGAL COSTS AND COMMUNITY IMPACT MITIGATION PROGRAM; (CITY MANAGER)

<https://youtu.be/PK2u1i89-KU?t=1h1m>

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

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

Michael Manchak, SLO Economic Vitality Corporation (“EVC”), explained the EVC is a non-profit organization, funded through a public/private partnership to serve all seven cities and the county. The EVC will manage the overall economic planning of the closure and has released a nationwide RFP for expert consulting firms to develop a strategy for how to replace a \$1 Billion hit to the economy. Visit www.sloevc.org/diablo for more information.

Mr. Manchek responded to questions from the Council.

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

Following discussion, the Council agreed to reimburse the City of San Luis Obispo (“SLO”) for Morro Bay’s share of the legal costs assumed by SLO as the lead agency. There was also support for contributing \$25,000 to \$40,000 toward the economic study and strategy indicated by the EVC.

MOTION: Council Member Headding moved staff recommendation to direct City Manager to pay \$15,000 to reimburse the City of San Luis Obispo (“SLO”) for legal costs assumed by SLO as the lead agency for the Coalition of Cities in support of the Diablo Canyon Nuclear Power Plant Closure Settlement Agreement, and that we consider supporting financially the Diablo Canyon Nuclear Power Plant Closure Community Impact Mitigation Program, in partnership with San Luis Obispo County and the cities therein, and other partners, through the development of a regional economic study and strategy, the contribution of which to be determined at a later date, as we get more information from our staff. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

The Council took a brief recess at 7:52 p.m. The meeting reconvened at 8:03 p.m. with all members present.

C-2 REVIEW OF AND DIRECTION REGARDING HARBOR ADVISORY BOARD RECOMMENDATIONS ON FY 17/18 WORKPLAN OBJECTIVES AND CONSIDERATION OF ESTABLISHING FEE-BASED BOAT/RV STORAGE IN THE “TRIANGLE” PARKING LOT, AND LICENSING / PERMITTING FOR-PROFIT ACTIVITIES AND BUSINESSES OCCURRING ON TIDELANDS TRUST PROPERTIES; (HARBOR)
<https://youtu.be/PK2u1i89-KU?t=1h53m2s>

Harbor Director Endersby presented the staff report and responded to Council inquiries.

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

Terry Simons, Morro Bay, spoke in support of a maritime facility and presented a proposed layout for a maritime/boat haul-out storage. He asked the City Clerk to forward comments he submitted to Mayor Irons to the rest of Council.

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

The Council agreed Items 2 - 5 were complete with no further action needed. Regarding Item 1, the Council was in favor of a fee-based storage for boats/maritime use, but not RVs at this time. There was discussion the proposed rate structure and 80/20 revenue sharing between the Harbor Enterprise Fund and General Fund should be more closely reexamined, with consideration funds necessary to maintain the program go into the Harbor Fund and anything above that set aside for future triangle lot improvements. The Council agreed subleasing should not be allowed and directed staff to bring this item back with more details on security, lighting, fencing, etc. The

Council also expressed concerns about trash and storage areas in the Front Street parking lot and asked staff to explore alternatives to relocate those, perhaps to the corner of that lot.

There was Council consensus to support staff recommendation for Items 1-7, understanding Items 1, 6 and 7 will come back to Council for policy review and discussion, with a focus on boat storage, not RV parking.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/PK2u1i89-KU?t=3h3m14s>

Council Member Davis requested discussion of the City of San Luis Obispo's invitation to partner in exploring a community choice energy program. It was agreed this item will be brought up during the Goals discussion at the February 27th Council meeting. There was full Council support for this item.

Mayor Irons requested the February 27th Goals discussion include prioritization of a policy that evaluates / audits lease sites on 3-year rolling basis. The item is currently on the work plan, but he would like to be sure it is included as a priority goal. There was full Council support for this item.

E. ADJOURNMENT

The meeting adjourned at 9:18 p.m. The next Regular Meeting will be held on Tuesday, February 27, 2018, at 6:00 p.m. at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by:

Dana Swanson
City Clerk

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PRESENT: Jamie Irons Mayor
 Robert Davis Council Member
 John Headding Council Member
 Matt Makowetski Council Member
 Marlys McPherson Council Member

STAFF: Scott Collins City Manager
 Joseph Pannone City Attorney
 Dana Swanson City Clerk
 Jennifer Callaway Finance Director
 Rob Livick Public Works Director
 Scot Graham Community Development Director
 Gregory Allen Police Chief
 Steve Knuckles Fire Chief
 Eric Endersby Harbor Director

ESTABLISH A QUORUM AND CALL TO ORDER

The meeting was called to order at 4:00 p.m. with all members present.

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

The Mayor opened the public comment period for items on the agenda; seeing none, the public comment period was closed.

SPECIAL MEETING AGENDA ITEM:

I. Ten-Year Financial Forecast Study Session
<https://youtu.be/zDjJrHO-Ncl?t=19s>

Finance Director Callaway presented the staff report and responded to Council inquiries. (The presentation can be found [here](#).)

During discussion, the Council requested the General Fund Emergency Reserve (“GFER”), Risk Management Fund, and Tourism Business Improvement District (“TBID”) policies be brought for discussion during budget workshops. The need to aggressively begin planning for economic diversification is imperative to be financially viable in the future. The Council also stressed the importance of engaging the public to ensure the community understands the City’s financial realities.

The Mayor reopened public comment period for items on the agenda.

Joan Solu, Morro Bay, urged the Council to not spend \$50,000 on an economic plan, but to dust off several existing plans the City has and gather local professionals to work as a team to analyze that information and develop an action plan.

The public comment period was closed.

No formal action was taken by the City Council.

ADJOURNMENT

The meeting adjourned at 5:34 p.m.

Recorded by:

Dana Swanson, City Clerk

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MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
FEBRUARY 28, 2018 – 4:30 P.M.
CITY HALL CONFERENCE ROOM

AGENDA NO: A-4
MEETING DATE: March 13, 2018

PRESENT: Jamie Irons Mayor
 Robert Davis Council Member
 John Heading Council Member
 Matt Makowetski Council Member
 Marlys McPherson Council Member

STAFF: Scott Collins City Manager
 Joseph Pannone City Attorney
 Scot Graham Community Development Director
 Eric Endersby Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER
The meeting was called to order at 4:40 p.m. with all members present.

SUMMARY OF CLOSED SESSION ITEMS – The Mayor read a summary of Closed Session items.

CLOSED SESSION PUBLIC COMMENT – Mayor Irons opened the meeting for public comment for items on the agenda; seeing none, the public comment period was closed.

The City Council moved to Closed Session and heard the following items:

CS-1 CONFERENCE WITH REAL PROPERTY NEGOTIATOR – GOVERNMENT CODE SECTION 54956.8

Property: 781 Market Avenue
Property Negotiators: Jennifer Patterson, Yoga Center of Morro Bay
Agency Negotiators: Scot Graham, Community Development Director, Scott Collins, City Manager, and Joseph Pannone, City Attorney
Under Negotiation: Price and Terms of Payment

CS-2 CONFERENCE WITH REAL PROPERTY NEGOTIATOR - GOVERNMENT CODE SECTION 54956.8

Property: Lease Site 122-123/122W-123W, Harbor Hut, 1205 Embarcadero
Property Negotiators: THMT, Inc. (Troy Leage)
Agency Negotiators: Eric Endersby, Harbor Director and Joseph Pannone, City Attorney
Under Negotiation: Price and Terms of Payment

CS-3 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to pursuant to paragraph (4) of subdivision (d) of Section 54956.9.:
One matter relating to Lease Site 87-88/87W-88W.

CS-4 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: City Manager

RECONVENE IN OPEN SESSION – The City Council reconvened in Open Session. City Attorney Pannone reported the Council authorized staff to initiate litigation to collect past due rent from Central Coast Investments Inc. for Lease Site 87-88/87W-88W.

ADJOURNMENT - The meeting adjourned at 6:19 P.M.

Recorded by:

Dana Swanson, City Clerk

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AGENDA NO: C-1
MEETING DATE: March 13, 2018

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 2, 2018
FROM: Rob Livick, PE/PLS – Public Works Director/City Engineer
SUBJECT: Consideration of Proposal from and Approval of Contract to GSI Water Solutions for Groundwater Flow Modeling and Injection Testing for Future Indirect Potable Reuse in Morro Valley

RECOMMENDATION

Staff recommends the City Council:

1. Review the recommendation from staff to award a contract to GSI Water Solutions for groundwater flow modeling of lower Morro Valley Basin and injection testing for future indirect potable reuse in lower Morro Valley Basin; and
2. Authorize the Public Works Director to execute an agreement for the amount of \$351,000, with a twenty-percent contingency for a total authorization of \$421,200.

ALTERNATIVES

Review the proposed scope, budget, and schedule and provide any direction to staff for revision.

FISCAL IMPACT

GSI Water Solutions proposes to complete all work under the contract on a time and materials basis with a budget that will not be exceeded without receiving written authorization from the City.

The City budgeted \$120,000 in FY 2017/18 to initiate groundwater modeling services and pilot injection testing as part of the Water Reclamation Facility (WRF) Capital Project Budget. The attached proposal includes that budgeted work, as well as future phases that would be performed in FY 2018/19. A total of \$4.261M was budgeted in FY 2017/18 for the overall WRF program and as of the end of the second quarter (December 31, 2017), \$574,698 had been expended.

In addition to the work outlined in this report the City will need to construct monitoring wells for use in the pilot study. These wells will be procured under the City's procedures for Public Works construction projects and it has been estimated the construction of the monitoring wells will cost approximately \$150K. The project will be competitively bid and is subject to paying prevailing wage rates as stipulated in the California Public Contracts Code as a Public Works project.

BACKGROUND/DISCUSSION

The Water Reclamation Facility Project would include the construction of a new Water Reclamation Facility (WRF) with advanced treatment at the South Bay Boulevard site, which was selected as the preferred site for planning and permitting at the September 26, 2017, City Council meeting, and a lift station and pipeline to transport wastewater from the City's collection system to the new WRF.

One of Council's goals for the WRF project is to provide a drought resistant secure water supply to enable water independence and reduce the City's reliance on the State Water Project particularly in the

face of repetitive and ongoing drought conditions in California. To facilitate the goal of water independence, the WRF project includes a recycled water pipeline and injection wells in the lower Morro Valley to use the highly treated water to replenish the groundwater basin, and a discharge pipe, which would connect to the existing ocean outfall for discharge of brine from the advanced treatment system and/or treated effluent during high flow events or when the advanced treatment system would be offline.

As presented in past reports, the Morro Valley was chosen for groundwater recharge and the resultant water supply benefit over the Chorro Valley for a variety of reasons including: better production wells, the Morro Valley below the “Narrows” has no other users, as opposed to the Chorro Valley where there are many riparian users, and therefore all the injected water is available to the City; and proximity to the water treatment and distribution systems resulting in more available water at a lower cost.

GSI Water Solutions previously completed a screening-level groundwater flow model of the lower Morro Valley groundwater basin, which assessed the feasibility of using injection and subsequent recovery of recycled water (indirect potable reuse) to augment the City’s water supply. That work was documented in the May 16, 2017, report titled *Lower Morro Valley Basin Screening-Level Groundwater Modeling for Injection Feasibility*. Two possible injection and extraction well layouts were evaluated. The analysis from the report concluded:

1. It is likely feasible for the aquifer to accept the recycled water available for injection;
2. A minimum of four injection wells would likely be needed to achieve the desired recycled water injection capacity;
3. Depending on the injection well locations, up to approximately 1,200 acre-feet-per-year (AFY) of groundwater could potentially be produced for potable water supply without the model indicating seawater intrusion would occur (the City currently uses between 900 and 1000 AFY of potable water; and
4. The 2-month minimum subsurface recycled water response retention time required under Title 22 will likely be met.

Based on the screening evaluation, the following tasks were recommended in the May 2017 report:

1. Conduct a preliminary consultation with the California State Water Board Division of Drinking Water regarding permitting considerations; and
2. Implement a pilot injection program, including construction of pilot injection well and monitoring wells, baseline groundwater monitoring and long-term injection pilot tests. The purpose of the pilot test program would be to validate the screening modeling results and provide a design basis for the full-scale project and permitting.

In November 2017, staff contacted three firms to request proposals for the tasks recommended above. Proposals were received from two of the three firms contacted, GSI Water Solutions and Geosyntec. Based on the submitted qualifications and proposed price, City staff worked with GSI Solutions to negotiate a final scope of work and budget. The main tasks are summarized below and proposed to be completed on a time and materials basis with a budget not to exceed \$351,000 without written authorization. The proposed scope of work consists of the following tasks:

1. Groundwater modeling of Lower Morro Basin
 - a. Investigate pumping of the City’s full permitted allotment of 581 AFY without contribution of recycled water
 - b. Analysis of possible groundwater nitrate levels under different injection scenarios
 - c. Analysis of potential changes in groundwater chemistry due to potential salt water intrusion.

