



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, November 27, 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 – None.

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 OCTOBER 9, 2018 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE OCTOBER 24, 2018 CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE NOVEMBER 14, 2018 CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 SECOND READING AND ADOPTION OF ORDINANCE 618 AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE ENERGY; (ADMINISTRATION)

RECOMMENDATION: Staff recommends the City Council waive reading of Ordinance No. 618 in its entirety and adopt Ordinance 618, "An Ordinance of the City Council of the City of Morro Bay, California, Repealing the Existing Community Choice Aggregation Ordinance (Ordinance No. 616) and Authorizing the Implementation of a Community Choice Aggregation Program By Participating in Monterey Bay Community Power Authority's Community Choice Aggregation Program."

A-5 ADOPTION OF RESOLUTION NO. 92-18 APPROVING ONEWATER MORRO BAY PLAN; (PUBLIC WORKS)

RECOMMENDATION: Adopt Resolution No. 92-18.

A-6 ADOPTION OF RESOLUTION NO. 93-18, ESTABLISHING A SEMI-ANNUAL CITY MANAGER EVALUATION PROCESS AND RESCINDING RESOLUTION NO. 04-18; (CITY ATTORNEY)

RECOMMENDATION: Based on comments from the City Council during the City Manager's evaluation on November 14, 2018, the City Attorney recommends the City Council adopt Resolution No. 93-18, establishing a semi-annual evaluation process for City Manager.

A-7 DIRECTION REGARDING POTENTIAL REUSE OF SOON TO BE DECOMMISSIONED TROLLEY AS A MOBILE VISITOR CENTER: (PUBLIC WORKS)

REVISED RECOMMENDATION: Staff recommends the Council direct staff to sell the Trolley that is set for decommissioning and replacement, sending all sale proceeds to the City's Transportation Fund, and pursue further review of options related to the City's Visitor Center during the 2019 Goals process.

B. PUBLIC HEARINGS – None.

C. BUSINESS ITEMS

C-1 APPROVAL OF WATER RECLAMATION FACILITY PROGRAM MANAGEMENT CONTRACT AMENDMENT NO. 1; (ADMINISTRATION/PUBLIC WORKS)

RECOMMENDATION: Staff recommends the City Council authorize the Public Works Director to sign Amendment No. 1 (Attachment 1) to the existing agreement with Carollo Engineers, Inc., dated April 11, 2018 for program management of the Water Reclamation Facility (WRF) Program in an increased amount of \$1,606,948.

C-2 REVIEW AND APPROVE THE FIRST AMENDMENT TO EMPLOYMENT CONTRACT WITH SCOTT COLLINS, CITY MANAGER; (CITY ATTORNEY)

RECOMMENDATION: Council approve the First Amendment to the employment contract with Scott Collins, City Manager, and authorize the Mayor to sign the contract on behalf of the City.

- C-3 ADOPTION OF RESOLUTION NO. 94-18 DECLARING A HOMELESS SHELTER CRISIS; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 94-18 declaring a homeless shelter crisis in Morro Bay pursuant to the Homeless Emergency Aid Program under SB 850.

- C-4 RECEIVE AND FILE FISCAL YEAR (FY) 2017/18 STATUS REPORT ON RECEIPT AND USE OF DEVELOPMENT IMPACT FEES; (FINANCE)

RECOMMENDATION: Staff recommends Council receive and file Fiscal Year (FY) 2017/18 status report on receipt and use of Development Impact Fees.

- D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

- E. ADJOURNMENT

A Special Meeting of the City Council is scheduled for **Thursday, November 29, 2018 at 4:30 p.m.** at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California. The next Regular Meeting will be held on **Tuesday, December 11, 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.

This Page Intentionally Left Blank

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
	Jody Cox	Acting Police Chief
	Steve Knuckles	Fire Chief
	Eric Endersby	Harbor Director
	Cindy Jacinth	Senior Planner

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:04 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/PKZ9_E73suQ?t=79

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS - None

PRESENTATIONS

https://youtu.be/PKZ9_E73suQ?t=693

- Morro Bay Open Space Alliance Update on Cerrito Peak by Glenn Silloway
- Fire Prevention Week Proclamation presented to Fire Chief Steve Knuckles
- Breast Cancer Awareness Month Proclamation presented to the Central Coast SurviveOars Dragon Boat Team
- Domestic Violence Awareness Month Proclamation presented to RISE Client Advocate, Jenny Baltes

PUBLIC COMMENT

https://youtu.be/PKZ9_E73suQ?t=2024

Jorge Milanes, owner of Thai Bounty, provided the business spot. Thai Bounty has been serving Thai food in Morro Bay for 9 years and recently added Milanes Cuban Cuisine as a menu alternative.

Rigmor, Morro Bay, was pleased the sewer plant issue was settled and encouraged community members to get a shingles shot.

Jon Elliott encouraged businesses to participate in the 5th Annual Trick or Treat event to be held Wednesday, October 31st from 3:00 - 5:30 p.m.

Erica Crawford, Morro Bay Chamber of Commerce, provided an update on 4MB focus group activities, educational workshops, upcoming Chamber Mixer and Chamber Board of Directors election.

Ken Vesterfelt, Morro Bay, urged the Council to increase funding for the Morro Bay Police Department.

Cynthia Hawley spoke on behalf of the Morro Bay Action Team regarding the Proposition 218 process and stated their support for John Weiss for Mayor.

Bob Keller, Morro Bay, expressed appreciation for recently added pedestrian stripes on Main Street, meter reader at Quintana and Main, and also noted some safety concerns for bicyclists and pedestrians near Lemo's.

Aaron Ochs, Morro Bay, appreciated recent outreach by a Council Member but feels his concerns and people he represents are not being heard.

Steve Stevens, Morro Bay, spoke in support of Ms. Hawley's comments and suggested the Council seek an appraisal report prior to the sale of public property.

The Public Comment period was closed.

- A. CONSENT AGENDA
https://youtu.be/PKZ9_E73suQ?t=2024

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 SEPTEMBER 11, 2018 CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 DOMESTIC VIOLENCE AWARENESS MONTH PROCLAMATION; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

- A-3 ADOPTION OF ORDINANCE NO. 616 AUTHORIZING IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM; (CITY MANAGER)

RECOMMENDATION: City Council waive reading of Ordinance No. 616 in its entirety and adopt Ordinance No. 616 entitled, "An Ordinance of the City Council of the City of Morro Bay, California, Authorizing the Implementation of a Community Choice Aggregation Program"

- A-4 PERMANENT APPROVAL OF RESIDENTIAL DESIGN GUIDELINES; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: City Council review and adopt Resolution No. 81-18 reauthorizing the use of the Residential Design Guidelines permanently.

- A-5 FIRE PREVENTION WEEK PROCLAMATION; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-6 BREAST CANCER AWARENESS MONTH PROCLAMATION; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

The public comment period for the Consent Agenda was opened.

Cynthia Hawley recommended Item A-4 should be noticed as a public hearing item and certified by the Coastal Commission.

