



July 14, 2018

Important Information on the Water Reclamation Facility (WRF) Project

As you may have heard, or seen in your mail, the Proposition 218 process has been initiated by the City for water and sewer surcharges (**\$41/month rate increase**) to support the Water Reclamation Facility (WRF) project. The WRF will replace the City's existing sewer facility that was originally constructed in 1954 and last upgraded in 1984. The current sewer facility fails to meet important Regional Water Quality Control Board requirements. In addition, by locating the WRF inland on the preferred South Bay Blvd. site, as proposed, it will be safe from coastal hazards, satisfying requirements from the California Coastal Commission. The Coastal Commission denied the City a permit in 2013 to build the new treatment plant near the existing facility and issued a letter to the City in 2017 reinforcing their position that the facility be constructed inland. Finally, the WRF will have the capability to provide sufficient potable water to offset up to nearly 80% of Morro Bay's water needs, helping to build a drought buffer for the community.

Of course, this project comes at a cost. The City has worked over the past year to reduce the initial WRF estimate of \$167 million in 2017 down to the current \$126 million amount. That is still a big number for a community of our size. That is why the City has pursued low-interest loans and grants to help reduce the impact on your water and sewer rates. The original projected surcharges (rate increases) to pay for the project were estimated in 2017 to be around \$80-\$90 per month above the approved water and sewer rates. By instituting cost cutting measures recommended by the Public Works Peer Review panel initiated by City Council, the [Blue Ribbon Commission](#), and WRF Citizen Advisory Committee, in combination with the EPA's low-interest loan program (WIFIA), the proposed surcharge (rate increase) is now **\$41 per month**. This means that for average single family homes in Morro Bay (those that use 125 gallons of water per day) they would pay a total combined water and sewer bill of \$191 per month beginning in July 2019. Lower water users would pay a smaller amount

(\$168/month, for those who use 50 gallons of water per day), and higher water users would pay a higher amount (\$233.50/month, for those who use 225 gallons of water per day).

We realize this **\$41/month** increase may be difficult for some residents to pay, which is why the City has improved outreach to the community on the [Utility Discount Program](#) which provides for a 10% discount for all eligible customers. Should you have questions about the discount program or want help determining what your total rates will be if the surcharges (rate increase) moves forward, click [here](#).

Water and sewer surcharges (rate increase) notices were mailed on Friday, July 13, to all Morro Bay parcel owners and water and sewer rate payers. The notices include an overview of the WRF project, instructions on how to submit a protest on the surcharges, and a sample protest form that can be submitted to the City. Should the City receive protests from 50% of the total parcels plus 1 by the close of the August 28, 2018 6:00 p.m. Public Hearing, then the surcharges will not move forward. If the City receives less than that amount of protests, then the surcharges would be approved to support the WRF project.

The City is currently operating its sewer plant under a [Time Schedule Order](#) from the Regional Water Quality Control Board (RWQCB). They have given the City five years to get a new plant up and running to meet water quality standards. Should the project not move forward, the City may face significant fines from the RWQCB, up to \$50,000 per month. Those fines would need to be paid from water and sewer revenues or the City's General Fund.

We encourage residents and business owners to make an informed decision about the WRF project surcharges (rate increase). Find out more information about the project at: <http://morrobaywrf.com/>.

Harbor

Marine Swap Meet

June 30th Morro Bay held its 1st Marine Swap Meet in the Triangle Lot. This event was organized by the Friends of the Harbor Department, Morro Bay Youth Sailing and the Morro Bay Maritime Museum. There were over 40 vendors selling a variety of items related to the ocean including fishing gear, surfboards, nautical jewelry, boats of all sizes and some marine antiques dating back to the 1800's. We look forward to next year's Marine Swap Meet already!

Recent Shark Sightings

Sharks sighting signs have been posted at 10 different beach access points in Morro Bay. The signs are up for 72 hours. We urge beach goers to realize that sharks do frequent these waters year around and to always use caution and enter the water at their own risk.



Other Non-shark Marine Life – Good and Bad

Marine Life has been abundant, but not all positive. The sea lions along our coast have been hit with demoic acid poisoning again and Morro Bay Marine Mammal Center has been busy trying to capture sick animals to provide care. The Harbor Department urges the public to stay back from sea lions that have hauled out on the beach and call the Marine Mammal Center to report any odd behavior. **To report a stranded marine mammal: call (415) 289-SEAL or email rescue@tmmc.org (photos especially helpful) or locally the office number is 805-771-8300.**

We have also seen an abundance of jelly fish and squat lobsters in the harbor and on the beaches here. These animals have drifted to our area with warm water currents from far south.