Prepared By: <u> RL </u>	Dept Review: <u> </u>
City Manager Review: <u> SC </u>	City Attorney Review: <u> JWP </u>

2. Pilot Injection Testing

- a. Prepare test well design and permitting
- b. Evaluate two potential injection well locations and recommend preferred area for testing
- c. Secure permitting for injection testing
- d. Conduct pilot injection testing
- e. Update groundwater model
- f. Perform travel time analysis and clogging analysis
- g. Perform seawater intrusion monitoring
- h. Perform groundwater level monitoring

The work tasks described herein will take place over the next three annual budget cycles, a period of 21 months, from the issuance of the Notice to Proceed. The results of this work will be used to inform the design of the injection wells. The scope of work will be used to meet the permitting requirements of the State Water Board Division of Drinking Water. Additionally, this work will help staff determine whether groundwater extracted from the Morro Valley aquifer will continue to need treatment prior to being distributed to customers.

Installation of pilot injection wells is not included in this contract but will be required to complete this scope of work. The well installation will not take place for six months after this proposal is authorized and will be authorized as a construction contract. In their proposal, GSI Water Solutions has estimated the well construction to cost \$150,000. Well construction costs can vary depending on prevailing bid climate (including amount of other similar projects competing for attention from bidders, availability of local well drillers, and cost of materials) at the time the work is performed. The construction will be competitively bid next fiscal year and contracted directly with the City.

CONCLUSION

Staff recommends award of the contract for groundwater flow modeling and injection testing for possible future IPR in the Morro Valley to GSI Water Solutions.

ATTACHMENTS

- 1. Proposed Scope and Budget from GSI Water Solutions, Inc.

Prepared By: <u> RL </u>	Dept Review: <u> </u>
City Manager Review: <u> SC </u>	City Attorney Review: <u> JWP </u>

ATTACHMENT A



Proposal

To: Rob Livick,
Public Works Director, City of Morro Bay

From: Paul Sorensen, Tim Nicely, and Tim Thompson,
GSI Water Solutions, Inc. (GSI)

Date: March 2, 2018

RE: Groundwater Flow Modeling of Lower Morro Basin, and
Injection Testing for Future Indirect Potable Reuse in Lower Morro Valley

Introduction

We are pleased to provide this proposal for groundwater flow modeling of the lower Morro Basin and injection testing, groundwater monitoring, permitting and well design to support the design and planning for an indirect potable reuse project using highly treated recycled water from the City of Morro Bay's (City) planned Water Reclamation Facility (WRF). This work is consistent with findings of previous studies aimed at assisting the City in achieving water independence by reducing dependence on imported water from the State Water Project.

The work is divided into three phases: (1) groundwater modeling of the lower Morro Basin, (2) pilot injection testing and monitoring, and (3) injection well basis of system design and Department of Drinking Water permitting.

The first two phases are separate but related tasks that can proceed simultaneously. These tasks include the following key components:

- Phase 1 – Groundwater Modeling of Lower Morro Basin using the existing screening-level numerical flow model. The issues to be addressed in this task include:
 - Analysis of the groundwater flow field in the local aquifer if the City exercises its right to pump its full permitted allotment of 581 acre-feet per year (AFY), with no representation or contribution of wastewater
 - Analysis of the volume of water that could be injected into the lower Morro Basin without extraction from the City wells (in other words, assess the volume of available storage in the aquifer in the lower Morro Basin)
 - Analysis of the potential effect on nitrate concentration levels in the aquifer from an injection program as described in bullet #2, above
 - Analysis of the possible level of nitrates in the groundwater pumped from the City's supply wells under two different injection and recovery (extraction) scenarios;

- Analysis of potential changes in groundwater chemistry in the water supply wells due to potential salt water intrusion under specific scenarios to be determined by the City and its OneWater Morro Bay consultant (Carollo Engineers).
- Phase 2 – Pilot Injection Testing and Groundwater Monitoring. The components of this task include:
 - Determine whether injection can feasibly be conducted in the Narrows area or if the area west of Highway 1 is more favorable,
 - Conduct testing to determine expected injection rates at the preferred project area,
 - Collect monitoring data from existing production and seawater wells,
 - Refine groundwater modelling and assess water quality considerations. Based upon the predicted injection rates, the total number of injection wells needed will be determined to meet the project's overall design injection capacity of 825 acre-feet per year (AFY).
- Phase 3 -- Basis of Design and Permitting for Full-Scale Injection Well System. The components of this phase of work, which will be fully scoped and budgeted at a later date, will be to prepare for the injection wells and to support Michael K. Nunley & Associates (MKN) in preparation of the documents required for project permitting.

Scope of Work

Phase 1: Groundwater Modeling of Lower Morro Basin

GSI previously developed a screening-level groundwater model flow model of the lower Morro Basin, including the City of Morro Bay's water supply wells and desalination wells, using MODFLOW and Groundwater Vistas. This work was documented in the May 16, 2017 report for MKN and the City of Morro Bay. The MODFLOW model was used to conduct simulations of groundwater hydraulics and flow to examine the feasibility of using injection wells to inject treated wastewater into the aquifer to expand the City's water management strategy options.

Based on our current understanding of the City's ongoing OneWater Morro Bay initiative, additional MODFLOW hydraulic and flow simulations using this model are necessary, as well as to potentially incorporate improvements to the MODFLOW model to allow water quality modeling capabilities (including MT3D, SEAWAT, or equivalent).

Our understanding of the issues that the City wants to examine using the screening-level model include:

1. Analysis of the groundwater flow field in the local aquifer if the City exercises its right to pump its full permitted allotment of 581 acre-feet per year (AFY), with no representation or contribution of wastewater
2. Analysis of the volume of water that could be injected into the lower Morro Basin without extraction from the City wells (in other words, assess the volume of available storage in the aquifer in the lower Morro Basin)
3. Analysis of the potential effect on nitrate concentration levels in the aquifer from an injection program as described in bullet #2, above
4. Analysis of the possible level of nitrates in the groundwater pumped from the City's supply wells under two different injection and recovery (extraction) scenarios;
5. Analysis of potential changes in groundwater chemistry in the water supply wells due to potential salt water intrusion under specific scenarios to be determined by the City and Carollo.

Water quality data are available for the City's pumping wells and brackish water wells, including data for nitrates, total dissolved solids (TDS), and chlorides. It is unclear what data are available to characterize nitrate distributions in the aquifer upgradient of the City's pumping wells (upstream of the Narrows).

Given this understanding of the data constraints involved in the current study, and those associated with the original development of the MODFLOW model, GSI proposes the following subtasks:

Task 1 – Groundwater Modeling

Task 1A. MODFLOW Model Run

To address the first question of the potential intrusion of sea water into the flow field under a full pumping scenario of 581 AFY, GSI will perform a MODFLOW model run in which the full allotment of the City's permitted groundwater pumpage is simulated, with no simulation of injection. Pumpage will be distributed throughout the City's wells in accordance with existing data on each well's production capacity. The time step discretization of the model will be changed such that an extended simulation, to be determined later in consultation with Carollo and the City, can be performed. Particle tracking will be performed to analyze the potential for sea water intrusion. Results will be analyzed in terms of examination of the hydraulic gradient and presentation of particle tracking results using particles starting at or near the coast of Morro Bay.

Scenarios will also be run using the model to analyze the volume of water that can be injected into the Lower Morro Basin without simultaneous extraction (pumping) of the City wells. This simulation will be performed at both of the possible injection sites.

Task 1B. Solute Transport Modeling

GSI proposes the following approach to address the questions regarding future nitrate concentrations (a) in the aquifer during and following an active injection-only program and (b) in the City's wells during the operation of an injection and recovery well program. A solute transport model (anticipated to be MT3DMS or potentially the newly released MT3D-USGS code) will be developed to run in concert with the existing MODFLOW groundwater flow model. Nitrate data from the City's wells will be used in the preparation of these simulations. Any data of ambient nitrate conditions upgradient from the City's wells will also be incorporated as appropriate. The two injection scenarios from the GSI report dated May 16, 2017 labelled 1A and 2A, using different injection well layouts, will be simulated. It is assumed that Carollo will provide the necessary water quality data for the injected water. Simulations will be run to assess (a) the effects on nitrate concentration levels in the aquifer from an injection (only) program, and (b) the effects of nitrate concentration levels during the operation of an injection and recovery well program. Following model development and refinement, we will evaluate whether to run several sensitivity runs in which a reasonable range of the primary parameters are changed, such as transmissivity +/- 25% and advection/dispersion coefficients +/- 25%. These runs would generate a range of reasonably expected changes in nitrate concentrations.

Task 1C. Scenarios

To address the third question regarding potential changes in salinity in the pumped groundwater under the injection scenarios, there are a number of possible approaches.

- The scenarios could be run and evaluated with the same solute transport model developed for nitrates, but using chloride as a proxy parameter for TDS or salinity.
- The scenarios could be run using SEAWAT, a U.S. Geological Survey numerical variable-density model specifically designed to examine the potential for seawater intrusion.
- The new version of Groundwater Vistas 7 includes a feature called Density Driven Flow (DDF), which purports to model some of the same processes as SEAWAT without needing to utilize another outside model.

GSI believes that the SEAWAT option would likely be cost prohibitive. The possibility of using the new DDF feature in Groundwater Vistas (the new version has only been available for a few months) appears feasible, but it should be noted that this is a new model feature that is currently in development and hence is only available as a beta version, subject to further testing by the authors. Thus, the robustness of the results is not certain. It is also unclear at this time if this approach would require re-discretizing the vertical layers of the model. Therefore, the approach using MT3D may be the most straightforward, but this will be evaluated at the time.

As with any modeling analysis, the results are a function of the data used in the model formulation. The flow model is a screening level tool. It was calibrated to aquifer test results; data did not exist to perform a long term calibration to historical conditions. A robust representation of the nitrate distribution in the aquifer upgradient of the pumping wells may not be available. And, as always with transport modeling, there is inherent uncertainty with respect to advection and dispersion parameters. As such, a rigorous calibration of groundwater chemical results is likely not possible. Nonetheless, because these numerical modeling tools can account for spatial variability in aquifer and contaminant characteristics, they are useful for understanding the likely ranges of nitrate and chloride concentrations under the general subsurface conditions that are known to exist in the vicinity of the City's water supply and desalination wells. Given the available knowledge, GSI will be able to use these modeling tools to provide an understanding of the potential for water quality changes at these wells and the significance of uncertainties on these general estimates of future seawater intrusion and nitrate concentrations.

Task 1D. Summary Report

Following the analyses, GSI will prepare a Summary Report detailing the assumptions, methods, and results of our analysis.

Phase 2: Pilot Injection Testing and Groundwater Monitoring

Based upon results of recent groundwater modeling (*Lower Morro Valley Basin Screening-Level Groundwater Modeling for Injection Feasibility*, GSI Water Solutions, 2017), injection testing was recommended to more accurately assess potential injection rates that could be achieved. Specifically, the screening-level groundwater model predicted that injection of 800 to 825 acre-feet per year (AFY) could be possible during times when the City's wells are being simultaneously pumped at rates between 940 and 1,300 AFY. The injection testing will allow for calculation of expected injection rates and travel times and thereby determine the number and location of injection wells needed to meet the goals of the program.

The first step is to determine which of two areas identified in GSI's screening level groundwater model is more favorable for injection. This decision will guide the alignment of the pipeline from the WRF and, importantly, whether a need exists for the pipeline to cross Highway 1. The first area for consideration, the Narrows Area, is an upgradient location (relative to the City's pumping wells) near the "narrows" of the Morro Valley east of Highway 1 (Figure 1). The second area, the West Area, is downgradient of the City's pumping wells, and south of Little Morro Creek on the west side of Highway 1.

The hydrogeology of the Narrows Area must be better characterized to determine the degree to which injection would be feasible. If the area is considered hydrogeologically feasible for siting of four to six injection wells, portions of the area would need to be re-purposed from current uses, which currently include both residential and agricultural uses. The area is located approximately 30 to 40 feet above sea level and is characterized as a "water gap" or "narrows" approximately 300 to 400 feet wide. The aquifer is believed to consist of a combination of interbedded sand and clay, which may extend as deep as 80 feet. The vertical and lateral geometry of bedrock may significantly limit injection operations. Within the Narrows Area, there is also a potential of daylighting injected water due to high groundwater levels – this consideration will be assessed during the revision of the groundwater model based on the aquifer testing conducted for this task.

Unlike the Narrows Area, the West Area, located west of Highway 1, is less constrained by geologic conditions and cultural development. The West Area is a large, undeveloped area located at a relatively low elevation of between 20 and 25 feet above sea level located between the recently-closed Morro Bay Power Plant and the southern bank of the Morro Creek. The aquifer materials in the area extend to 80 to 120 feet deep and are laterally extensive. The lower 20 feet of this material consists of the coarsest portion of the aquifer and is the principal aquifer target for injection. The West Area is characterized by a much greater area potentially available to site four to six injection wells spread along 2,000 linear feet at the northern property line of the Morro Bay Power Plant property.

Task 1 – Characterize and Select Preferred Project Area

Task 1A. Prepare Test Well Design and Permitting

The first step will be to develop a program to include Cone Penetration Testing (CPT), test well drilling and aquifer testing program for each area. As part of this task, we will design test and monitoring wells, develop a specifications package, solicit bids from drillers, and oversee construction of the wells in both the Narrows Area and in the West Area in accordance with the specifications and permitting requirements.

The test well design will be similar to nearby production wells with added features to support the ability to conduct injection testing. GSI has designed many wells for these types of operations over that past several years and has a series of criteria and a specifications package that can be modified to accommodate the specific needs of the proposed wells.