Jesse Barron, Morro Bay, appreciated the Fire Prevention Week proclamation and, regarding Community Choice Aggregation, expressed support but was concerned the partnership might not be favorable to Morro Bay.

Betty Winholtz, Morro Bay, stated approval of Residential Design Guidelines should be a public hearing item, and include clearly defined height limits and photos of Morro Bay.

Steve Stevens, Morro Bay, agreed with previous speakers regarding Item A-4 and recommended a more deliberative process.

The public comment period for the Consent Agenda was closed.

Mayor Irons pulled Item A-4.

MOTION: Council Member Heading moved the Council approve all items on the Consent Agenda with the exception of Item A-4. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

A-4 PERMANENT APPROVAL OF RESIDENTIAL DESIGN GUIDELINES; (COMMUNITY DEVELOPMENT)
https://youtu.be/PKZ9_E73suQ?t=4030

Community Development Director Graham responded to concerns raised during public comment.

MOTION: Council Member Heading moved for approval of Item A-4. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

At the Mayor's request, City Manager Collins spoke to concerns raised regarding the risk sharing between the City of San Luis Obispo and Morro Bay in the Community Choice Energy agreement.

B. PUBLIC HEARINGS

B-1 ADOPTION OF RESOLUTION NO. 82-18 APPROVING CONCEPT PLAN CONDITIONAL USE PERMIT NO. UP0-509 FOR HARBORWALK PLAZA, 833 EMBARCADERO AND; EXTENSION OF SHORT-TERM LEASE AGREEMENT BETWEEN CITY OF MORRO BAY AND TLC FAMILY ENTERPRISES FOR LEASE SITE 87-88/87W-88W, LOCATED AT 833 EMBARCADERO; (COMMUNITY DEVELOPMENT/HARBOR)
https://youtu.be/PKZ9_E73suQ?t=4595

Senior Planner Jacinth provided the report, noting a new staff recommended Condition #21 requiring no condiments be placed at outdoor tables on the west and north-west side of the

building. Harbor Director Endersby provided information related to the proposed extension of the existing short-term lease agreement.

Mayor Irons invited the applicant to speak.

The project architect, Chris Parker, spoke on behalf of the applicant describing the proposed HarborWalk Plaza project.

Cherise Hansson, TLC Family Enterprises, provided a video showing the public benefit portion of the project including vertical view corridors on each side of the building, a larger harbor walk with removable tables, LEED certification of silver or better, a safe innovative play area, public seating in common areas, and a variety of affordable food options.

The applicant and staff responded to Council inquiries.

The public comment period for Item B-1 was opened; seeing none, the public comment period was closed.

Following discussion, there was Council support for staff recommended Condition #21 and concurrence on the following new conditions:

- 4 to 8 capacity public bike rack placed so as not to impede pedestrian flow.
- Minimum of three trash cans with self-closing lids with locations identified on plans submitted for Precise Plan approval.
- Soft landing material in the children's play area that meets safety standards.

MOTION: Council Member Heading moved the Council approve the Concept Plan Conditional Use Permit No. UP0-509 with the four added conditions, as discussed. The motion was seconded by Council Member McPherson.

AMENDED MOTION: Council Member Heading amended the motion to include adoption of Resolution No. 82-18, revised to include the four conditions discussed by Council. The amended motion was seconded by Council Member McPherson and carried unanimously, 5-0.

MOTION: Council Member McPherson moved for approval of an extension to the short-term lease agreement with TLC Family Enterprises for Lease Site 87-88/87W-88W, located at 833 Embarcadero. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

The Council took a brief recess at 8:40 p.m. The meeting reconvened at 8:52 p.m. with all members present.

C. BUSINESS ITEMS

C-1 ADOPT RESOLUTION NO. 84-18 ESTABLISHING THE CITY OF MORRO BAY'S ACCOUNTING AND FINANCIAL REPORTING POLICIES RELATED TO FINANCIAL MANAGEMENT; UNCLAIMED PROPERTY; FRAUD, WASTE AND ABUSE; DISPOSAL OF SURPLUS PROPERTY AND EQUIPMENT; PURCHASE ORDERS; THE WATER RECLAMATION FACILITY RATE SURCHARGE ADJUSTMENT POLICY, AND THE PRORATION FOR UTILITY BILLS AND NOTIFICATION TO CUSTOMERS POLICY; (FINANCE)

https://youtu.be/PKZ9_E73suQ?t=4595

Finance Director Callaway presented the report and responded to Council inquiries.

The public comment period for Item C-1 was opened; seeing none, the public comment period was closed.

The Council discussed and agreed upon the following revisions which were read into the record by Ms. Callaway:

- On page 2 of the Financial Management Policy (page 201 of the agenda packet) – strike reference to Rabobank and replace with “City Council approved accounts.”
- On page 4 of the Financial Management Policy (page 203 of the agenda packet) – change prepaid expenses amount from \$500 to \$1,000 in two locations.
- Correct page numbering issue in Financial Management Policy.
- On page 1 of the WRF Rate Surcharge Adjustment Policy (page 230 of the agenda packet), revise the last paragraph in the Policy Statement section to state, “The 2018 Proposition 218 WRF surcharge is intended to provide the amount of rate revenue necessary to retire the debt that will be used to finance the construction of the WRF and ancillary facilities.”

MOTION: Council Member Makowetski moved the Council adopt Resolution No. 84-18 with amendments as stated by Ms. Callaway. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

C-2 2018 CITY GOALS AND OBJECTIVES STATUS UPDATE AND ADOPT RESOLUTION NO. 83-18 ESTABLISHING A COMMUNITY OUTREACH PROCESS FOR REVIEWING CITY GOALS AND OBJECTIVES AND RESCINDING RESOLUTION NO. 72-15; (CITY MANAGER)
https://youtu.be/PKZ9_E73suQ?t=11440

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

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

There was Council consensus to revise the fifth bullet point regarding community engagement in Section IV (page 240 of the agenda packet) to state, “In the years following an election, in January through mid-February, staff will provide numerous opportunities for the community to engage in the process and to provide input in a variety of ways, including community forum(s).”

Regarding 2018 City Goals, Mayor Irons noted that, based on new information from staff, a resolution committing to the completion of the General Plan Update in 2018 should be amended to reflect the new completion date.

City Attorney Pannone noted Resolution No. 83-18 would be corrected to clarify Resolution No. 72-15 was being rescinded.

MOTION: Council Member Heading moved the Council adopt Resolution No. 83-18 with amendments discussed and corrections noted by the City Attorney. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

C-3 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 617 AMENDING SECTION 3.08.130 OF THE MORRO BAY MUNICIPAL CODE RELATING TO AUTHORITY TO SELL SURPLUS SUPPLIES AND EQUIPMENT; AND APPROVAL OF SALE OF SURPLUS WATER DEPARTMENT VEHICLE; (FINANCE)
https://youtu.be/PKZ9_E73suQ?t=12763

Finance Director Callaway presented the report and responded to Council inquiries.