Small Oil Spill

Harbor Patrol responded to an oil spill in the Harbor on July 2nd stretching more than 100 yards. They secured the leaking boat and along with the Coast Guard tried to mop up the oil.

4th of July – Incident Free

The activity on the water/beach for the 4th of July was reported as an day enjoyed by many. Morro Bay Lifeguards had more than 1200 beach goers and approximately 30 boats launched at our launch ramp. Happily no rescues or tows were required.



Junior Lifeguards Update

Harbor Patrol Officers trained with more than 100 Junior Lifeguards this week. They taught them how to perform water rescues on the Rescue Water Craft (jet skis) and discussed various safe boating topics including knowing what weather is safe to go out in and safety gear required.



City Clerk's Office



Election season has begun! On Tuesday, November 6, 2018, the voters in Morro Bay will elect a Mayor for a 2-year term and (2) Council Members for 4-year terms. The nomination period for these offices begins at 8:00 a.m. on Monday, July 16, and closes at 5:00 p.m. on Friday, August 10. If nomination papers for an incumbent officer of the City are not filed by August 10, the voters shall have until August 15 to nominate candidates, other than the person(s) who are incumbents, for that office. More information is available on the [City website](#) or you may contact the City Clerk at (805) 772-6205.

On November 6, Cannabis Tax Measure D-18 will also be on the ballot for consideration by Morro Bay registered voters. Information regarding important deadlines related to this ballot measure can be found [here](#).

Shall the measure, known as Measure D-18 , imposing maximum tax of ten cents per \$1 of proceeds of commercial cannabis operations, annual maximum tax of \$25 per square foot of commercial cultivation area (CPI adjustments), no sunset clause, estimated \$25,000 to \$225,000 annual collections on currently allowed operations, revenue available for unrestricted general revenue purposes, be adopted?	YES
	NO

Finance

Happy New Fiscal Year from the Finance Team!

The Finance Department is welcoming in the new fiscal year and diligently working to close out FY 2017/18.

As Finance Director, I am very grateful for the incredible team in the Department. Staff have been working to learn their responsibilities as well as cross

training to support and back-up their colleagues. The work ethic of the staff, and efficiencies this has created, has allowed time to expand work beyond the day to day operations to support multiple number of additional assignments, including the deployment of OpenGov, WRF project, Fee Study Request for Proposal and consultant selection, and updating financial policies and procedures. Thanks to all of the Finance team for all of their work, great attitudes



and support! Information on some of the additional task the Department has been working on are below:

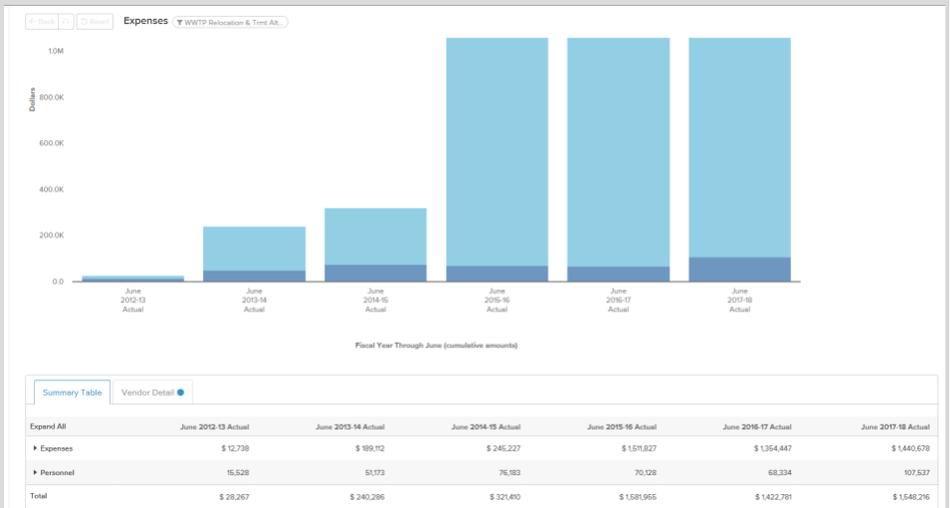
Low-Interest WIFIA Loan Application (for WRF project)