Permitting for the test and monitoring wells will require a County of San Luis Obispo well permit, which the driller will obtain. We will assist the City in complying with CEQA requirements. As described below, a separate permit from the RWQCB will be required for the well(s) chosen for pilot injection testing with City water.

All characterization work described below will be conducted by GSI staff, which will include our oversight of drilling and well construction to ensure that the wells are appropriately installed to meet all specifications. Drilling contractors will be contracted directly to the City, and overseen by GSI staff. The work will be coordinated with the City. We anticipate that the City will provide support related to site logistics, construction notifications, temporary connection to City distribution pipeline, and appropriate locations to discharge the pumped water in accordance with NPDES discharge requirements.

Task 1B. Characterize Narrows Area

To characterize the hydrogeology in the Narrows Area, data will first be collected by conducting a series of CPT borings, and, if warranted, followed by the installation of a test well and a monitoring well. The CPT borings will be particularly valuable to determine the geometry of the bedrock contact and to define the lateral extent of the target aquifer. If the results of the CPT testing are favorable, indicating that there is sufficient aquifer material and width of the target aquifer, a test well and a monitoring well will be installed. The test well will be installed using reverse circulation drilling methods; the monitoring well will be drilled with the sonic drilling method. The sonic drilling method will be employed to allow the collection of core samples of the aquifer sediments and overlying material to support future geochemical evaluations. The test well, monitoring well and CPT explorations will be logged by an on-site geologist to determine the depth to bedrock and nature of the aquifer materials.

After test well construction and development, a pumping test within the test well will be conducted for a period of five to seven days. The pumping test will be designed to provide an estimate of the hydraulic conductivity of the local aquifer and, with the monitoring well, further evaluate the geometry of the bedrock contact. The pumping test will also assess the well's maximum yield, drawdown characteristics (specific capacity) and native water quality. Appropriate instrumentation will be deployed to support the testing efforts and data collection. The test and monitoring wells will be completed for potential future use as a pilot injection well and monitoring well for the future basin monitoring. If the wells are not needed for future monitoring, they will be abandoned per County well permit requirements.

Task 1C. Characterize West Area

At the West Area, a similar sequence of site-specific aquifer characterization will be conducted, including installation of a test well and a monitoring well (but not any CPT work). The test well will be installed using reverse circulation drilling methods; the monitoring well will be drilled with the sonic drilling method to allow for collection of undisturbed core samples. The monitoring well will be constructed with two separate completion intervals (i.e., a nested monitoring well) in the upper and lower portions of the aquifer near the test well to allow for collection of depth-specific water level and water quality data. A pumping test will be conducted using the test well, similar to the approach conducted at the Narrows Area.

Task 1D. Evaluate Results and Select Preferred Area for Injection Testing

Based on the results of the pumping tests and associated work at the two Areas, the aquifer properties and logistical considerations for both areas will be compared to determine the preferred area for injection. This will guide the decision for the tentative alignment of the pipeline from the WRF. The selection will take into account many factors, including:

- Local aquifer geometry
- Hydraulic conductivity
- Estimated injection rates (calculated both with and without contemporaneous pumping at City production wells)_
- Area constraints including existing land use, power lines, land ownership
- Permitting constraints, including California Coastal Commission
- Ultimate area constructability for up to six injection wells
- Recycled water pipeline alignment requirements

Task 1E. Summary Technical Memorandum

GSI will prepare a technical memorandum summarizing the work conducted, results and recommendations.

Task 2 – Pilot Injection Testing

Task 2A. Permitting for Injection Testing

The Central Coast RWQCB will require a permit for the injection testing program. There are several means by which the Central Coast RWQCB may choose to regulate this effort, the most likely being the following:

1. Individual (project-specific) waste discharge requirements, or
2. General water discharge requirements (SWRCB Water Quality Order 2012-0010)

Discussions and meetings with the RWQCB and DDW will be conducted to secure the appropriate permit.

Task 2B. Conduct Pilot Injection Testing

Pilot injection testing will be conducted at either the Narrows Area test well or the West Area test well. Injection testing will be conducted by injecting water from the local municipal water supply into the test well for a variety of short and longer-term periods for a total duration of up to two weeks. During that period, the injection rates will be varied to assess the acceptance rates and variability of the specific capacity during injection. All testing will be conducted in compliance with permitting requirements.

To accommodate the injection, we will prepare specifications and oversee installation by the driller of the injection equipment, including piping injection tube, controls, and valves. A small pump will also need to be installed into the monitoring well during injection for collection of water samples.

During the injection testing, water level data will be measured and recorded by pressure transducers installed in the test well and the adjacent monitoring well. Injection testing will include the following:

- Injection at various rates during short periods (days) and a longer period (one week)
- Comparison of water quality before and after injection, which will be used in future geochemical modeling efforts
- A tracer test (described below)
- Travel time analysis (described below)

- Clogging analysis (described below)

The analysis of travel time between the injection well and the monitoring well will be measured by conducting a tracer test (employing either an intrinsic or an introduced tracer) during injection testing. Because the injected water will be quite similar in chemistry to the native groundwater, the use of an intrinsic tracer may or may not be feasible for this testing, which therefore would require the use of an introduced tracer. Introduced tracer testing would involve introducing a tracer compound, such as Xenon or Rhodamine WT, into the pumping well and performing regular sampling of a downgradient well until breakthrough of the tracer is observed.

Results of the pilot injection testing will be used to guide (a) the refinement of the groundwater model (which will help determine the injection capacity a full-scale program), and (b) the design of the full-scale injection well system (See Phase 3 below). As part of a later phase associated with system startup, coordination will occur with MKN and the City to seek project funding, and initiate the permitting process for the full-scale system including support of MKN's preparation of a Title 22 Engineering Report.

Task 3 – Injection Test Groundwater Modeling

The screening-level groundwater model developed in 2016 by GSI simulated seasonal variations in pumping patterns on a monthly basis based on historical data for 43 years and associated historical seasonal water level fluctuations. The model predicted that the aquifer may be able to accept 800 to 825 AFY of recycled water in an injection and recovery program. The model indicated that a minimum of four injection wells would be needed assuming an 80% runtime factor for the overall injection well system. Additional wells could be needed depending on ultimate injection rates and issues such as clogging.

Task 3A. Update Groundwater Model

Based on the results of the pilot injection testing, the model will be revised with updated data of aquifer properties, geometry and predicted well performance. The newly installed test wells and monitoring wells will provide valuable new data on the physical (thickness and composition) and hydrogeologic (transmissivity, hydraulic conductivity) characteristics of the aquifer in the proposed injection well field area. These data will be incorporated into the groundwater model, providing field-verified parameters to more accurately characterize the characteristics and variations inherent in the aquifer system.

Using the updated, refined groundwater flow model, baseline scenarios will be run to analyze the volume of water that can be injected into the receiving aquifer of the Lower Morro Basin at the preferred injection site without a contemporaneous recovery (pumping) program.

Task 3B. Travel Time Analysis

The updated model will be used to estimate travel time between the injection wells and nearest pumping wells and the retention time to assess whether a 4-month minimum retention time can be maintained (see discussion in next section). The revised analysis will also determine which existing City wells will need to be pumped during dry and/or wet periods. This analysis will also benefit from improved water level data from the proposed groundwater monitoring instrumentation discussed below.

The initial travel time analysis will use the updated model will use particle tracking analysis (MODPATH) in conjunction with the updated MODFLOW model to simulate anticipated project operational scenarios to refine the travel time between injection well field and the City's pumping wells.

After reviewing the updated particle tracking analysis, a more rigorous modeling evaluation of travel time is proposed. A solute transport model (anticipated to be MT3DMS or potentially the newly released MT3D-USGS code) will be developed to run in concert with the existing MODFLOW groundwater flow model. This approach will produce a more robust estimate of the movement of specific chemicals through the subsurface environment. MT3D works in conjunction with the MODFLOW flow model. It incorporates transport modeling capabilities to accommodate flow terms calculated by MODFLOW packages and provides greater flexibility in the simulation of solute transport and reactive solute transport.

Task 3C. Clogging Analysis

The potential of the wells to become clogged by reactions between injected water, native groundwater, and the aquifer matrix in the vicinity of the injection wells will be assessed with a desktop analysis. This analysis will assess the potential geochemical reactions that may occur both through reactions associated with the mixing of two different waters (native groundwater and injected treated water), and through the chemical reactions of the injected water with the rocks and minerals comprising the aquifer.

In order to assess the potential for chemical reactions that could be problematic for injection well operations, GSI intends to use the USGS Geochemical modeling package PHREEQC, which is designed to perform a wide variety of aqueous geochemical calculations. PHREEQC is based on an ion-association aqueous model and has capabilities for speciation and saturation-index calculations, reaction-path and advective-transport calculations, mixing of solutions, mineral and gas equilibria, and numerous other geochemical calculations. If the chemistry of the injected treated water and the in situ groundwater are known, and the mineralogy of the aquifer is characterized, PHREEQC allows a detailed chemical analysis of the expected reaction products between the mixed waters and with the minerals comprising the aquifer sediments. In order for a PHREEQC analysis to be most accurate, accurate chemical characterization of all components should be understood.

The chemistry of the in-situ groundwater will be characterized through existing water quality data from the City's production wells, and chemical analysis of the newly-installed test and monitoring wells. The expected chemistry of the water to be injected will be based upon estimates from the WRF design engineer. To characterize the aquifer materials, mineralogical analysis will be conducted on the core samples collected during drilling of the monitoring wells. The results of this analysis will allow us to assess the potential for dissolution or precipitation of minerals through geochemical reactions, which can cause clogging in both the well screen and the pore space of the aquifer skeleton itself.

Task 4 – Seawater Intrusion Monitoring

In advance of the characterization and testing of the two areas, we will purchase and install five continuous monitoring devices within the City's seawater wells in a similar manner as conducted previously by GSI on these same wells during full-scale testing of the seawater wells in January 2017 (*Assessment of the Operational and Hydrogeologic Characteristics of the City of Morro Bay Desalination Intake Wells*, 2017). Pressure transducers capable of recording water level, temperature, and electrical conductivity devices will be installed to collect important pre-project, baseline groundwater level and quality data, in each of the five wells.

Data will be collected at regular intervals for the next several years, providing water level data and tidal water level influence information. Tidal water level information will be compiled from published water level data from a nearby National Oceanic and Atmospheric Administration (NOAA) gauge to determine whether observed changes in groundwater levels are influenced by tidal effects. Changes in electrical conductivity, an indication of changing salinity, will be measured and recorded by the transducers.

The devices will be incorporated into City's SCADA system as coordinated with the City's SCADA Master Planner.

Task 5 – Groundwater Level Monitoring

In advance of characterization and testing, we will purchase and install six continuous monitoring water level recording devices within selected City's production wells in a similar manner as conducted previously by GSI on these same wells during aquifer test of the wells in November 2016 during a temporary State Water Project maintenance shutdown. The groundwater monitoring devices allowed the calculation of aquifer properties integral to the groundwater modelling effort.

Pressure transducers capable of recording water level, temperature, and electrical conductivity will be purchased and installed in six of the City's wells (MB-1, MB-3, MB-4, HS-1, HS-2 and Flippos). The monitoring devices will collect important pre-project, baseline groundwater level and quality data. The

devices will be programmed to collect data at regular intervals for the next several years. Any changes in electrical conductivity during testing associated with seawater/freshwater interactions or other changes will be measured and recorded by the transducers. The devices will be incorporated into City's SCADA system as coordinated with the City's SCADA Master Planner.

Task 6 – Project Summary Report

A final Project Summary Report will be prepared that documents the efforts described in the various phases and tasks outlined above, along with final findings, conclusions, and recommendations. A draft report will be prepared and submitted to the City; following a review and comments on the draft report, a final report will be prepared and submitted.

Task 7 – Project Management/Meetings

Paul Sorensen will be the overall project manager, assuming primary responsibility for project administration. He understands the importance of communication, reporting, and delivering a final product that reflects the City's goals and objectives. He will be assisted by Tim Thompson, who will take the lead on the technical studies, permitting, and regulatory issues. Tim Nicely will manage the staff on the day-to-day technical analyses. We have conducted numerous investigations and complex studies with this team structure and find it to be quite effective and efficient.

We are prepared to participate in five project team meetings to discuss study objectives and data collection efforts.

Phase 3: Basis of Design and Permitting for Full-Scale Injection Well System (to be fully scoped and budgeted at a later date)

Task 1 – Basis of Design of Full-Scale Injection Well System

Based on the results of the pilot injection testing, we will develop the basis of design for the injection well system, including the number of injection wells, additional monitoring wells, well locations, and instrumentation. Preliminary operational requirements will also be suggested based upon seasonal variability of water levels and anticipated effects on injection rates.

The configuration of the proposed wellfield will take into consideration the results of the pilot injection testing, availability of property for siting of up to six injection wells, proximity to existing wells and other logistical constraints. An updated cost estimate of the injection well program will be provided.