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

MOTION: Council Member Headding moved for introduction and first reading of Ordinance No. 617, amending Section 3.08.130 of the Morro Bay Municipal Code relating to Authority to Sell Surplus Supplies and Equipment; and approval of sale of surplus Water Department vehicle. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

https://youtu.be/PKZ9_E73suQ?t=13015

None

E. ADJOURNMENT

https://youtu.be/PKZ9_E73suQ?t=13075

The meeting adjourned at 9:53 p.m. The next Regular Meeting will be held on Tuesday, October 23, 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

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
OCTOBER 24, 2018 – 4:30 P.M.
CITY HALL CONFERENCE ROOM

AGENDA NO: A-2
MEETING DATE: November 27, 2018

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 (<i>via teleconference</i>)
	Chris Neumeyer	Assistant City Attorney
	Dana Swanson	City Clerk

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Irons called the meeting to order at 4:30 p.m. with all members present.

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

CLOSED SESSION PUBLIC COMMENT – Mayor Irons opened 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 LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: One matter.

RECONVENE IN OPEN SESSION – The City Council reconvened in Open Session. The Council did not take any reportable action pursuant to the Brown Act.

ADJOURNMENT - The meeting adjourned at 5:32 p.m.

Recorded by:

Dana Swanson
City Clerk

This Page Intentionally Left Blank

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
NOVEMBER 14, 2018 – 4:30 P.M.
CITY HALL CONFERENCE ROOM

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

ABSENT: Marlys McPherson Council Member

STAFF: Scott Collins City Manager
 Joseph Pannone City Attorney
 Eric Endersby Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER
Mayor Irons called the meeting to order at 4:32 p.m. with four members present.

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

CLOSED SESSION PUBLIC COMMENT

Christine Johnson, Central Coast Aquarium, gave an update on the feasibility study and answered questions from the Council.

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

- CS-1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
Title: City Manager

- CS-2 CONFERENCE WITH LABOR NEGOTIATORS**
City Designated Representatives: Joseph W. Pannone, City Attorney
Unrepresented employee, as defined by Government Code subdivision 54957.6 (b): City Manager

- CS-3 CONFERENCE WITH REAL PROPERTY NEGOTIATOR – GOVERNMENT CODE SECTION 54956.8**
Property: Lease Sites 96/96W (House of JuJu, 945 Embarcadero)
Property Negotiators: Stan Van Beurden
Agency Negotiators: Scott Collins, City Manager; Eric Endersby, Harbor Director; and Joseph Pannone, City Attorney
Negotiation: Price and Terms of Payment

- CS-4 GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR:**
Property: Lease Sites 69-70/69W-70W (Morro Bay Aquarium, 595 Embarcadero)
Property Negotiators: Central Coast Aquarium/Christine Johnson
Agency Negotiators: Scott Collins, City Manager; Eric Endersby, Harbor Director; Joseph Pannone, City Attorney; Scot Graham, Community Development Director
Negotiation: Price and Terms of Payment

CS-5 GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR:

Property: Lease Site 87-88/87W-88W Off the Hook/Under the Sea, 833 Embarcadero
Property Negotiators: Cherise Hansson and Travis Leage, TLC Family Enterprises, Inc.
Agency Negotiators: Eric Endersby, Harbor Director; Joseph Pannone, City Attorney; Scott Collins, City Manager
Negotiation: Price and Terms of Payment

CS-6 CONFERENCE WITH REAL PROPERTY NEGOTIATOR – GOVERNMENT CODE SECTION 54956.8

Property: Outfall Facilities Previously Used by Dynegy, located adjacent to the easterly side of Morro Rock
Negotiating Parties: Alla Weinstein, Castle Winds, LLC
Agency Negotiators: Scott Collins, City Manager and Joseph Pannone, City Attorney
Negotiation: Price and Terms of Payment

RECONVENE IN OPEN SESSION – The City Council reconvened in Open Session. The Council did not take any reportable action pursuant to the Brown Act.

ADJOURNMENT - The meeting adjourned at 6:43 P.M.

Recorded by:

Lori M. Kudzma
Deputy City Clerk



AGENDA NO: A-4

MEETING DATE: November 27, 2018

Staff Report

TO: Honorable Mayor and City Council

DATE: November 19, 2018

FROM: Scott Collins, City Manager

SUBJECT: Second Reading and Adoption of Ordinance 618 Authorizing the Implementation of a Community Choice Energy

RECOMMENDATION

Staff recommends the City Council waive reading of Ordinance No. 618 in its entirety and adopt Ordinance 618, "An Ordinance of the City Council of the City of Morro Bay, California, Repealing the Existing Community Choice Aggregation Ordinance (Ordinance No. 616) and Authorizing the Implementation of a Community Choice Aggregation Program By Participating in Monterey Bay Community Power Authority's Community Choice Aggregation Program."

ALTERNATIVES

The City Council could elect not to proceed with Community Choice Energy at this time.

FISCAL IMPACT

The City's share of the costs to complete the tasks required to join the MBCPA are approximately \$12,000 (with the City of San Luis Obispo (SLO)) assuming 80%, and Morro Bay 20% of costs). Staff has identified expenditure savings in the FY 18/19 Budget sufficient to support this one-time cost.

SUMMARY

Based on updated financial information presented at the November 13, 2018, Council meeting and upon recommendation of Council Members Davis and McPherson, who were appointed representatives to the Central Coast Community Energy Board of Directors, the Council (i) adopted Resolution No. 91-18 requesting membership in the Monterey Bay Community Power Authority (MBCPA), (ii) authorized the Mayor to execute the Joint Powers Authority Agreement as amended with MBCPA and (iii) introduced Ordinance No. 618, repealing and replacing Ordinance 616 and authorizing the implementation of a Community Choice Aggregation Program by participating in Monterey Bay Community Power's Community Choice Aggregation Program.

Staff from Morro Bay and SLO attended joint policy and operations boards meeting of the MBCPA on Wednesday, November 14. The boards did not take any formal action during the meeting, but there was consensus support from their members to allow Morro Bay and SLO to become members of MBCPA, with one shared seat on both the policy board and operations board. MBCPA's Policy Board will formally consider this matter at its December 5, 2018 meeting.