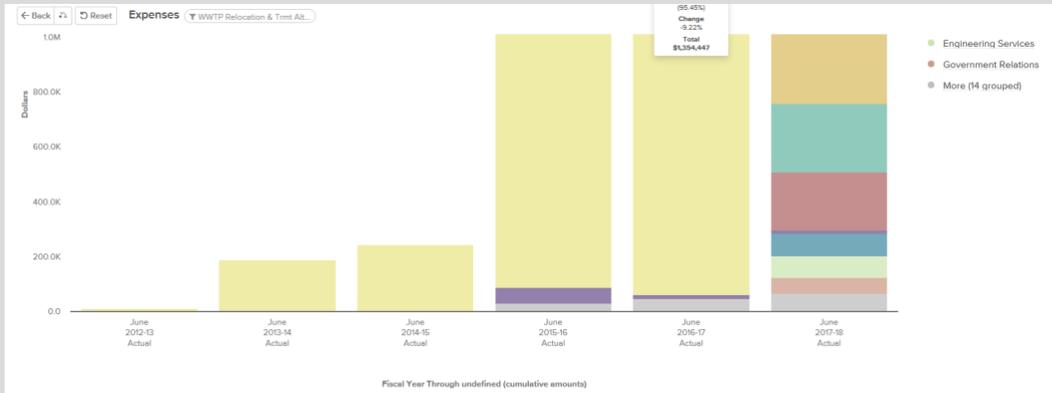
The complete Water Infrastructure Financing Innovation Act (WIFIA) loan application is now complete and was submitted to the EPA this week, along with the \$25,000 application fee. The City is pleased to have completed this stage of the process and will continue to work diligently with the EPA and entire team to progress through the review process. As part of the WIFIA loan application, the City was required to obtain a preliminary bond rating. Significant information was provided to Standard & Poor’s (S&P) regarding the Water and Sewer Funds finances and the Water Reclamation Facility Project. Based on the assumptions provided we are pleased to have received a preliminary rating of “A” with a stable outlook.

Water and Sewer Utility Discount Program –July is the open enrollment period for the Utility Discount Program. We encourage all qualifying customers to apply and take advantage of this opportunity. Also, we remind customers that if you are currently enrolled in the program you must reapply each year to maintain enrollment status. More information on the Utility Discount Program can be found on the City’s website and is available in both English and Spanish. Learn more at: <http://morrobayca.gov/CivicAlerts.aspx?AID=1980>.

OpenGov (Online Transparency Tool)

Staff is finalizing the development of the City’s OpenGov platform. Senior Accounting Tech Val Webb has been the lead on this project and is working closely with our OpenGov Customer Service Representative to ensure that all data is reflected accurately on the City’s portal. During the July 10, 2018 Council meeting staff provided a brief presentation of the OpenGov portal and plans to present a more detailed presentation on July 17, 2018 to the Citizen’s Finance Advisory Committee (CFAC). Staff will partner with CFAC and determine the best method of deployment and outreach to help residents learn to navigate through the system. Below are a few snapshots of the portal:

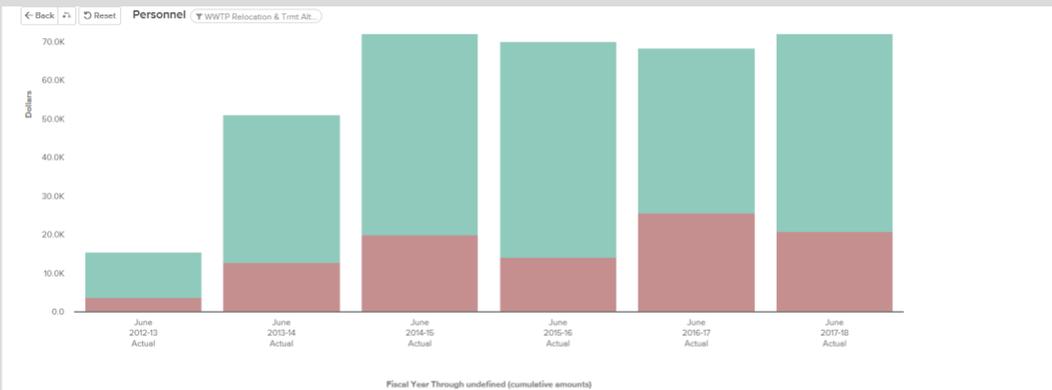




Summary Table | Vendor Detail

Showing 73 rows

Vendor #	Vendor Name	Invoice Number	Description	Check #	GL Date	Invoice Item Amount (\$)	Department
2765	The Ferguson Group LLC	0418147	Retainer for the month of April 1 - April 30, 2018	158198	03/22/2018	4,500.00	8312
1084	ASAP Reographics	196223	WRF Outfall BluePrints	158094	03/22/2018	20.47	8312
1084	ASAP Reographics	195829	WRF Request for Proposals Drafts (2)	158094	03/22/2018	405.05	8312