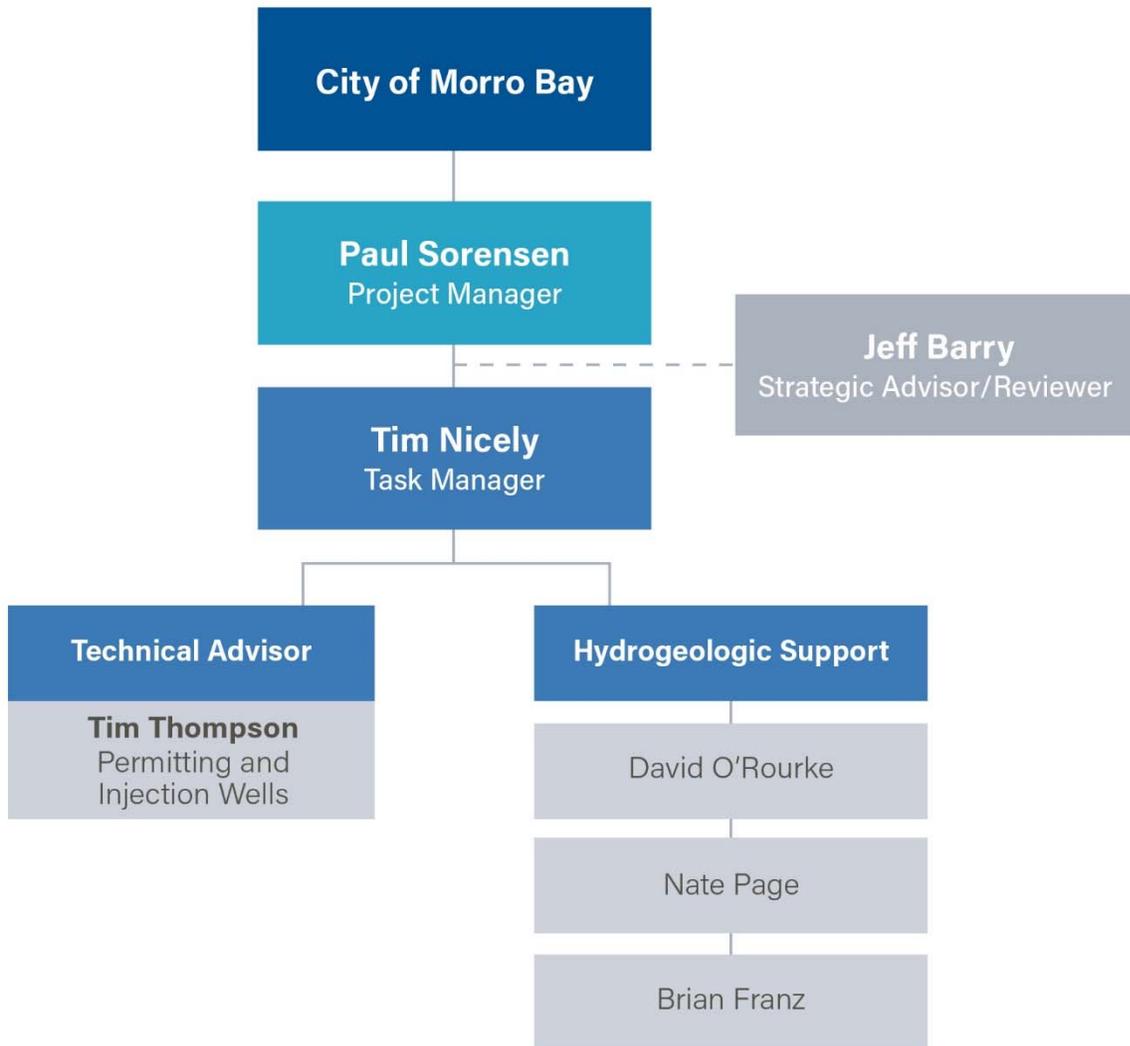
Task 2 – Permitting Support

We will provide technical support to the project permitting effort that will be led by MKN & Associates. This support will include coordination RWQCB and DDW, and preparation of several sections of the Title 22 Engineering Report including description of the groundwater basin and existing wells, impacts associated with the injection, water quality, anti-degradation considerations, and response retention time. GSI has been involved and provided similar support with recent projects for other communities implementing similar programs.



Project Organizational Chart

The following GSI staff members will support the City on this project.



Schedule

The following table presents our assumed schedule for completing this scope of services. We have assumed that the City is prepared to move quickly in preparation of the Title 22 engineering report in the summer of 2019 and completion of the WRF in 2021. We are prepared to start work within 3 weeks of Notice to Proceed. Phases 1 and 2 will proceed concurrently.

Phase 1 – Groundwater Modeling of Lower Morro Basin	Duration
Task 1 – Groundwater Modeling	
Task 1A – MODFLOW Model Run	3 – 4 Weeks
Task 1B – Solute Transport Modeling	3 – 4 Weeks
Task 1C – Scenarios	1 – 2 Weeks
Task 1D – Summary Report	2 – 3 Weeks
TOTAL DURATION – Phase 1	9 to 12 Weeks

Phase 2 - Pilot Injection Testing and Groundwater Monitoring	Duration
Task 1 – Characterize and Select Preferred Project Area	
Task 1A – Prepare Test Well Design and Permitting	2 – 3 Months
Task 1B – Characterize Narrows Area	2 – 3 Weeks
Task 1C – Characterize West Area	2 – 3 Weeks
Task 1D – Evaluate Results and Select Preferred Area for Injection Testing	2 Weeks
Task 1E – Summary Technical Memorandum	2 Weeks
Task 2 - Pilot Injection Testing	
Task 2A – Permitting for Injection Testing	2 Months
Task 2B – Conduct Pilot Injection Testing	3 Months
Task 3 – Injection Test Groundwater Modeling	
Task 3A – Update Groundwater Model	1 Week
Task 3B – Travel Time Analysis	2 Months
Task 3C – Clogging Analysis	1 Months
Task 4 – Seawater Intrusion Monitoring	NTP to 2021
Task 5 – Groundwater Level Monitoring	NTP to 2021
Task 6 – Project Summary Report	1 month
TOTAL DURATION – Phase 2	12 to 20 Months

Phase 3 - Basis of Design and Permitting for Full-Scale Injection Well System (to be fully scoped and budgeted at a later date)	Duration
Task 1 – Design of Full-Scale Injection Wells	2 Months
Task 2 – Permitting Support	3 Months, Mid-2019

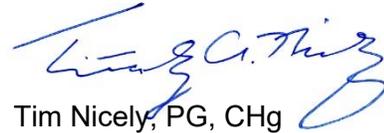
We appreciate the opportunity to work with the City on this important project. Thank you for your consideration of our proposal.

Sincerely,

GSI Water Solutions, Inc.



Paul Sorensen, PG, CHg, CEG
Principal Water Resources Consultant



Tim Nicely, PG, CHg
Supervising Hydrogeologist

Attachment B

Budget

The following table presents an estimated budget for the scope of services presented in this proposal.

	GSI Labor and Expenses	Contractor Costs*
Phase 1 – Groundwater Modeling of Lower Morro Basin		
Task 1 – Groundwater Modeling		
Task 1A – MODFLOW Model Runs	\$15,000	--
Task 1B – Solute Transport Modeling	\$26,000	--
Task 1C – Scenarios	\$20,000	--
Task 1D – Summary Report	\$12,000	--
PHASE 1 TOTAL	\$73,000	
Phase 2 - Pilot Injection Testing and Groundwater Monitoring		
Task 1 – Characterize and Select Preferred Project Area	\$85,000	\$130,000
Task 2 – Pilot Injection Testing	\$60,000	\$20,000
Task 3 – Injection Test Groundwater Modeling	\$65,000	--
Task 4 – Seawater Intrusion Monitoring	\$15,000	--
Task 5 – Groundwater Level Monitoring	\$15,000	--
Task 6 – Project Summary Report	\$20,000	--
Task 7 – Project Management/Meetings	\$18,000	--
PHASE 2 TOTAL	\$278,000	\$150,000
PROJECT TOTAL	\$351,000	\$150,000
Phase 3 - Basis of Design and Permitting for Full-Scale Injection Well System (to be full scoped and budgeted at a later date)		

*Note: Drilling contractor will be contracted directly with the City

We propose to conduct this work on a time-and-materials basis in accordance with the attached rate schedule (Attachment C). We will not exceed this budget without prior approval.

Attachment C

2018 GSI Fee Schedule

Labor

<u>Labor Category</u>	<u>Hourly Rate</u>
Principal Professional	\$215 - \$280
Supervising	\$175 - \$215
Managing	\$155 - \$175
Consulting	\$130 - \$155
Project Professional	\$110 - \$135
Staff	\$90 - \$110
GIS/Graphics	\$120 - \$170
Editor/Documents	\$110 - \$125
Administration	\$75 - \$95

The hourly rate for trial preparation and expert witness testimony is 1.5 times the standard billing rate shown above.

Expenses

- **Mileage:** IRS authorized rate/mile plus 10 percent markup
- **Direct Expenses and Outside Services:** Cost plus 10 percent markup



AGENDA NO: C-2

MEETING DATE: March 13, 2018

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 2, 2018

FROM: Rob Livick, PE/PLS - Public Works Director/City Engineer
Janeen Burlingame – Management Analyst

SUBJECT: Discussion and Adoption of Resolution No. 08-18 Approving Adopt-A-Park, Adopt-A-Street and Memorial Program Policies and Resolution No. 09-18 Establishing Fee Structure for Memorial Benches at the Rock Parking Lot and Target Rock Area

STAFF RECOMMENDATION

Staff recommends the Council review the policies developed for the Adopt-a-Park, Adopt-A-Street, and memorial programs and do the following:

1. Adopt Resolution No. 08-18 Establishing an Adopt-A-Park and Adopt-A-Street Program; and
2. Adopt Resolution No. 09-18 Rescinding Resolution Nos. 40-90 and 04-00 and Establishing a Memorial Tree, Bench, and Bike Rack Program in Parks and Public Rights-of-Way; and
3. Provide direction to staff to prepare a “street furniture” master plan to designate location, density and number of benches, bike racks and other memorial objects to be placed in City parks, rights of way and other public places.

FISCAL IMPACT

The Adopt-A-Park and Adopt-A-Street programs will have nominal staff costs associated with activities to coordinate with volunteers, provide materials, and remove bags of collected trash or green waste material.

All memorial programs, as previously established by City Council, are to be on a full cost recovery basis and is recommended to continue that way. To be consistent with past policy, the proposed fee for the new memorial benches and plaques at the Rock and Target Rock locations are designed to recover the cost for their purchase and installation. Additionally, there will be nominal staff costs associated with the ordering of plaques when they are purchased and coordination with Consolidated Maintenance for installation at the memorial location.

BACKGROUND

In June 2017, the City Council reviewed the Adopt-A-Park, Adopt-A-Street, and memorial programs with recommended changes that the Public Works Advisory Board (“PWAB”) discussed at its May 2017, meeting, and directed staff to return with a resolution incorporating those programs in one place, as well as creating a document outlining the policy for each program and how they operate.

At the PWAB September 2017 meeting, the Board reviewed and provided comments on the draft memorial program policies for benches, trees, and bike racks as well as the draft policies on the Adopt-A-Park and Adopt-A-Street programs.

Prepared By: JB

Dept Review: RL

City Manager Review: SC

City Attorney Review: JWP

DISCUSSION

ADOPT-A-PARK AND ADOPT-A-STREET

The City began operating an Adopt-A-Park program in the early 1990's. The program was designed to have organizations or groups interested in adopting various City parks where its volunteers would be involved with the maintenance and upkeep of those parks. There was a letter agreement between the City and group/organization that outlined the scope of work for the park being adopted, delineating the duties and schedule of activities to be performed by the adopter.

When Consolidated Maintenance transitioned to the Public Works Department from Recreation and Parks, so too did the Adopt-A-Park program. Several of the groups that had adopted parks in the past no longer participate. Several of those groups have asked for help from Morro Bay in Bloom to take care of the parks they once maintained, though nothing has been formalized with the City. Additionally, Morro Bay Beautiful has been active more recently in improving aspects of the rights-of-way along Morro Bay Boulevard and Main, such as removing broken and unmaintained planter boxes, painting figurines, cleaning sidewalks, fixing tree wells and removing graffiti. While Morro Bay Beautiful was designated the "official coordinating group for beautification of the City" in Resolution No. 33-81 in support of the Great California Resource Rally of April 20-26, 1981, nothing further in or subsequent to that Resolution has been formalized with the City as to what that means or entails.

While overall administration of the Adopt-A-Park program has been a lesser priority in relation to other Council prioritized projects, staff would like to re-establish the program, to formalize activities and acknowledge the tremendous efforts of the groups who participate, such as Morro Bay in Bloom, which has been acting as a *de facto* adopter for some parks, and Morro Bay Beautiful which has been doing beautification projects in both City parks and rights-of-way.

Additionally, the City is interested in expanding the adoption program to more formally create an Adopt-A-Street program that would include streets and rights-of-way, expanding on projects undertaken by Morro Bay Beautiful and Morro Bay in Bloom (litter pick up, median maintenance, planter box maintenance) that are not fully formalized with the City, and allow opportunity for other organizations and groups to adopt other street or public rights-of-way locations.

While staff will identify parks and street/public rights-of-way areas that would be eligible for adoption and activities for adopters to perform, the final scope of work for the agreement to be executed will be developed in consultation with the potential adopter after receiving the application to adopt a park or street/public rights-of-way.

Program policies, applications, and agreement templates are included with Resolution No. 08-18 for review and adoption. The Adopt-A-Park and Adopt-A-Street programs are consistent with the current adopted Partnership Policy.