ATTACHMENT

CCE Implementing Ordinance No. 618

Prepared By: SC/DS

City Manager Review: SC

City Attorney Review: JWP

ORDINANCE NO. 618

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, REPEALING THE EXISTING COMMUNITY CHOICE AGGREGATION ORDINANCE (ORDINANCE NO. 616) AND AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM BY PARTICIPATING IN MONTEREY BAY COMMUNITY POWER'S COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the City Council has previously directed staff to investigate the feasibility and formation of a Community Choice Aggregation (CCA) program under the provisions of the Public Utilities Code section 366.2 in order to provide electric service to customers within the City of Morro Bay (City) with the intent of achieving reduced greenhouse gas emissions, local renewable power development, competitive electric rates, and the implementation of energy conservation and other energy programs; and

WHEREAS, the City, in cooperation with the City of San Luis Obispo commissioned a technical study showing a CCA program serving the City and surrounding communities would provide several benefits, including:

- Providing customers a choice of power providers and power supply options;
- Increasing local control and involvement in energy rates and other energy-related matters;
- Providing stable electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within the City and surrounding region;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency;
- Improving the local economy resulting from the implementation of a CCA program and local renewable and energy efficiency projects over time; and

WHEREAS, on September 18, 2018 the cities of San Luis Obispo and Morro Bay, formed a Joint Powers Authority called Central Coast Community Energy ("CCCE.") to host a CCA program; and

WHEREAS, on October 9, 2018, the City adopted Ordinance No. 616, as required by Public Utilities Code section 366.2 authorizing the implementation of a Community Choice Aggregation program through CCCE; and

WHEREAS, on October 11, 2018 the California Public Utilities Commission amended the Power Charge Indifference Adjustment, which negatively impacted CCCE's ability to develop a program with the desired financial and environmental benefit; and

WHEREAS, Monterey Bay Community Power Authority (MBCPA) is an established CCA program capable of providing the desired financial and environmental benefits, and

WHEREAS, MBCPA will enter into agreements with electric power suppliers and other service providers and, based upon those agreements, MBCPA will be able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility ("PG&E"). Once the California Public Utilities Commission certifies the amended Implementation Plan adopted by MBCPA, MBCPA will be able to provide service to customers within the City; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to receive service from the incumbent utility will be able to do so; and

WHEREAS, on November 13 and November 27, the City Council held public meetings on the manner in which the City will participate in a CCA program at which time interested persons had an opportunity to testify either in support of or opposition to the implementation of a CCA program serving the City through MBCPA; and

WHEREAS, this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a “project” as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs. § 15378(a)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308).

NOW, THEREFORE, the City Council of the City of Morro Bay does ordain as follows:

SECTION 1. The above recitations are true and correct and material to this Ordinance.

SECTION 2. Based upon the forgoing, the City Council hereby repeals Ordinance No. 616.

SECTION 3. Based upon the forgoing, and in order to provide businesses and residents within the City with a choice of power providers and with the benefits described above, the City Council hereby elects to implement a community choice aggregation program within the jurisdiction of the City by participating as a group in the Community Choice Aggregation Program of MBCPA, as generally described in its Joint Powers Agreement.

SECTION 2. This Ordinance shall take effect 30 days after its adoption. The City Clerk, or her duly appointed deputy, shall attest to the adoption of this Ordinance and shall cause this Ordinance to be published and posted in the manner required by law.

INTRODUCED at a regular meeting the of the City Council of Morro Bay, held on the 13th day of November, 2018, by motion of Mayor Irons, seconded by Council Member Davis.

PASSED AND ADOPTED on the 27th day of November 2018, by the following vote:

AYES:
NOES:
ABSENT:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

APPROVED AS TO FORM:

JOSEPH W. PANNONE, City Attorney

This Page Intentionally Left Blank



AGENDA NO: A-5

MEETING DATE: November 27, 2018

Staff Report

TO: Honorable Mayor and City Council **DATE:** November 20, 2018

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

SUBJECT: Adoption of Resolution No. 92-18, approving OneWater Morro Bay Plan

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 92-18, approving OneWater Morro Bay Plan.

BACKGROUND/ DISCUSSION

The purpose of the OneWater Plan (“Plan”) is to update the previous water, waste water and storm water master plans, and conduct an analysis of the City’s water supplies. That update will (i) identify capacity deficiencies in the water, sanitary sewer, and storm drainage systems, (ii) develop feasible alternatives to correct these deficiencies, and (iii) plan the infrastructure that will serve future modest growth, as envisioned in the City’s draft General Plan development through the year 2040.

The final draft of the Plan was presented to and reviewed by the City Council for adoption on November 13, 2018. At that meeting, Council requested implementation of the Plan be a top priority for the City and, as such, directed staff to bring the Plan back for Council approval via resolution, so that the Plan will be incorporated into the annual budget process to ensure it is implemented.

CONCLUSION

The Plan is critical in determining the necessary capital and maintenance improvements for the water, wastewater and storm drain systems, along with recommending the make-up of the City’s future water supply portfolio to meet goals adopted by City Council since 2016. Additionally, the Plan has informed the General Plan and Local Coastal Plan update regarding water and wastewater resources to accommodate future growth anticipated in the General Plan and as allowed by Morro Bay City Ordinance Number 266. Finally, the costs in the water and collection system Capital Improvement Program have been incorporated into the rate study that was presented to the City Council at their July 10, 2018, meeting; and those costs are covered without the surcharges recently approved by the Council for the Water Reclamation Facility.

ATTACHMENTS

1. Resolution No. 92-18
2. [ONEWATER MORRO BAY PLAN](#), Carollo Engineers (Click on Link)

Prepared By: RL

Dept Review: RL

City Manager Review: SC

City Attorney Review: JWP

RESOLUTION NO. 92-18

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
ADOPTING THE MORRO BAY ONEWATER PLAN (PLAN) AND PROVIDING DIRECTION TO
STAFF FOR IMPLEMENTATION.**

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

WHEREAS, the State of California has experienced many droughts, such as 1841, 1864, 1924, 1928–1935, 1947–1950, 1959–1960, 1976–1977, 2006–2010, and 2012–2018; and

WHEREAS, according to the National Oceanic and Atmospheric Administration (NOAA), estimated global warming accounted for 8–27% of the observed drought anomaly in 2012–2014. Although natural variability dominates, anthropogenic warming has substantially increased the overall likelihood of extreme California droughts; and

WHEREAS, this likelihood of future extreme drought served as a significant motivating factor to create a OneWater Plan for Morro Bay. In addition to conducting an analysis of the City’s water supplies, the OneWater Plan includes the following major elements: update the previous master plans; identify capacity deficiencies in the water, sanitary sewer, and storm drainage systems; develop feasible alternatives to correct these deficiencies; and plan the infrastructure that will serve development through at least 2040.

WHEREAS, the OneWater planning effort (Plan) has continued as a City Goal since 2016 and the following was included in the 2018 Council’s approved Goal and Objectives document:

Goal 2: Water Reclamation Facility (WRF) and OneWater Review and Implementation...The City is also working on a comprehensive plan looking at all the city’s systems that address water, from sewer to potable water to stormwater. The OneWater Plan establishes a plan to secure our water future and establish a long-term capital improvement plan to improve water and sewer infrastructure; and

WHEREAS, the specific components of the Plan have been reviewed by the City Council, and various other advisory bodies in November 2017, May 2018, September 2018 and October 2018.

WHEREAS, the Capital Improvement Costs included in the Plan were reviewed and refined by the “Blue Ribbon Commission” and as part of the Water and Sewer Rate study during the joint meeting between the Public Works Advisory Board (PWAB), Citizens Finance Advisory Committee (CFAC) and Water Reclamation Facility Citizens Advisory Committee (WRFCAC); and

WHEREAS, the Plan will not commit the City to taking specific actions, it is not a project as defined by CEQA and no environmental review is needed at this time. Future actions that rely on the Plan may require such review; and

WHEREAS, the Plan was presented to and reviewed by the City Council for final adoption on November 13, 2018, and Council requested that implementation of the Plan be a top priority and the Plan be approved by resolution and be incorporated into the annual budget process to ensure it is implemented.