Summary Table | Vendor Detail

	June 2012-13 Actual	June 2013-14 Actual	June 2014-15 Actual	June 2015-16 Actual	June 2016-17 Actual	June 2017-18 Actual
Labor Costs Applied	\$ 11,709	\$ 38,279	\$ 56,152	\$ 55,896	\$ 42,702	\$ 86,685
Employer Paid Benefits	3,820	12,894	20,031	14,231	25,632	20,853
Total	\$ 15,528	\$ 51,173	\$ 76,183	\$ 70,128	\$ 68,334	\$ 107,537

Tourism

Highway 1 to Open on July 20th

CA Highway 1 will open ahead of schedule on July 20, and Morro Bay, CA located just to the south in San Luis Obispo County couldn't be happier. So happy, they are busy planning a progressive food and wine event that will take place throughout the city to celebrate first responders near and far.

A Heroes Event is Born - First Responders Crawl

Morro Bay counted on first responders last year more than ever. A slide at Mud Creek, the largest mud slide ever along the Big Sur coast, prevented access to the length of Highway 1

from Carmel to Cambria, just north of Morro Bay. In addition, the Central Coast was hit by heavy rain, massive floods, landslides and fires. More than 8,000 firefighters battled multiple wildfires in California including the Thomas Fire to the south. The amazing courage and true grit of the men and women who run into these disasters every day to help regular citizens is what Morro Bay wants everyone to remember.

October 26, 2018, from 6:00 to 9:00 pm

The inaugural First Responders Crawl is Morro Bay's way of saying thank you. This grown-up Halloween scavenger hunt, if you will, is designed to pay homage to first responders as crawlers are required to dress up like their favorite firefighter, law officer, EMT or Cal Trans worker and walk the streets enjoying an evening of local wine, beer and culinary delights. A local winemaker or brew master will be found pouring libations at participating retail stores, restaurants and business outlets throughout Morro Bay, along with chefs and business owners.

Win Dinner with the Morro Bay Fire Department!

Each crawler will receive a passport with a map and list of participating businesses. A completely filled out passport will be entered to win a variety of prizes, including a grand prize dinner with the Morro Bay Fire Department. Tickets are \$15.00 each, (\$20.00 at the door) and are all-inclusive. All proceeds go to the Friends of the Morro Bay Harbor Department. This adult activity will finish up the next morning with a Walk of Shame Breakfast at local eateries serving a special breakfast to the crawlers. Watch for more info about this exciting event.

Recreation

Administration

- A new Contract Instructor class has been added – Tang Soo Do, a traditional Korean Martial Art, meets MWF 6:00pm for beginners/intermediates and MWF 7:15pm for advanced.



Facilities

- With the Fiscal Year coming to an end, there were numerous special meetings for all our Internal Departments. We were doing a lot of shuffling around and storage of equipment. All our classes worked well moving around the equipment.
- Stucco work has begun on the outside of the Community Center with drywall to follow. Once the stucco work has been completed our building will be back to its beautiful self.
- All our parks and open space rentals have been filled with birthday parties and family reunions. Our beaches have been booked almost every weekend for beach weddings.

Sports

- Junior Lifeguards session 1 wrapped up July 13 and will start up session 2 July 23.
- Registration for summer swim lessons is open. We will have 4 two-week sessions of lessons with classes Monday, Wednesday and Friday at 11:00-11:30 am, 11:40-12:10 pm and 12:20-12:50 pm.



Summer 2018
SWIM LESSONS

MBHS Aquatics Center,
235 Atascadero Road, Morro Bay

GROUP LESSONS: 30-minute lessons

Program:	Days:	Times:	Session Dates:	Price:
Group Lessons • Level 1 • Level 2 - 5	Mon/Wed/Fri	11 - 11:30 am 11:40 - 12:10 pm 12:20 - 12:50 pm	June 18 - 29	\$60
			July 2 - 13 *no lesson on July 4th	\$50
			July 16 - 27	\$60
			July 30 - August 10	\$60
Parent & Me	Mon/Wed/Fri	12:20 - 12:50	June 16 - 29	\$55
			July 2 - 13 *no lesson on July 4th	\$45
			July 16 - 27	\$55
			July 30 - August 10	\$55