MEMORIAL TREE, BENCH, AND BIKE RACK PROGRAM

Over the years, the City established several memorial plaque programs with various Council-adopted resolutions for trees, benches, and bike racks. Based on prior PWAB and City Council discussions, staff has developed a policy for each memorial program that identifies what the program is, how the program works, and if a cost is associated with it, as well as an application for each memorial type (tree, bench, bike rack).

All previously adopted resolutions are recommended for rescission and a new resolution combining all memorial programs has been developed for adoption (see Resolution No. 09-18).

The City currently does not have a "Street Furniture" master plan that would specify location, quantity and density of these objects. To insure these items are placed in an orderly manner and they serve their primary intended purpose, i.e. bench or bike rack, staff recommends the preparation of a master plan. The master plan would draw on work that was performed in various

other documents to insure compatibility with other plans such as the Bike Plan, Urban forestry Management Plan, Transportation Element of the General Plan and others. The preparation of the master plan would be accomplished using existing staff resources and would be brought to Council after review by the Recreation and Parks Commission and the Public Works Advisory Board. Staff anticipates bringing the staff developed and advisory body reviewed plan back to Council within 6 months.

Trees: In 1990, the City Council established, through Resolution No. 40-90, a commemorative tree program in parks, public places, and rights-of-way to encourage the planting of trees to improve air quality, aesthetics, and the environment.

In 2000, the City Council adopted Resolution No. 04-00 that approved a \$250 fee for the installation of 15-gallon trees and bronze plaques in the parks and public parkways. That fee has not been revised since its initial approval and per the previously established policy to be on a cost recovery basis, that fee is recommended to be updated (as shown in Resolution No. 09-18 Attachment 4) and will be updated in the future with the annual approval of the Master Fee Schedule.

Those trees are placed in the parks at the discretion of the Public Works Department (“Department”) and the type of tree to be planted is determined by the Department using the most current Master Tree List and Urban Forest Management Plan. Currently, there are no spaces available in the parks for additional memorial trees; however, there are several public rights-of-way locations available for memorial trees.

Benches: Resolution No. 04-00 also established fees for memorial benches in the parks or public parkways only, it did not establish a memorial bench program for public rights-of-way. In 2004, Council established a memorial street bench program for the public rights-of-way. The program would be available for any public rights-of-way site in the City, on a first come first served basis and be run on a total cost recovery basis.

For several years, the memorial bench program has been on hold as there were no spaces available. There is a waitlist of approximately 60 individuals who would like a memorial plaque when space becomes available.

In 2017, Council added a project during the mid-year budget adjustment to purchase and install 30 benches at the Rock and Target Rock parking areas that would have the ability to have memorial plaques. Consolidated Maintenance staff has completed installation of the 30 new benches. Each bench has three memorial plaque spaces available.

The new concrete bench will be the standard for all new benches that are placed in the parks, parkways, and public rights-of-way to ensure uniform and consistent look throughout the City. As such, when existing wood benches have deteriorated to the point where they need to be replaced, the concrete bench will be used.

As with the other memorials, where cost recovery has been the determining factor for the fees established, it is recommended the same should be the case for the new benches. Establishment of a fee in the Master Fee Schedule for the concrete bench memorial plaques at \$545 per memorial plaque space or \$1,632 per bench (which includes three memorial plaque spaces) is recommended for approval. Additionally, with the new concrete benches becoming the standard, the fees established in Resolution No. 04-00 will be rescinded and changed in the Master Fee Schedule to those new rates (as shown in Resolution No. 09-18 Attachment 4).

Bike Racks: In April 2011, Council established a Bike Racks with Dedication Plaques program to provide needed short-term bicycling parking. The program was modeled after the City of San Luis Obispo’s “Racks with Plaques” program, where there is no cost to the City as a requestor contributes the amount required to pay for the rack, commemorative plaque, installation, and long-term maintenance of the rack.

Bike rack locations within the public rights-of-way or on City property need approval by City staff

prior to installation, to ensure the rack does not interfere with pedestrian traffic or parking.

CONCLUSION

Staff recommends the Council review the policies developed for the Adopt-A-Park, Adopt-A-Street, and memorial programs and do the following:

1. Adopt Resolution No. 08-19 Establishing an Adopt-A-Park and Adopt-A-Street Program; and
2. Adopt Resolution No. 09-18 Rescinding Resolution Nos. 40-90 and 04-00 and Establishing a Memorial Tree, Bench, and Bike Rack Program in Parks, Public Rights-of-Way
3. Provide direction to staff to prepare a “street furniture” master plan to designate location, density and number of benches, bike racks and other memorial objects to be placed in City parks, rights of way and other public places.

ATTACHMENTS

1. Resolution No. 08-18
2. Resolution No. 09-18

RESOLUTION NO. 08-18

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
ESTABLISHING AN ADOPT-A-PARK AND ADOPT-A-STREET PROGRAM**

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

WHEREAS, Adopt-A-Park and Adopt-A-Street programs are a collaborative effort among city residents, merchants, community groups and city governments to improve and maintain city parks, parkways, public rights-of-way; and

WHEREAS, the City began operating an Adopt-A-Park program in the early 1990s; and

WHEREAS, the program was designed to have organizations or groups interested in adopting various City parks where its volunteers would be involved with the maintenance and upkeep of these parks; and

WHEREAS, the City would like to expand the current Adopt-A-Park program and provide adoption opportunities to other residents, merchants, or community groups to improve and maintain certain streets and public rights-of-way; and

WHEREAS, it would be beneficial formalize policies for the Adopt-A-Park and Adopt-A-Street programs on how the program works.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay an Adopt-A-Park and Adopt-A-Street program in parks, public places, and rights-of-ways is hereby established, as outlined in Attachments 1 and 2.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 13th day of March 2018 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jamie L. Irons, Mayor

ATTEST:

Dana Swanson, City Clerk

Resolution No. 08-18
Attachment 1

Adopt-A-Park Program

Collaborative effort between residents, merchants, community groups, and the City to improve and maintain City parks and its facilities, while strengthening ties as the community works together to keep the City clean.

Program Details

Residents, merchants, or community groups volunteer their time to maintain and provide upkeep to the chosen park. Adopters can work on a variety of projects the City identifies including, but not limited to, such activities as: planting and maintaining flower beds; cleaning up litter; planting, mulching and watering trees.

How the Program Works

1. City develops list of parks available for adoption.
2. Adoptions are on a one-year basis with the option to renew if both the City and adopter want to continue the adoption of the park.
3. Resident, merchant or community group submits Adopt-A-Park Application to City.
4. City and adopter enter into agreement that outlines scope of work for the park being adopted, delineating duties and schedule of activities to be performed by the adopter and City, as well as the frequency of when those are to be performed.
5. City will monitor the adopted parks to ensure activities are being satisfactorily performed by the adopter.
6. City will schedule periodic meetings with the adopter to review performance and identify future needs or activities.
7. City will place a recognition sign at the adopted location.

Cost

There is no cost to the adopter. The City will have nominal expenses for supplies and equipment it may provide to the volunteers (such as gloves, bags, pickers, etc.).



CITY OF MORRO BAY

ADOPT-A-PARK APPLICATION

Public Works Department
 955 Shasta Avenue
 Morro Bay, CA 93442
 (805) 772-6263

APPLICANT INFORMATION	
Name of Applicant (Organization, Business, Group, Individual):	Daytime Phone:
Name of Contact Person for Applicant:	Daytime Phone:
Street Mailing Address:	
Email Address:	
Number of Participants in Group:	
PARK LOCATION REQUESTED (see list of parks available for adoption)	
First Choice:	
Second Choice:	
Third Choice:	
ACTIVITIES TO PERFORM	
Please describe the activities you would perform:	
<input type="checkbox"/> Litter collection	<input type="checkbox"/> Other (please describe) _____
<input type="checkbox"/> Weed removal	
<input type="checkbox"/> Planting/maintenance of landscaped areas	_____
<input type="checkbox"/> Visual inspection of trash/recycling containers and benches for damage or vandalism	_____
For Department Use Only	
Location is: Approved <input type="checkbox"/> for: First Choice <input type="checkbox"/> Second Choice <input type="checkbox"/> Third Choice <input type="checkbox"/> Rejected <input type="checkbox"/>	
Location Approved by:	

Except to the extent provided in the LIABILITY COVERAGE provision below, the Applicant, by signing below, hereby agrees to indemnify, defend and hold harmless the City and each of its officers, agents and employees against any and all claims, demands, causes of action, judgments, damages, costs and liabilities, including reasonable attorneys' fees and court costs, directly or indirectly resulting from or caused by any act or omission of the Applicant or any of its officers, employees or agents, related any Adopt-A-Park Program activity.

LIABILITY COVERAGE: I understand the City is self-insured through the CJPIA for liability coverage. Volunteers performing within the scope of their assigned duties as authorized by the City are afforded the same coverage as City employees under the City's liability coverage with CJPIA. I am fully aware a volunteer's intentional misconduct is not protected or covered by the City or CJPIA.

APPLICANT'S SIGNATURE: (If Applicant is a Corporation, 2 officer's signatures are required) I hereby certify that I represent the Applicant and am authorized to sign.	DATE:
APPLICANT'S SIGNATURE: I hereby certify that I represent the Applicant and am authorized to sign.	DATE:

Adopt-A-Park Applicant Name:

Applicant and Additional Volunteers

WAIVER & HOLD HARMLESS: I am fully aware the work associated with being a City Volunteer involves certain risks of physical injury or death. Being fully informed of those risks and in consideration of my being allowed to participate in the City's Volunteer Program, I hereby assume all risk of injury, damage, and harm to myself arising from such activities or use of City facilities. I also hereby individually and on behalf of my heirs, executors and assignees, release and hold harmless the City, its officials, employees, and agents and waive any right of recovery I might have to bring a claim or a lawsuit against each and all of them for any personal injury, death, or other consequences occurring to me arising out of my volunteer activities.

LIABILITY COVERAGE: I also understand the City is self-insured through the CJPIA for liability coverage. Volunteers performing within the scope of their assigned duties as authorized by the City are afforded the same coverage as City employees under the City's liability coverage with CJPIA. I am fully aware a volunteer's intentional misconduct is not protected or covered by the City or CJPIA.

Print Name

Signature



CITY OF MORRO BAY

Morro Bay, CA 93442
(805) 772-6200

ADOPT-A-PARK AGREEMENT FOR VOLUNTEER SERVICE

This Agreement shall apply to all persons voluntarily performing non-compensated services for the City in relation to the Adopt-A-Park program for the park being adopted.

Adopter Name	Daytime Phone (with area code)
Name of Adopter Authorized Agent for this Agreement	Daytime Phone (with area code)
Email Address for Authorized Agent	
Number of Participants (Each volunteer will need to sign Agreement for Park Being Adopted Individual Volunteer Service)	

Adopter hereby volunteers its organization, business, or group's services to the City of Morro Bay for the adoption of _____ park.

The Adopter, and its individual volunteers, agrees to abide by all relevant City policies and procedures and to perform the volunteer services in a safe, responsible manner in accordance with the description of service.

It is further understood this Agreement shall not in any way constitute nor create an employer/employee relationship between the City and the Adopter or its individual volunteers. The City shall not be responsible for, nor liable for, nor shall the applicant be eligible to receive, any compensation or benefits as a result of this Agreement *EXCEPT* for State Labor and Worker's Compensation medical aid coverage.

The Adopter further understands (please initial the following):

_____ Is not to appear for volunteer service under the influence of any illegal drugs or alcohol and agrees to have all individual volunteers inform the supervisor at the beginning of the shift if taking any over-the-counter or prescription medications that may impair the volunteer's ability to perform his/her duties.

_____ Will abide by all City policies regarding personal conduct while performing volunteer services.

_____ Agrees not to go beyond the scope of volunteer work agreed to without authorization.

_____ Each volunteer is to be trained on any activity that volunteer is unfamiliar with, learn the corresponding policies, and it is the volunteer's responsibility to understand them completely or ask questions until feeling confident to perform them.

_____ It hereby identifies it and its individual volunteers are capable of performing duties without accommodation, or with the following accommodation(s):

_____ Depending on the scope of volunteer work, the following policies may apply: Driving, Safety Procedures, Computer Operation, Dress Code, Anti-Harassment, Confidentiality, Code of Ethics, Workplace Violence Prevention, and Drug-Free Workplace.

_____ If an injury occurs during the scope of this volunteer service, then the City has included the hours of volunteer service in the State Labor and Industries coverage for volunteer workers. The Adopter is responsible for recording and reporting all volunteer hours to the City.

_____ It understands its individual volunteers are to report any on-the-job injury or illness, no matter how minor, to his/her supervisor, and authorizes emergency medical care if it should become necessary.

_____ It, on behalf of itself and each of its volunteers, grants full permission to use any photographs, videotapes, motion pictures or recordings for publicity purposes by the City.

SCOPE OF WORK: The Adopter will perform the activities outlined Attachment 1.

REPORTING AND MONITORING: The City will monitor the adopted park either monthly or quarterly commensurate with the frequency of when activities are completed to ensure they are being satisfactorily performed by the Adopter. The City will schedule periodic meetings with the Adopter to review performance and identify future needs or activities.

Adopter is to submit to the City on the first of the month, a brief report of activities performed for the previous month and include all volunteer sign in sheets for that time.