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

Section 1. The OneWater Morro Bay Plan is hereby approved and adopted; and

Section 2. Staff is directed to use the Plan’s Capital Improvement Program (CIP) when preparing the City’s annual draft budgets for funding consideration.

Section 3. Staff is directed to use the recommendations for water supply options section of the Plan as guidance in the consideration, development and implementation regarding the composition of the City’s future water supply portfolio.

Section 4. Staff is directed to take the following actions regarding specific water supply options:

- A. Begin the decommissioning of the City’s seawater desalination facility, including but not limited to inactivation of the sea water wells, removal of the seawater pumps and removal of the sea water reverse osmosis pressure vessels, and
- B. Begin the process to relinquish water rights in the Chorro Valley, including the discontinuation of stream flow monitoring

Section 5. Staff is directed to periodically provide updates to the Council regarding the Plan and present updated plans when needed and at least every five years.

Section 6. The Mayor shall sign and the City Clerk shall attest to the passage and adoption of this resolution, and the same shall thereupon take effect

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 27th day of November 2018 on the following vote:

AYES:

NOES:

ABSENT:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

This Page Intentionally Left Blank



AGENDA NO: A-6
MEETING DATE: November 27, 2018

Staff Report

TO: Honorable Mayor and Council Members DATE: November 15, 2018
FROM: Joseph Pannone, City Attorney
SUBJECT: Adoption of Resolution No. 93-18, Establishing a Semi-annual City Manager Evaluation Process and Rescinding Resolution No. 04-18

RECOMMENDATION

Based on comments from the City Council during the City Manager’s evaluation on November 14, 2018, the City Attorney recommends the City Council adopt Resolution No. 93-18, establishing a semi-annual evaluation process for City Manager.

BACKGROUND/DISCUSSION

On January 23, 2018, after hiring Scott Collins as the new City Manager in November of 2017, the City Council decided to modify the evaluation process and form for the City Manager. That was done by the adoption of Resolution No. 04-18. That process implemented a quarterly review of the City Manager. Resolution No. 04-18 also includes a provision stating, at the time of the November 2018 evaluation of the City Manger, the City Council may adopt a new evaluation policy for less than quarterly evaluations, due to the experience the City Council will have had with Mr. Collins.

Resolution No. 93-18 includes substantially all the same provisions as Resolution No. 04-18, but provides for semi-annual evaluations of the City Manager, one in May and one in November. It also expressly clarifies the process for City Department Directors’ evaluation of the City Manager. Based on Resolution No. 93-18, one evaluation will be in May and include only the City Council and City Manager’s narrative evaluations. The one in November will be a complete 360-evaluation by the City Council, the City Manager and the City’s Department Directors. The current evaluation policy has (i) Council and City Manager narrative evaluations in February and August, (ii) City Council and City Manager complete evaluations in May and (iii) City Council, the City Manager and City Department Directors complete 360-evaluations in November.

Now that the Council and City Manager have a full year’s experience with each other, the City Council has determined the frequency of evaluations can be lessened.

CONCLUSION

Adopting Resolution No. 93-18 will provide the City Council and City Manager sufficient opportunity to formally evaluate his performance during the year. Also, at any time the Council chooses, it could schedule a performance evaluation of the City Manager.

ATTACHMENT

1. Resolution No. 93-18, which includes an Exhibit A.

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

RESOLUTION NO. 93-18

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
MODIFYING THE ESTABLISHED CITY MANAGER EVALUATION POLICY;
AND RESCINDING RESOLUTION NO. 04-18**

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

WHEREAS, the Morro Bay City Council is responsible for hiring a City Manager and adopting goals and objectives to direct the affairs of City government; and

WHEREAS, the City Manager is empowered to perform a number of broadly defined duties in order to implement City policies, goals and objectives established and adopted by the City Council; and

WHEREAS, it is appropriate the City Manager's performance in accomplishing his/her assigned duties be evaluated by the City Council at minimum on regular basis.

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

Section 1. Resolution No. 04-18 is hereby rescinded.

Section 2. The Narrative Evaluation (the last page of the attached City Manager Performance Evaluation form, Exhibit A hereinafter referred to as "the form") shall be completed by each Council Member and the City Manager and used for an evaluation of the City Manager by the Council to be scheduled for May. The entirety of the form shall be completed by each Council Member, the City Manager and each City Department Director for an evaluation of the City Manager by the Council to be scheduled for November.

Section 3. The form will be distributed, by the City Attorney or City Council designee, to the appropriate individuals noted above by at least the 15th day of the month preceding the month each evaluation has been scheduled. Each individually completed last page of the form or entirety of the form, as applicable, are to be returned to the City Attorney or Council designee within 15 days after receipt. The City Attorney or Council designee will prepare a summary of the applicable Council evaluations (hereinafter referred to as "Evaluation Summary") submitted.

Section 4. At least 5 days before each scheduled evaluation date, the City Attorney or Council designee shall give a copy of the Evaluation Summary, the evaluations completed by the Department Director, when applicable, and the City Manager self-evaluation to each Council Member and the City Manager. As soon thereafter as possible, the Council shall meet with the City Manager in closed session and review in detail the Evaluation Summary, including stated goals, the evaluations completed by the Department Director, when applicable, and the City Manager self-evaluation. At its discretion, the City Council may meet in one or more closed sessions to consider the Evaluation Summary and City Manager's self-evaluation. A final copy of the Evaluation Summary, reflecting the vote and signed by each Council Member, the evaluations

completed by the Department Directors, when applicable, and the City Manager's self-evaluation shall be given to the City Manager and a copy shall be placed in the City Manager's personnel file. All Council Members' individual evaluation forms will be placed in a sealed envelope and retained by the Personnel Department accessible only to seated (not newly-elected) Council Members for the tenure of the City Manager's employment.

Section 5. The Mayor shall sign and the City Clerk shall attest to the passage and adoption of this resolution, and the same shall thereupon take effect

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 27th day of November 2018 on the following vote:

AYES:
NOES:
ABSENT:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

CITY OF MORRO BAY
CITY MANAGER PERFORMANCE EVALUATION

EVALUATION PERIOD: _____ TO _____

City Council Member's Name

Each Member of the City Council should complete this evaluation form, sign it in the space below, and return it to _____. The deadline for submitting this performance evaluation is _____. Evaluations will be summarized and included on the agenda for discussion at the work session on _____.