PRIVATE & SEMI-PRIVATE LESSONS: five 30-minute lessons

Program:	Days:	Times:	Price:
Semi-Private	Saturdays	1 - 3 pm	\$75
Private	Saturdays	1 - 3 pm	\$110

Register at: <https://apm.activecommunities.com/morrobay/Home> or call 805-772-6281



MORRO BAY RECREATION SERVICES
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www.morrobayca.gov • www.facebook.com/CityofMorroBay

- The Brian Waterbury Memorial Rock to Pier Run and Rock'n Around the Pier Half Marathon will be held on July 14, 2018. This year marks the 49th annual Rock to Pier Run and the 7th year for the Half Marathon. We have 1100 people are preregistered and expect more to register on race day starting at 6 am. Race will begin at 7:15 am.

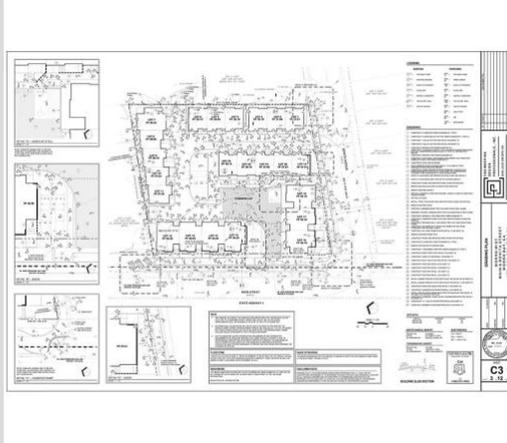


Special Events

The City's annual 4th of July event was a great success with close to 1500 people in attendance!



COMMUNITY DEVELOPMENT DEPARTMENT ACTIVITY UPDATE FOR JUNE 2018



Planning Division Activity

Planning Commission:

June 5, 2018: 300 & 310 Tahiti: new 2,439 sq.ft. Home & 2,616 sq.ft home including garage and accessory dwelling unit. Action: Continued.

Review of Draft Zoning Code update; Use Regulations.

Review and Recommendation to Council for approval of the Annual Water Report

June 19, 2018:

Action: Approved 3300 Panorama Drive; Demolition of two large jet fuel tanks, one water tank and associated infrastructure.

Planning Permits Received Jan. 2018

- Conditional Use Permit = 3
- Coastal Dev. Permits = 4
- Permit Amendment = 2
- Sign Permits = 2

Total = 11

Fees collected = \$22,146

Code Enforcement Activity

- 25 cases initiated
- 24 cases resolved
- 29 total pending cases

Building Division Activity

- Permits Issued = 55
- Valuation = \$2,099,145
- Fees Received = \$112,915
- # of Inspections = 142
- New Permits = 19

Fire

Annual Fire Hose Testing



The Morro Bay Fire Department annually tests all of their fire hoses to ensure they are in good condition. The department fire hose is an essential element used by firefighters engaged in fire suppression activities. With this important fact in mind, it is paramount that all department personnel be knowledgeable regarding proper procedures for the care, maintenance, and testing of fire hose as defined in NFPA 1962. The Department has over 20,000 feet of fire hose that is tested during this process. This process includes testing of Couplings, Nozzles and Fire Hose Appliances. Attack fire hose is tested to a minimum of 300 pounds per square inch (psi) and supply fire hose is tested to a minimum of 200 psi. The fire department determines a replacement schedule for their fire hose, which takes into consideration the use, age and testing results.

Public Works

Utility Division

Congratulations to Wastewater Systems Operator Kyle Quaglino for passing the state Grade II

wastewater certification exam. All employees that operate wastewater treatment facilities must be state certified at levels dictated by the state insuring that the operations staff has the required skills and knowledge.

The Morro Bay Fire department and the Utilities Department staff performed confined space rescue training at the Wastewater Treatment Facility.



Consolidated Maintenance

In addition to closing out 25 service requests in the first two weeks of July, staff replaced all the wood on benches at North Point Natural Area and installed it with Stainless Steel hardware. Staff also installed 8 tons of Asphalt in potholes around the City including 2 large areas on Pacific.



Finally, staff removed a potential fire hazard and an abandoned campsite from behind 456 Embarcadero.



Thank you again for taking time to read this and previous updates. We hope you find it useful and encourage you to share your thoughts about how to improve this communication moving forward.

Sincerely,

Scott Collins
City Manager
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