TERMINATION: Adopter understands it or the City may terminate this agreement at any time without cause, and the Adopter is volunteering its services at will and may be asked to discontinue such without prior notice or reason.

WAIVER & HOLD HARMLESS & LIABILITY COVERAGE: The Application and Applicant and Additional Volunteers forms signed by the Applicant and volunteers are hereby incorporated into this Agreement, as though set forth in full.

This Agreement will be in effect for the duration of Adopter's volunteer services beginning this date.

Dated this _____ day of _____, 20 _____.

Adopter Authorized Agent Signature

City Manager Signature

Attachment 1
Adopt-A-Park Scope of Work

Scope of Work to be finalized in consultation with Adopter and will delineate duties and schedule of activities to be performed by the Adopter and City, as well as the frequency of when these are to be performed.

Resolution No. 08-18
Attachment 2

Adopt-A-Street Program

Collaborative effort between residents, merchants, community groups, and the City to create a cleaner, more pleasant environment for everyone who lives, works and shops in adopted areas, while strengthening ties as the community works together to keep the City clean.

Program Details

Residents, merchants, or community groups agree to adopt an area and take responsibility for keeping the street and sidewalks clean. Adopters can work on a variety of projects the City identifies including, but not limited to, such activities as: litter collection, weed removal, planting and maintenance of landscaped areas, and visual inspection of trash/recycling containers and benches for damage or vandalism.

How the Program Works

1. City develops list of street areas available for adoption.
2. Adoptions are on a one-year basis with the option for renewal if the City and adopter wants to continue its adoption of the street area.
3. Resident, merchant, or community group submits Adopt-A-Street Application to City.
4. City reviews application and approves or rejects requested street location based on availability from street adoption list.
5. City and adopter enter into agreement that outlines scope of work for the street area being adopted, delineating duties and schedule of activities to be performed by the adopter and City, as well as the frequency of when these are to be performed.
6. City will monitor the adopted street or public rights-of-way to ensure activities are being satisfactorily performed by the adopter.
7. City will schedule periodic meetings with the adopter to review performance and identify future needs or activities.
8. City will place a recognition sign at the adopted location.

Cost

There is no cost to the adopter. The City will have nominal expenses for recognition signs, supplies, and equipment it may provide to the volunteers (such as gloves, bags, pickers, etc.).



CITY OF MORRO BAY

ADOPT-A-STREET APPLICATION

Public Works Department
 955 Shasta Avenue
 Morro Bay, CA 93442
 (805) 772-6263

APPLICANT INFORMATION	
Name of Applicant (Organization, Business, Group, Individual):	Daytime Phone:
Name of Contact Person for Applicant:	Daytime Phone:
Street Mailing Address:	
Email Address:	
Number of Participants in Group:	
STREET LOCATION REQUESTED (see list of street locations available for adoption)	
First Choice:	
Second Choice:	
Third Choice:	
ACTIVITIES TO PERFORM	
Please describe the activities you would perform:	
<input type="checkbox"/> Litter collection <input type="checkbox"/> Weed removal <input type="checkbox"/> Planting/maintenance of landscaped areas <input type="checkbox"/> Visual inspection of trash/recycling containers and benches for damage or vandalism	<input type="checkbox"/> Other (please describe) _____ _____ _____
For Department Use Only	
Location is: Approved <input type="checkbox"/> for: First Choice <input type="checkbox"/> Second Choice <input type="checkbox"/> Third Choice <input type="checkbox"/> Rejected <input type="checkbox"/>	
Location Approved by:	

Except to the extent provided in the LIABILITY COVERAGE provision below, the Applicant, by signing below, hereby agrees to indemnify, defend and hold harmless the City and each of its officers, agents and employees against any and all claims, demands, causes of action, judgments, damages, costs and liabilities, including reasonable attorneys' fees and court costs, directly or indirectly resulting from or caused by any act or omission of the Applicant or any of its officers, employees or agents, related any Adopt-A-Park Program activity.

LIABILITY COVERAGE: I understand the City is self-insured through the CJPIA for liability coverage. Volunteers performing within the scope of their assigned duties as authorized by the City are afforded the same coverage as City employees under the City's liability coverage with CJPIA. I am fully aware a volunteer's intentional misconduct is not protected or covered by the City or CJPIA.

APPLICANT'S SIGNATURE: I hereby certify that I represent the Applicant and am authorized to sign.	DATE:
--	-------

Adopt-A-Street Applicant Name:

Applicant and Additional Volunteers

WAIVER & HOLD HARMLESS: I am fully aware that the work associated with being a City Volunteer involves certain risks of physical injury or death. Being fully informed as to these risks and in consideration of my being allowed to participate in the City's Volunteer Program, I hereby assume all risk of injury, damage, and harm to myself arising from such activities or use of City facilities. I also hereby individually and on behalf of my heirs, executors and assignees, release and hold harmless the City, its officials, employees, and agents and waive any right of recovery that I might have to bring a claim or a lawsuit against them for any personal injury, death, or other consequences occurring to me arising out of my volunteer activities.

LIABILITY COVERAGE: I understand that the City is self-insured through the CJPIA for liability coverage. Volunteers performing within the scope of their assigned duties as authorized by the City are afforded the same coverage as City employees under the City's liability coverage with CJPIA. I am fully aware that a volunteer's intentional misconduct is not protected or covered by the City or CJPIA.

Print Name

Signature



CITY OF MORRO BAY

Morro Bay, CA 93442
(805) 772-6200

ADOPT-A-STREET AGREEMENT FOR VOLUNTEER SERVICE

This Agreement shall apply to all persons voluntarily performing non-compensated services for the City in relation to the Adopt-A-Street program for the street or public rights-of-way being adopted.

Adopter Name	Daytime Phone (with area code)
Name of Adopter Authorized Agent for this Agreement	Daytime Phone (with area code)
Email Address for Authorized Agent	
Number of Participants (Each volunteer will need to sign Agreement for Individual Volunteer Service)	Street / Rights-of-Way Being Adopted

Adopter hereby volunteers its organization, business, or group's services to the City of Morro Bay for the adoption of _____ .

The Adopter, and its individual volunteers, agrees to abide by all relevant City policies and procedures and to perform the volunteer services in a safe, responsible manner in accordance with the descriptions of service.

It is further understood this Agreement shall not in any way constitute nor create an employer/employee relationship between the City and the Adopter or its individual volunteers. The City shall not be responsible for, nor liable for, nor shall the applicant be eligible to receive, any compensation or benefits as a result of this Agreement *EXCEPT* for State Labor and Worker's Compensation medical aid coverage.

The Adopter further understands (please initial the following):

_____ Is not to appear for volunteer service under the influence of any illegal drugs or alcohol and agrees to have all individual volunteers inform the supervisor at the beginning of the shift if taking any over-the-counter or prescription medications that may impair the volunteer's ability to perform his/her duties.

_____ Will abide by all City policies regarding personal conduct while performing volunteer services.

_____ Agrees not to go beyond the scope of volunteer work agreed to without authorization.

_____ Each volunteer is to be trained on any activity that volunteer is unfamiliar with, learn the corresponding policies, and it is the volunteer's responsibility to understand them completely or ask questions until feeling confident to perform them.

_____ It hereby identifies it and its individual volunteers are capable of performing duties without accommodation, or with the following accommodation(s):

_____ Depending on the scope of volunteer work, the following policies may apply: Driving, Safety Procedures, Computer Operation, Dress Code, Anti-Harassment, Confidentiality, Code of Ethics, Workplace Violence Prevention, and Drug-Free Workplace.

_____ If an injury occur during the scope of this volunteer service, the City has included the hours of volunteer service in the State Labor and Industries coverage for volunteer workers. The Adopter is responsible for recording and reporting all volunteer hours to the City.

_____ It understands its individual volunteers are to report any on-the-job injury or illness, no matter how minor, to his/her supervisor, and authorizes emergency medical care if it should become necessary.

_____ It, on behalf of itself and each of its volunteers, grants full permission to use any photographs, videotapes, motion pictures or recordings for publicity purposes by the City.

SCOPE OF WORK: The Adopter will perform the activities outlined Attachment 1.

REPORTING AND MONITORING: The City will monitor the adopted street/public rights-of-way either monthly or quarterly commensurate with the frequency of when activities are completed to ensure they are being satisfactorily performed by the Adopter. The City will schedule periodic meetings with the Adopter to review performance and identify future needs or activities.

Adopter is to submit to the City on the first of the month, a brief report of activities performed for the previous month and include all volunteer sign in sheets for that time.

TERMINATION: Adopter understands it or the City may terminate this Agreement at any time without cause, and the Adopter is volunteering its services at will and may be asked to discontinue such without prior notice or reason.

WAIVER & HOLD HARMLESS & LIABILITY COVERAGE: The Application and Applicant and Additional Volunteers forms signed by the Applicant and volunteers are hereby incorporated into this Agreement, as though set forth in full.

This Agreement will be in effect for the duration of Adopter's volunteer services beginning this date.

Dated this _____ day of _____, 20 _____.

Adopter Authorized Agent Signature

City Manager Signature

Attachment 1 Adopt-A-Street Scope of Work

Scope of Work to be finalized in consultation with Adopter and will delineate duties and schedule of activities to be performed by the Adopter and City, as well as the frequency of when these are to be performed.

RESOLUTION NO. 09-18

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
RESCINDING RESOLUTION NOS. 40-90 AND 04-00 AND ESTABLISHING
A MEMORIAL TREE, BENCH, AND BIKE RACK PROGRAM IN PARKS,
PUBLIC PLACES, AND RIGHTS-OF-WAY**

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

WHEREAS, several individuals are interested in placing a tree, bench, bike rack, or other amenity with a dedication plaque in the parks, public parkways, and public rights-of-ways each year; and

WHEREAS, those items are installed solely at the request of an individual to honor a person, event, or group; and

WHEREAS, in 1990, the City Council adopted Resolution No. 40-90 which established a commemorative tree program in parks, public places, and rights-of-ways; and

WHEREAS, in 2000, the City Council adopted Resolution No. 04-00 setting a policy on the dedication of trees, benches and plaques in public parks and public parkways; and

WHEREAS, in 2004, the City Council established a memorial street bench program in the public rights-of-way; and

WHEREAS, in 2011, the City Council established a bike rack with commemorative plaque dedication program, called Racks with Plaques; and

WHEREAS, in 2017, the City Council authorized the purchase and installation of 30 concrete benches at the Rock and Target Rock parking lot areas that have memorial plaque capability; and

WHEREAS, a new fee structure for said memorial concrete benches needs to be established; and

WHEREAS, over time there have been various policies, both informal and formal, on the dedication of memorial trees, benches, and bike racks; and

WHEREAS, it would be beneficial to update and formalize the policies and fees for the various memorial programs previously established.

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

1. Resolution No. 40-90 and Resolution No. 04-00 are hereby rescinded.
2. Memorial tree, bench, and bike rack programs in parks, public places, and rights-of-ways are hereby established, as outlined in Attachments 1 through 3.

3. Fees as set forth in the Master Fee Schedule outlined in Attachment 4 are hereby established for those programs.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 13th day of March 2018 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jamie L. Irons, Mayor

ATTEST:

Dana Swanson, City Clerk

Resolution No. 09-18
Attachment 1

Memorial Bench Program

Established in parks, public places, and rights-of-way to honor a person, event, or group.

Program Details

Person, business, or group pays for the bench, plaque, and installation.

How the Program Works

1. A person, business, or group submits Memorial Bench Plaque Application to the City.
2. City contacts requestor to advise if the requested space is appropriate for bench placement and, if so, approve request and arrange for payment and submission of personalized message for the plaque. Every effort will be made to accommodate the requestor's choice of location; however, final location approval rests with the City.
3. If requestor applies for one plaque space and an existing bench is not available, they will be placed on a waiting list until there are enough plaque requests to fill one memorial bench.
4. Once payment is made, City orders bench and plaque.
5. Once bench and plaque are delivered to City, installation will be scheduled.
6. Fees established are based on cost recovery of the bench and plaque purchases, and its installation.
7. City is not responsible for replacement of benches and/or plaques damaged by vandalism, acts of god, or acts of nature.
8. City shall maintain the bench and plaque to the best of its ability within financial resources available.
9. At the end of the bench's useful life, requestor shall have the opportunity to purchase a new bench (minus the plaque cost) at the approved location or have the plaque returned to them.

The Bench:

- Concrete bench with plaque recessed in backrest. The bench has three plaque spaces.
- Existing wood benches that have deteriorated over time to the point where they need replacement will be replaced with the concrete bench.

The Plaque:

- Plaque is cast bronze, 5 x 9 inches, is personalized with a message from the requestor and attached to bench.
- Requestor has option to purchase one plaque on a bench or a whole bench with all three plaques.
- Requestor provides personalized message to City and City arranges with manufacturer to create plaque.

Cost

The cost for bench, plaque and its installation is provided in the adopted Master Fee Schedule and subject to change each fiscal year.