City Council Member's Signature

Date Submitted

CITY OF MORRO BAY

CITY MANAGER PERFORMANCE EVALUATION SUMMARY

EVALUATION PERIOD: _____ TO _____

Based on the City Manager Performance Evaluations submitted by each City Council Member, this City Manager Performance Evaluation Summary (“Evaluation Summary”) was prepared by:

Name and Title

Date

The Morro Bay City Council approved the Summary Evaluation and presented it to the City Manager at a Closed Session Meeting held on the _____ day of _____ on the following vote:

AYES:

NOES:

ABSENT:

Mayor signature

Mayor Pro Tem Signature

Council Member _____
signature

INSTRUCTIONS

This evaluation form contains ten categories of evaluation criteria. Each category contains a statement to describe a behavior standard in that category. For each statement, use the following scale to indicate your rating of the City Manager's performance.

- 5 = Excellent** (almost always exceeds the performance standard)
- 4 = Above average** (generally exceeds the performance standard)
- 3 = Average** (generally meets the performance standard)
- 2 = Below average** (usually does not meet the performance standard)
- 1 = Poor** (rarely meets the performance standard)

Any item left blank will be interpreted as a score of "3 = Average"

This evaluation form also contains a provision for entering narrative comments, including an opportunity to list any comments you believe appropriate and pertinent to the rating period. Please write legibly.

Leave all pages of this evaluation form attached. Initial each page. Sign and date the cover page. On the date space of the cover page, enter the date the evaluation form was submitted. All evaluations presented prior to the deadline identified on the cover page will be summarized into a summary report to be presented by the governing body to the City Manager as part of the agenda for the meeting indicated on the cover page.

PERFORMANCE CATEGORY SCORING

1. INDIVIDUAL CHARACTERISTICS

- ___ Diligent and thorough in the discharge of duties, "self-starter"
- ___ Exercises good judgment
- ___ Displays enthusiasm, cooperation, and will to adapt
- ___ Mental and physical stamina appropriate for the position
- ___ Exhibits composure, appearance and attitude appropriate for executive position

Add the values from above and enter the subtotal of ___ ÷ 5 = ___ score for this category

2. PROFESSIONAL SKILLS AND STATUS

- Maintains knowledge of current developments affecting the practice of local government management
- Demonstrates a capacity for innovation and creativity
- Anticipates and analyzes problems to develop effective approaches for solving them
- Willing to try new ideas proposed by the Council and/or staff
- Sets a professional example by handling affairs of the public office in a fair and impartial manner

Add the values from above and enter the subtotal of _____ ÷5 = _____ score for this category

3. RELATIONS WITH ELECTED MEMBERS OF THE CITY COUNCIL

- Carries out Council directives as a whole as opposed to those of any one Member or minority group
- Sets meeting agendas that reflect the guidance of the Council and avoids unnecessary involvement in administrative actions
- Disseminates complete and accurate information equally to all Members in a timely manner
- Assists by facilitating decision making without usurping authority
- Responds well to requests, advice, and constructive criticism

Add the values from above and enter the subtotal of _____ ÷5 = _____ score for this category

4. POLICY EXECUTION

- Implements Council actions in accordance with the intent of Council
- Supports the actions of the Council after a decision has been reached, both inside and outside the organization
- Understands, supports, and enforces local government’s laws, policies, and ordinances

___ Reviews ordinance and policy procedures periodically to suggest improvements to their effectiveness

___ Offers workable alternatives to the governing body for changes in law or policy when an existing policy or ordinance is no longer practical

Add the values from above and enter the subtotal of ___ ÷ 5 = ___ score for this category

5. REPORTING

___ Provides regular information and reports to the Council concerning matters of importance to the local government, using the Morro Bay Municipal Ccode and adopted policies as a guide

___ Responds in a timely manner to requests from the Council for special reports

___ Takes the initiative to provide information, advice, and recommendations to the Council on matters that are non-routine and not administrative in nature

___ Reports produced by the City Manager are accurate, comprehensive, concise and written to their intended audience

___ Produces and handles reports in a way to convey the message that affairs of the organization are open to public scrutiny

Add the values from above and enter the subtotal of ___ ÷ 5 = ___ score for this category

6. CITIZEN RELATIONS

___ Responsive to requests from residents

___ Demonstrates a dedication to service to the community and its residents

___ Maintains a nonpartisan approach in dealing with the news media

___ Meets with and listens to members of the community to discuss their concerns and strives to understand their interests

___ Gives an appropriate effort to maintain resident satisfaction with City services

Add the values from above and enter the subtotal of ___ ÷ 5 = ___ score for this category

7. STAFFING

- ___ Recruits and retains competent personnel for staff positions
- ___ Applies an appropriate level of supervision to improve any areas of substandard performance
- ___ Stays accurately informed and appropriately concerned about employee relations
- ___ Professionally manages the compensation and benefits
- ___ Promotes training and development opportunities for employees at all levels of the organization

Add the values from above and enter the subtotal of ___ ÷ 5 = ___ score for this category

8. SUPERVISION

- ___ Encourages head of departments to make decisions within their jurisdictions with minimal City Manager involvement, yet maintains general control of operations by providing the right amount of communication to the staff
- ___ Instills confidence and promotes initiative in subordinates through supportive rather than restrictive controls for their programs while still monitoring operations at the department level
- ___ Develops and maintains a friendly and informal relationship with the staff and work force in general, yet maintains the professional dignity of the City Manager's office.
- ___ Sustains or improves staff performance by evaluating the performance of staff members at least annually, setting goals and objectives for them, periodically assessing their progress, and providing appropriate feedback
- ___ Encourages teamwork, innovation, and effective problem-solving among the staff members

Add the values from above and enter the subtotal of ___ ÷ 5 = ___ score for this category

9. FISCAL MANAGEMENT

- ___ Prepares a balanced budget to provide services at a level directed by Council
- ___ Makes the best possible use of available funds, conscious of the need to operate the City efficiently and effectively
- ___ Prepares a budget and budgetary recommendations in an intelligent and accessible format
- ___ Ensures actions and decisions reflect an appropriate level of responsibility for financial planning and accountability
- ___ Appropriately monitors and manages fiscal activities of the organization

Add the values from above and enter the subtotal of _____ ÷ 5 = _____ score for this category

10. COMMUNITY

- ___ Shares responsibility for addressing the difficult issues facing the City of Morro Bay
- ___ Avoids unnecessary controversy
- ___ Cooperates with neighboring communities and the County
- ___ Helps the Council address future needs and develop adequate plans to address long term trends
- ___ Cooperates with other regional, State and Federal government agencies

Add the values from above and enter the subtotal of _____ ÷ 5 = _____ score for this category

TOTAL PERFORMANCE CATEGORY SCORE:

Add the score for categories 1 – 10 and enter the subtotal of _____ ÷ 10 = _____

NARRATIVE EVALUATION

1. Strengths

2. Weaknesses

3. Opportunities

4. Threats

PERFORMANCE OBJECTIVES FOR COMING YEAR

What does the Manager do that you would like him/her to continue, or is there anything you would like him/her to do differently? In what areas should the Manager focus his/her attention in the coming year?

This Page Intentionally Left Blank



AGENDA NO: A-7

MEETING DATE: November 27, 2018

Staff Report

TO: Honorable Mayor and City Council

DATE: November 19, 2018

FROM: Scott Collins, City Manager
Rob Livick, Public Works Director
Janeen Burlingame, Senior Analyst

SUBJECT: Direction Regarding Potential Reuse of Soon to be Decommissioned Trolley as a Mobile Visitor Center

REVISED RECOMMENDATION

Staff recommends the Council direct staff to sell the Trolley that is set for decommissioning and replacement, sending all sale proceeds to the City's Transportation Fund and pursue further review of options related to the City's Visitor Center during the 2019 Goals process.

BACKGROUND/SUMMARY

This item was continued from the November 13, 2018 City Council Meeting. The original staff report is included for reference. Based on Council discussion that occurred during that meeting, the staff recommendation has been revised.

Prepared By: __DS____ Dept Review: _____
City Manager Review: __SC____ City Attorney Review: _____



AGENDA NO: C-4

MEETING DATE: November 13, 2018

Staff Report

TO: Honorable Mayor and City Council

DATE: November 5, 2018

FROM: Scott Collins, City Manager
Rob Livick, Public Works Director
Janeen Burlingame, Senior Analyst

SUBJECT: Direction Regarding Potential Reuse of Soon to be Decommissioned Trolley as a Mobile Visitor Center

RECOMMENDATION

City Council

- 1) Direct staff to sell the Trolley that is set for decommissioning and replacement, sending all sale proceeds to the City's Transportation Fund and pursue further review of the option to locate the City's visitor center at the old aquarium building, or
- 2) Direct staff to conduct further review of reusing the old trolley as a mobile visitor center; or
- 3) Provide other direction to staff as appropriate.

ALTERNATIVES

- 1) Maintain status quo for the visitor center, and sell the trolley with all sale proceeds going to the City's Transportation Fund.

FISCAL IMPACT

If the City Council elects to sell the old City trolley slated for decommissioning and replacement in 2019, then proceeds from the sale (estimated to be between \$40,000 to \$50,000) would be directed to the City's Transportation Fund. If the Council elects not to sell the old trolley and reuse it as a mobile visitor center or other City purpose, then the City would need to reimburse the Transportation Fund from the General Fund or other qualifying funding source in the amount equal to the resale value of the old trolley, approximately \$40,000 to \$50,000.

The City may experience additional fiscal impacts if it pursues an alternative visitor center option than the current approach. Those costs would be determined upon further study should City Council direct staff to conduct that review.

BACKGROUND/DISCUSSION

At the September 25, 2018, City Council meeting, Council received a report from staff indicating one of the City's existing trolleys has reached the end of its useful life and a replacement trolley is required. In approving the purchase of a new trolley, Council directed staff to explore the option of using the trolley set for decommissioning and replacement as a mobile visitor center and bring back an item for discussion by the Council.

Since that time, staff has conducted a very cursory review of the option to use the old trolley as a mobile visitor center. In addition, staff has reviewed the performance of the existing visitor center,

Prepared By: JB/RL

Dept Review: _____

City Manager Review: SC

City Attorney Review: JWP

which is not ideally located for visitors to Morro Bay. Finally, staff has reviewed other options for locating the visitor center in the tourist serving areas of the City. The report below provides a summary of that staff review.

Current Visitor Center

The visitor center provides a vital link between visitors to Morro Bay and our hotels, restaurants and services. Even in the age of ubiquitous use of smartphones in America, with the yellow pages at your disposal by a push of your finger, visitor centers are critical in connecting tourists to what they are seeking. Positive and useful interactions with visitor center staff leaves a positive and lasting mark in the visitor's mind, while keeping their spending local in Morro Bay. Also, as a result of a positive visitor center experience, they are more likely to return to Morro Bay in the future.

The current Morro Bay visitor center is located at 695 Harbor Street and is operated by the Chamber of Commerce (Chamber) via a contract with the City. The City pays the Chamber \$50,000 a year to operate the visitor center. The visitor center was previously located closer to the heart of downtown just a few blocks from the Embarcadero. Prior to that, it was located on the Embarcadero.

Unfortunately, as the visitor center has moved further away from the main tourist serving areas, the number of visitor drop-ins to the center has declined. That drop has occurred over the same period of time where the number of visitors to Morro Bay overall have increased, as evidenced by an incremental increase in hotel occupancy rates and increases in transient occupancy tax receipts. The main contributing factor to the decline in visits to the visitor center is the poor location. It is not a reflection on the Chamber's management of the visitor center; in fact, the Chamber has been complimented regularly for the excellent customer service. Ultimately, however, the visitor center should be in an easy to find location, and where tourists already are. The current visitor center does not meet either of those criteria. Thus, a review of options to consider moving the visitor center to a more suitable location is warranted.

Mobile Visitor Center Option

Staff envision the trolley would be parked in the heavier trafficked visitor serving areas, such as the Embarcadero and downtown. The trolley would be parked in popular areas to gain the greatest visibility and visitation possible. That would remove 1 to 2 public parking spaces when the trolley would be in use as the visitor center and would require a permit for that use.

In order to make that option work, the City would need to reimburse the Transportation Fund in the amount equal to the resale value of the trolley. Staff estimates the reimbursement would impact the General Fund or other funding source approximately \$40,000 to \$50,000. Other considerations include staffing the mobile visitor center and understanding if that would replace the visitor center or just serve as an auxiliary to the existing visitor center and what it would cost to outfit the vehicle to accommodate the visitor center use.

Other Option for Visitor Center

Another option for the Council to consider is placing the visitor center in the old aquarium store front, which is currently vacant, on a temporary basis as the future of the building is under examination. That location is one of the most highly trafficked visitor serving areas of the City, a natural location for a visitor center. That building could likely accommodate a visitor center alongside another use. Some questions that need to be vetted before the City has sufficient information to recommend that option to Council include, but are not limited to, oversight/staffing the visitor center, costs to improve the building to serve as a visitor center, compatibility with other uses

in the building and rent structure, if any. In addition, the City would likely need to pay some rent to host the visitor center there because it is part of the tidelands trust. Finally, the City would need to determine who would operate the visitor center. The most sensible staffing option includes moving the Tourism staff to that building and having them operate the visitor center. Under that scenario, the City would no longer pay the Chamber to operate the visitor center, and those funds could be used to pay the annual rent and upfront costs of improving the facility.

Of course there may be other options the City could pursue, such as downtown locations, like the vacant Bank of America building, or other Embarcadero facilities, as they become available.

Status Quo Option

As an alternative to the mobile visitor center or relocation to the old aquarium building, the City Council may wish to maintain the status quo for the visitor center and pursue sale of the old trolley, directing all sale proceeds to the City's Transportation Fund.

ATTACHMENTS

None.



AGENDA NO: C-1

MEETING DATE: November 27, 2018

Staff Report

TO: Honorable Mayor and City Council

DATE: November 20, 2018

FROM: Scott Collins – City Manager
Rob Livick, PE/PLS – Public Works Director/City Engineer

SUBJECT: Approval of Water Reclamation Facility Program Management Contract Amendment No. 1

RECOMMENDATION

Staff recommends the City Council authorize the Public Works Director to sign Amendment No. 1 (Attachment 1) to the existing agreement with Carollo Engineers, Inc., dated April 11, 2018 for program management of the Water Reclamation Facility (WRF) Program in an increased amount of \$1,606,948.