CITY OF MORRO BAY

MEMORIAL BENCH PLAQUE APPLICATION

Public Works Department
 955 Shasta Avenue
 Morro Bay, CA 93442
 (805) 772-6263

REQUESTOR INFORMATION	
Name:	Daytime Phone:
Address:	
Email Address:	
Select One: <input type="checkbox"/> Shared Bench (1 plaque) - \$545 <input type="checkbox"/> Whole Bench (3 plaques) - \$1,632	
REQUESTED LOCATION	
PLAQUE TO READ	
Maximum of 150 characters including spacing and punctuation. Please bring legibly as a copy of this is forwarded to the engraving company.	
For Department Use Only	
Location is: Approved <input type="checkbox"/> Rejected <input type="checkbox"/>	Fee to be Paid:
Location Approved by:	Date Fee Paid:

Acceptance of this application does not imply approval/authorization of this request. I realize that this application may be denied or that an alternate location to this request may be approved.

APPLICANT'S SIGNATURE	DATE:
-----------------------	-------

Resolution No. 09-18
Attachment 2

Memorial Tree Program

Established in parks, public places, and rights-of-way to encourage the planting of trees to improve air quality, aesthetics, and the environment.

Program Details

Requestor pays for the tree, plaque, and installation.

How the Program Works

1. A requestor submits Memorial Tree Application to the City.
2. City contacts requestor to advise if the requested location is appropriate for tree placement and if so, approve request and arrange for payment and submission of personalized message for the plaque. Every effort will be made to accommodate the requestor's choice of location or tree species, however, final location approval rests with the City.
3. Once payment is made, City orders tree and plaque.
4. Once tree and plaque are delivered to City, installation will be scheduled.
5. City shall not be responsible for replacement of trees or plaques damaged by vandalism, acts of god, or acts of nature.
6. City shall install and maintain the tree and plaque to the best of its ability within water and financial resources available.
7. At the end of the tree's useful life, requestor shall have the opportunity to purchase a new tree (minus the plaque cost) at the approved location or have the plaque returned to them.

The Tree:

- Tree species are to be drought-tolerant and acceptable to the Public Works Department Director as governed by the Master Street Tree list and Urban Forest Management Plan.
- Trees shall be planted in existing tree wells according to the approved City standards, the cost of all improvements to the tree will to be paid by the requestor.

The Plaque:

- Plaque is cast bronze, 4 x 10 inch, and is personalized with a message from the donor.
- Requestor provides personalized message to City and City arranges with manufacturer to create plaque.

Cost

The cost for tree, plaque and its installation is provided in the adopted Master Fee Schedule and is subject to change each fiscal year.



CITY OF MORRO BAY

MEMORIAL TREE APPLICATION

Public Works Department
 955 Shasta Avenue
 Morro Bay, CA 93442
 (805) 772-6263

REQUESTOR INFORMATION	
Name:	Daytime Phone:
Address:	
Email Address:	
REQUESTED LOCATION	
PLAQUE TO READ	
Maximum of 150 characters including spacing and punctuation. Please print legibly as a copy of this is forwarded to the engraving company.	
For Department Use Only	
Location is: Approved <input type="checkbox"/> Rejected <input type="checkbox"/>	Fee to be Paid:
Location Approved by:	Date Fee Paid:

Acceptance of this application does not imply approval/authorization of this request. I realize that this application may be denied or that an alternate location to this request may be approved.

APPLICANT'S SIGNATURE	DATE:
-----------------------	-------

**Resolution No. 09-18
Attachment 3**

Racks with Plaques Bike Rack Program

Established to provide needed short-term bicycling parking in the Downtown area, along the Waterfront, and in City Parks.

Program Details

Requestor pays for the rack, plaque, installation, and maintenance for a powder-coating of the rack in the future.

How the Program Works

1. A requestor volunteers to purchase a rack for the City and submits Bike Rack Application to the City.
2. City contacts requestor to advise if the requested location is appropriate for rack placement and if so, provides approval of bike rack location. Every effort will be made to accommodate the requestor's choice of location, however, final location approval rests with the City.
3. Once City approves rack location, requestor contacts Peak Racks (peakracks.com; 805-235-8812) to order rack, plaque, and arrange for its installation.
4. City shall not be responsible for replacement of racks or plaques damaged by vandalism, acts of god, or acts of nature.
5. At the end of the bike rack's useful life, requestor shall have the opportunity to purchase a new bike rack (minus the plaque cost) at the approved location or have the plaque returned to them.

The Rack:

- Racks are to be purchased from Peak Racks (peakracks.com; 805-235-8812).
- Racks come in varying lengths to accommodate 2 to 8 bike slots.
- Racks are to be finished in powder coated blue.

The Plaque:

- Plaque is cast bronze, 6 x 4 inches.
- Plaque is personalized with a message from the requestor and attached to rack.

Cost

Cost for bike rack, plaque, installation and maintenance is established by Peak Racks and is subject to change. Requestor should contact Peak Racks for current pricing.

- Bike Rack - varies by the number of bike slots selected (2017 rate is \$99/slot)
- Commemorative Plaque - 2017 rate is \$250
- Installation: 2017 rate is \$200
- Maintenance: varies by the number of bike slots selected (2017 rate is \$25/slot for powder-coating, plus additional cost to uninstall and reinstall after maintenance occurs)



CITY OF MORRO BAY

RACKS WITH PLAQUES BIKE RACK APPLICATION

Public Works Department
955 Shasta Avenue
Morro Bay, CA 93442
(805) 772-6263

REQUESTOR INFORMATION	
Name:	Daytime Phone:
Address:	
Email Address:	
Number of Bike Slots:	
REQUESTED LOCATION	
For Department Use Only	
Location is: Approved <input type="checkbox"/> Rejected <input type="checkbox"/>	Location Approved by:

Acceptance of this application does not imply approval/authorization of this request. I realize that this application may be denied or that an alternate location to this request may be approved.

APPLICANT'S SIGNATURE	DATE
-----------------------	------

Resolution No. 09-18
Attachment 4
FY 17/18 Master Fee Schedule with Proposed Fee Changes

Deletions are in ~~red-strikeout~~, and additions are in **highlighted text**

Meter Installations/Connections (continued):	
Water Meter Testing (Remove, test and replace meter); fee refunded if meter test indicates an overage of greater than 2%	\$159
Water Equivalency Unit (WEU) "In-Lieu" Fee - per WEU required . In-lieu fee is an alternative for an applicant that does not provide the WEU offset, as required and set by Council Resolution	2 x \$3,139/WEU required = \$6,278
Fire Hydrants/Non-Potable - Meter Installation and Removal for Contractor Use (MC 13.04.360):	\$51 Installation; \$51 Removal
Hydrant Meter Rental, per day plus cost of water at current rate structure.	\$5 + \$500 Refundable Deposit
Certificate of Compliance – Water Retrofit	\$27
Water Service Refundable Deposit - residential tenants only	\$100
WASTEWATER	
Connection Permit - This is in addition to an Encroachment Permit.	\$85
Discharge Fee - Recreational Vehicles and Campers	\$25 + 0.25/gal or fraction there of
Discharge Fee - Tank Trucks and Commercial per truck, for gallon. No septage allowed	\$100 + \$0.25/gal or fraction there of
Raising Manhole to Grade	T&M (\$750 min)
Sewage Spill Cleanup - cost of providing service	T&M (\$750 min)
OTHER FEES	
Dedication 15 Gallon Tree and Plaque	\$250 \$525
Dedication Street Tree - Well Improvements	To Be Determined on an individual basis
Dedication Park Bench and 1 Plaque Space	\$450 \$545
Dedication Park Whole Bench at Tidelands Park or Cloisters Park and (3 Plaque Spaces)	\$900 \$1,632
Other Park Amenity Dedication	To Be Determined on an individual basis



AGENDA NO: C-3

MEETING DATE: March 13, 2018

Staff Report

TO: Honorable Mayor and City Council **DATE:** February 28, 2018

FROM: Jennifer Callaway, Finance Director
Steve Knuckles, Fire Chief
Eric Endersby, Harbor Director

SUBJECT: Fiscal Year 2017/18 Mid-Year Budget Performance and Status Report – Six Months Ending December 31, 2017, Adopting Resolution No. 10-18:

- A. Authorizing staff to proceed with mid-year adjustments discussed and approved during the February 27, 2018 Council meeting;
- B. Ratifying Council’s action on February 27, 2018 to prepay the City’s Safety Fire Tier 1 side-fund balance in the amount of \$301,247 from the City’s General Fund Emergency Reserve;
- C. Consider Authorization of an additional budget adjustment from the Fire Departments Donation Fund (515-2305) in the amount of \$21,500 to purchase required mandated electronic patient care, National Information Reporting System (NIFRS), and fire inspection program.
- D. Consider Authorization of an additional budget adjustment from the Harbor Accumulation Fund in the amount of \$20,000 to the Ice Machine Maintenance Capital Fund to enable continued City obligations of ice machine capital repairs and maintenance.

RECOMMENDATION

Staff recommends that the City Council Adopt Resolution No. 10-18:

- A. Authorizing staff to proceed with mid-year adjustments discussed and approved during the February 27, 2018 Council meeting, and
- B. Ratifying Council’s action on February 27, 2018 to prepay the City’s Safety Fire Tier 1 side-fund balance in the amount of \$301,247 from the City’s General Fund Emergency Reserves; and
- C. Authorizing an additional budget adjustment in the amount of \$ 21,500 from the Fire Departments Donation Fund (515-2305) for the purchase of EMS, National Information Reporting System, and fire inspection electronic reporting system.
- D. Authorizing an additional budget adjustment in the amount of \$20,000 from the Harbor Accumulation Fund to the Ice Machine Maintenance Capital Fund to fund necessary machine maintenance.

BACKGROUND

On February 27, 2018, the City Council received the FY 2017/18 mid-year Budget Performance and Status Report for the six months ending December 31, 2017. Council approved all budget recommendations presented and detailed in Exhibit A to Attachment 1.

Prepared By: JC, SK, EE

Dept Review: JC, SK, EE

City Manager Review: SC

City Attorney Review: JWP

In addition, during the February 27, 2018 City Council meeting, Council authorized staff to prepay the City's Safety Fire Tier 1 retirement plan side fund balance on or before March 1, 2018. The remaining side fund balance was \$308,770. Prepayment of \$301,247 on or before March 1, 2018 achieved an interest savings of \$7,523. The City Council authorized staff to proceed with the side-fund prepayment using General Fund Emergency Reserves in the amount of \$301,247. Adoption of Resolution 10-18 will ratify Council's action on February 27, 2018.

Staff contacted CalPERS the morning of February 28, 2018 and submitted payment of \$301,247. Staff received confirmation from CalPERS of receipt of these funds that same day. This prepayment will result in lower required employer contribution rate effective July 1, 2018.

DISCUSSION

Staff is requesting an additional budget adjustment in the amount of \$21,500. This adjustment is from the Fire Department's Donation account, fund 515-2305, and is for the purchase of mandated EMS electronic, NIFRS, and fire inspection reporting system. Additional funding for this purchase is being provided through a regional Homeland Security grant through the San Luis Obispo County Fire Chiefs to meet the new reporting standards required from the California Medical Emergency Services Agency and Affordable Healthcare Act.

The Fire Department's Donation account balance is \$399,000, sufficient funds to support the budget request. The donation fund was established in 2002 for collection of donations from the public and rescue stipends from the past Dynegy (Duke) powerplant. Funds that only can be used for fire equipment and training that enhances the Morro Bay fire services are placed in this account. Most recently this account was used to purchase Morro Bay's Ladder Truck (T5341) and replacement Self Contained Breathing Apparatus (SCBAs).

This request is being brought forward outside of the mid-year update as staff is working to refine budget practices and expectations. Appropriating funds from all city accounts, including donation or trust and agency accounts, will be brought forward for Council consideration and authorization. During the FY 2018/19 budget workshops and comprehensive discussion of budgeting practices and expectations will take place to ensure cohesive practices are being employed and the City Council, community and staff are clear in understanding of the practices and expectations.

In addition, staff is requesting \$20,000 for the Ice Machine Maintenance Capital Fund to enable continued City obligations for machine maintenance and repair under the lease agreement with Santa Monica Seafood. This request was inadvertently left out of the February 27, 2018 Mid-Year Budget requests. Finally, as an informational item, the Harbor Department is applying for a \$100,000 grant from the Joint Cable-Fisheries Liaison Committee for anticipated major ice machine system overhaul and replacement warranted in the upcoming year. If granted, these funds will significantly reduce the financial burden on the Harbor Fund, as the proposed system will reduce the annual maintenance burden currently required to operate the machine.

CONCLUSION

Staff recommends that the City Council adopt Resolution No. 10-18 ratifying Council approval of the FY 2017/18 budget recommendations discussed during the February 27, 2018, Council meeting, prepayment of the City's Safety Fire Tier 1 side fund balance in the amount of \$301,247 from the General Fund Emergency Reserves, authorization of the Fire Departments request to purchase an electronic reporting system through Imagine Trend in the amount of \$ 21,500 utilizing

the department's Donation Fund (515-2305), and authorization of an additional \$20,000 transfer from the Harbor Accumulation Fund to the Ice Machine Maintenance Capital Fund.

ATTACHMENT

1. Resolution No. 10-18

RESOLUTION NO. 10-18

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
APPROVING AMENDMENTS TO THE CITY'S FISCAL YEAR 17/18 BUDGET
TO AUTHORIZE VARIOUS ADDITIONAL EXPENDITURES**

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

WHEREAS, mid-year adjustments were discussed and approved during the February 27, 2018 Council meeting; and

WHEREAS, payoff of the CalPERS Safety Fire, Tier one retirement plan side fund on or before March 1, 2018, would be \$301,247, a savings of \$7,523; and

WHEREAS, after the mid-year budget update presentation and discussion on February 27, 2018, an additional budget adjustment was identified to purchase electronic reporting system for the Fire Department; and

WHEREAS, after the mid-year budget update presentation and discussion on February 27, 2018, an additional budget adjustment was identified for maintenance and repair of the ice machine.

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

1. The operating budgets of the City are amended by the additional revenues and expenditures, as shown on the attached Exhibit 1, that were discussed at the February 27, 2018 Council Meeting.

2. The additional budget adjustment of \$21,500 for the purchase of electronic reporting system out of the Fire Department's Donation Fund (515-2305).

3. The additional budget adjustment of \$20,000 from the Harbor Accumulation fund to the Harbor Capital Fund for the repair and maintenance of the ice machine that is under lease agreement with Santa Monica Seafood;

4. The Council action on February 27, 2018 to prepay the City's CalPERS Safety Fire, Tier 1 side fund on or before March 1, 2018 in the amount of \$301,247 using the City's General Fund Emergency Reserves is hereby ratified.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 13th day of March 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

Other Funds - Revenues			
Fund	Prog	Acct	Description
007	7710	3801	Transfer In - General Fund Contribution to TBID
Total Other Funds			(9,500.00)

Grand Total: Revenues

182,662.00

Other Funds - Expenditures			
Fund	Prog	Acct	Description
003	4210	5199	Miscellaneous Operating Supplies
430	4301	6106	Legal Fees - City's Share of Fees for Diablo Plant Closure
480	7710	8501	SLO County Economic Study*
Total Other Funds			120,413.00

* Approval included transfer of to the General Fund in support of the City's share of the economic study

Grand Total: Expenditures

(3,673,797.53)

years' worth of credits to use on a project. Even with the borrowing of credits the City lacks sufficient credits to fund the complete UD7 work. To conduct the work on the reduced district, it would require an additional \$650K in credits or for the entire district the work requires about an additional \$3.75M in credits.

BACKGROUND

On January 9, 2006, the City Council adopted Resolution No. 02-06 forming UD7 in accordance with Morro Bay Municipal Code Section 13.16.060 and applicable California Public Utilities Commission Rule 20A (Attachment 2).

The Rule 20A program is the City's use of PG&E rate-payer money on underground conversion projects meeting specific requirements as listed below. Although the funds for this program are never actually transferred, the City programs the money toward conversions on arterial and major collector streets. These allocations accumulate until they are expended for undergrounding projects.

Rule 20A projects are typically in areas of a community that are most heavily traveled by the general public. These projects are paid for by customers through future electric rates.

To qualify, after consultation with PG&E, and after holding public hearings on the subject, the governing body of a city or county must, among other things, determine, undergrounding is in the general public interest for one or more of the following reasons:

- Undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities.
- The street or road or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic.
- The street, road or right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public.
- The street or road or right-of-way is considered an arterial street or major collector as defined in the Governor's Office of Planning and Research General Plan Guidelines.

UD7 included undergrounding all overhead public utilities on Main Street from Dunes Street to Highway 1 and Beach Street from Main Street to West Avenue.

DISCUSSION

While the UD7 was approved in early 2006, PG&E had many projects in their planning and design queue ahead of Morro Bay's project. In 2017, PG&E completed the design and cost estimating for the UD7 and determined the full project could not be completed with the credits the City had available. The project was reduced in scope eliminating approximately half of the UD7, then PG&E bid the reduced project. Construction bids came in well over the credits available to the City.

PG&E has stated, "...the 20A allocation is insufficient to cover the cost of the project. Unfortunately, we have reduced the scope of the project once and there is not a practical way to reduce the scope anymore." If the City keeps UD7 active with PG&E, then the City will continue to accrue charges on a monthly basis until the project is either cancelled or completed. Currently, those charges run about \$2,000 per month in credits. If the City intends to purchase additional credits in the near future, then it makes sense to keep the job open. Based on staff's review of other cities that have completed projects, it is estimated to cost over \$1,000 per linear foot to underground distribution lines. Higher voltage transmission lines are even more expensive. The type and quantity of overhead utility determine the cost and are typically only performed on collector and arterial streets.

To complete the full UD7 the City has a few options. The City could contribute approximately \$3.75M from the General Fund, purchase credits likely at less than their face value for \$1.5-2.25M from another City or County or form an Undergrounding Utility Assessment District and assess the property owners for the additional costs, including the engineering and legal costs to form the assessment district.

If the City decides to cancel UD7, then PG&E will retain all the design documents, etc. so a new undergrounding district with the same or similar boundary would not be starting from scratch.

Sale of Undergrounding Credits

Cities and counties are able to trade or sell unallocated Rule 20A credits. There are examples of municipalities selling their unused credits for less than full dollar value of the credits. By example, following negotiations and Council approval in July 2013, the City of Newport Beach entered into a Memorandum of Understanding (MOU) with the City of Mission Viejo to purchase unallocated Rule 20A credits at a cost of \$0.55 on the dollar. Mission Viejo also granted Newport Beach the first right of refusal to purchase future Rule 20A allocations, between July 1, 2013 and July 1, 2015 at the same rate of \$0.55 on the dollar. Mission Viejo agreed to sell its credits because it did not have undergrounding projects planned for the near future. Similarly, the City of Foster City recently negotiated the transfer of over \$400,000 of its Rule 20A credits to the City of Half Moon Bay for \$0.46 on the dollar.

Cities and counties can create agreements between themselves to transfer Rule 20A credits under varying conditions, as long as they provide PG&E documentation of the agreement. Such documentation could include a letter on City letterhead accompanied by a Resolution of the City Council authorizing the agreement and sale.

If the City Council were to approve the sale of the PG&E credits and staff is able to negotiate agreeable terms at a fair price, then the City would generate one-time funds from the sale of the Rule 20A credits. Those one-time funds should not be used for ongoing expenditures but could be allocated in any number of ways including increasing reserves, funding a capital project, or applying funds to the outstanding CalPERS unfunded liability, either through paydown, a fresh start option or establishment of a IRS 115 Pension Trust.

CONCLUSION

It is staff's recommendation the City Council suspend Undergrounding District 7 and consider sale of the City's PG&E Rule 20A credits, and provide other direction deemed appropriate.

ATTACHMENTS

1. Proposed Resolution No. 11-18
2. Resolution No. 02-06
3. 2017 Rule 20A Allocation letter
4. email dated December 5, 2017 from PG&E Project Manager

RESOLUTION NO. 11-18

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
RESCINDING RESOLUTION 02-06 FORMING
UNDERGROUND UTILITY DISTRICT NO. 7 (BEACH & MAIN STREETS)
DUE TO INSUFFICIENT CREDITS TO PERFORM WORK**

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

WHEREAS, the City Council on January 9, 2006 adopted Resolution No. 02-06 forming Undergrounding District 7; and

WHEREAS, the City Council has determined there are insufficient undergrounding credits to complete the undergrounding of overhead utilities in Undergrounding District 7; and

WHEREAS, the City Council determined it is not in the public's interest to expend General Fund revenue to provide the required additional funds to underground overhead utilities on Main Street from Dunes Street to Highway 1 and Beach Street from Main Street to West Avenue.

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

1. City Council Resolution 02-06, thus terminating all work on Undergrounding District 7 is hereby rescinded.
2. The City's Public Works Director is here by authorized to send a letter to Pacific Gas and Electric informing them of their decision to terminate Undergrounding District 7.
3. The City's Finance Director is here by authorized to determine if there is a willing purchaser for the City's Utility Undergrounding Credits and bring that information back to City Council for its consideration.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 13th day of March 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

RESOLUTION NO. 02-06

**RESOLUTION APPROVING FORMATION OF UNDERGROUND UTILITY
DISTRICT NO. 7**

**The City Council,
City of Morro Bay, California**

WHEREAS, it has been determined to be in the interest of public necessity, health and welfare to require the removal of poles, overhead wires and associated structures and the installation of underground wires and facilities for supplying electric, communication, or similar or associated services within that certain area of Morro Bay as follows:

those lands adjacent to Main Street from Dunes Street to State Highway 1 and adjacent to Beach Street from Main Street to West Street; and

WHEREAS, conversion of overhead utilities in said area to underground is in the general public interest in order to avoid or eliminate an unusually heavy concentration of electrical distribution facilities, because the streets or road rights-of-way are extensively used by the general public and carry a heavy volume of vehicular traffic and the streets or road rights-of-way adjoin or pass through a civic area or public recreation area or an area of unusual scenic interest to the general public: and

WHEREAS, pursuant to California Public Utilities Commission (CPUC) Rule 20A, the Department of Public Services has consulted with the affected utility companies regarding the formation of the proposed underground district; and

WHEREAS, pursuant to CEQA Guidelines Section 15302 said tasks cannot be expected to have an adverse impact upon the environment; and

WHEREAS, a public hearing was held on the matter and all interested property owners and persons and properties have been duly notified and given the opportunity to be heard; and

WHEREAS, the City Council has taken and considered evidence in the matter.

NOW, THEREFORE, BE IT RESOLVED by the Morro Bay City Council that Underground Utility District Number 7 is herewith formed pursuant to Morro Bay Municipal Code (MBMC) Section 13.16.060. Attached hereto, marked as Exhibit "A" and herewith incorporated by reference, is a map delineating the boundaries of said District; and

BE IT FURTHER RESOLVED, the City Council does hereby fix the date of January 9, 2010 as the date all property owners within said District must be ready to receive underground service; and

BE IT FURTHER RESOLVED, that the electric utility which undertakes the underground installation of its facilities shall use the underground conversion allocation computed pursuant to decisions of the CPUC for the purpose of providing to each of the premises in Underground District Number 7 a maximum of one hundred (100) feet of individual service trenching and conductors, including backfill, paving and conduit, if required and to accept the new underground service facilities pursuant to CPUC Advice Letter 1930-E. All other serving utilities shall provide service trenching and conductors in accord with their respective tariffs on file with the CPUC or as required by their Franchise Agreement with the City; and

BE IT FURTHER RESOLVED, the City Clerk shall provide notice to affected property owners and utility companies of this action pursuant to MBMC Section 13.16.100.

PASSED AND ADOPTED by the Morro Bay City Council at a regular meeting thereof held on the 9th day of January 2006 by the following vote:

AYES: Baxley, DeMeritt, Peirce, Peters, Winholtz
NOES: None
ABSTAIN: None



JANICE PETERS, Mayor

ATTEST:



BRIDGETT BAUER, City Clerk



RECEIVED

JUN 05 2017

City of Morro Bay
Community Development Dept.

June 2, 2017

City Manager
City of Morro Bay
595 Harbor
Morro Bay, CA 93442

Subject: 2017 Rule 20A Allocation and Work Credit Balance

Dear City Manager,

The purpose of this letter is to provide you with an update on your 2017 Rule 20A annual allocation amount and work credit balance. As of March 31, 2017, your work credit balance was **\$2,427,167**, which includes the 2017 allocation amount of **\$67,179**. In addition, the work credit balance does not reflect an offset for currently active projects as this work is deducted at the conclusion of the project.

If your community would like to proceed with a Rule 20A project but does not have sufficient work credits, the Rule 20 tariff allows for the use of up to 5-years of future annual allocations. If you would like to elect this option, please let us know and we can further explain the process.

PG&E values its partnership with your community and we look forward to working with you. If you have any questions regarding your Rule 20A Work Credit Status, or if your community wants to discuss pending Rule 20A projects or potential future projects, please contact Kathy Pace, your Rule 20A Program Liaison, at (805) 588-4117.

Sincerely,

ANDREA MILLER
Manager, Rule 20A Program

cc: Public Works Director

$$\begin{array}{r} \$67,179 \\ \times 5 \\ \hline \$335,895 \\ 2,427,167 \\ \hline \$2,763,062 \end{array}$$

Pamela Newman

From: Brem, Kenneth <KWB6@pge.com>
Sent: Tuesday, December 05, 2017 1:01 PM
To: Rob Livick
Cc: Pamela Newman; Pace, Kathy
Subject: Morro Bay 20A

Rob:

I was following up with the city on this project since it has been delayed since the 20A allocation is insufficient to cover the cost of the project. Unfortunately, we have reduced the scope of the project once and there is not a practical way to reduce the scope any more.

I wanted to make the city aware of the ongoing costs if we keep this job open (and I spoke with Pamela Newman on it this morning). Due to our accounting system, this job will continue to accrue charges on a monthly basis until it is either cancelled or completed. Currently, these charges run about \$2,000 per month. If you have plans to try and get additional funds in the near future, it makes sense to keep the job open. If there are currently no plans to move forward with it, it might make sense to cancel it since these monthly charges will reduce your allocation. If the City decides to cancel, we will retain all the design documents, etc. so we would not be starting from scratch if the project had the same boundaries.

Here is where the city is right now:

Current 20A Allocation: \$2,763,062
Current approximate charges for the Morro Bay 20A: \$313,000

If we cancel the project, the City's allocation will be reduced by the amount of the current charges at that time. If the City would like to cancel this project, you can let us know by responding to this email.

Please give me a call if you have questions on this.

Thanks,

Ken Brem | Sr. Project Manager - Project & Contract Management
Pacific Gas and Electric Company
805.434.4484 office | 667-4484 internal | 805.550.4019 cell | Ken.Brem@pge.com