ALTERNATIVES

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

FISCAL IMPACT

When initially hired in April 2018, Carollo Engineers, Inc. (Carollo) provided a detailed scope and budget for \$292,000 for work performed between April 11, 2018, and December 31, 2018. That initial phase of work (Phase 1), referred to as the Project Confirmation phase, included establishing a roadmap for the remainder of the WRF Program and successfully bring the design-build team for the WRF onboard.

In addition to the detailed scope and budget for Phase 1, Carollo also provided an estimate for the entirety of the program management effort (anticipated end date in FY22/23) of \$7.64M. That estimate for program management, including the requisite construction management, was consistent with previous estimates established for those services. Those estimates are also comparable to industry standards for program management costs for capital projects that have a similar scope and budget as that of the WRF.

As outlined in the April 10, 2018 staff report, for each year of the Program, the City will review Carollo's scope and budget for the upcoming fiscal year and present them to the City Council for review and approval. That approach allows flexibility as the Program moves through each phase and new information and project definition becomes available. The Program is now moving into Phase 2 (Program Implementation). Phase 2 will focus on program controls, funding support, permitting support, and providing technical direction to the WRF design-build team. The total estimated cost of Phase 2 is \$2,000,000. Based on the information available at this time, Carollo has developed a Scope of Services (Amendment No. 1) that covers the majority of anticipated activities for the remainder of FY 18/19 and

Prepared By: RL/EC Dept Review: _____
City Manager Review: SC City Attorney Review: JWP

the first half of FY 19/20 (through December 31, 2019) of \$1,606,948. The detailed Scope of Services is included as Exhibit A to Amendment No. 1 and the detailed fees is included in Exhibit B to Amendment No. 1. Attachment 2 to this report provides the breakdown of this amendment over the duration of the WRF Program by fiscal year.

The City has budgeted a total of \$9,378,776 in FY 2018/19 for the overall WRF program and as of November 20, 2018, \$244,868.30 has been expended.

After coming onboard and receiving proposals from the WRF design-build teams, Carollo began working with City staff, the City's rate consultant, and the City Manager-created Blue Ribbon Commission to develop a new WRF Program budget. As part of that effort, Carollo reduced the program management budget and allocated the revised budget to each fiscal year between FY 18/19 and FY 21/22. The level of effort summarized in Attachment 2 shows how the tasks for Amendment No. 1 compare to those revised program management budget estimates developed in June/June 2018.

BACKGROUND

At the April 10, 2018, City Council meeting, Carollo was awarded a contract for program management services (Item No. C-1). Since coming onboard, Carollo has helped the City achieve several key milestones for the WRF Program including:

- Certification of the Final Environmental Impact Report (FEIR)
- Completion of the Proposition 218 process and adoption of new water and sewer surcharges
- Submission of a complete U.S. Environmental Protection Agency (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) low-interest loan application
- Selection of the preferred WRF design-build team
- Award of a contract to the selected WRF design-build team

Carollo's initial Scope of Services was focused on making sure the Program was structured appropriately and included the following activities:

- Conducting an overall assessment of the WRF Program
- Conducting an evaluation of the current WRF technical approach
- Conduct comprehensive review of the design-build proposals for the WRF
- Supporting negotiations for the WRF design-build contract
- Developing a program controls plan
- Developing a program team integration plan
- Providing regular program updates to the City Manager, City Council, and community

As the WRF design-build team begins the detailed design of the WRF, Carollo will play a critical technical support and design oversight role in preparation of Phase 3 (Program Oversight). Carollo will also focus on permitting the potable reuse aspect of the WRF Program with the California State Water Resources Control Board - Division of Drinking Water (DDW). The complete list of Carollo's task will include:

- Providing WRF design oversight and technical support;
- Leading the Coastal Development Plan permitting effort with the County of San Luis Obispo for the WRF and receipt of the necessary report the purchase of the South Bay is in conformity with the County's General Plan;
- Developing key documents including the Title 22 Engineering Report and Report of Waste Discharge and coordinating with DDW to advance the potable reuse permit process;
- Providing design oversight and technical support for the lift station(s) and pipelines associated with the conveyance aspects of the WRF Program;
- Developing a formal public outreach plan and providing public outreach services focused on

- construction impacts and potable reuse;
- Providing regular updates to City Council and other key stakeholders;
- Providing program controls focused on keeping the WRF Program on schedule and under budget; and
- Supporting the EPA's review of the City's EPA WIFIA application and completion of the Clean Water State Revolving Fund (CWSRF) application.

As mentioned previously, Amendment No. 1 of Carollo's agreement covers the majority of the Phase 2 program management efforts. In addition to those services identified above, the following activities will need to be scoped and budgeted in order to complete the Phase 2 activities:

- Providing bidding services for the lift stations and pipelines;
- Developing a request for proposals (RFP) for design of the offsite potable reuse facilities (i.e., injection wells in the Lower Morro Groundwater Basin);
- Procuring the designer for the offsite potable reuse facilities; and
- Providing bidding services for the offsite potable reuse potable reuse facilities.

It is anticipated City staff will return to City Council before the end of calendar year 2019 with an amendment to cover those additional services through Amendment No. 2.

CONCLUSION

City Council should consider approving Amendment No. 1 to Carollo's existing contract (dated April 11, 2018) in the increased amount of \$1,606,948 for the period between January 01, 2019 and December 31, 2019 for Phase 2 (Program Implementation) activities of the WRF Program and authorizing the Public Works Director to sign Amendment No. 1.

ATTACHMENT

1. Amendment No. 1, including Exhibits A (Scope of Services), B (Fees) and C (Summary)

**AMENDMENT NO. 1 TO THE
AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF MORRO BAY AND CAROLLO ENGINEERS, INC.**

This Amendment No. 1 is entered into as of November 27, 2018, between the City of Morro Bay, a municipal corporation (City) and Carollo Engineers, Inc., a Delaware corporation (Consultant). (City and Consultant are sometimes referred to individually as “Party” and collectively “Parties.”

RECITALS

WHEREAS, City and Consultant entered into an agreement as of April 10, 2018, for consulting services related to Program Management for the Water Reclamation Facility Project (WRF Project), which was approved by the City Council for a not to exceed amount of \$292,000 (the “Agreement”); and

WHEREAS, the Parties understood the Agreement was to cover completion of the Project Confirmation phase of WRF Project (Phase 1);

WHEREAS, with the successful completion of Phase 1, it is now time for the Project Implementation phase of the WRF Project (Phase 2) to commence; and

WHEREAS, the Parties desire to amend the Agreement to provide for Consultant’s continued services through the completion of Phase 2 and payment for those services.

NOW THEREFORE, City and Consultant mutually agree to amend the Agreement as follows:

1. The term of the Agreement shall remain and continue in effect until tasks described herein are completed, but in no event later than June 30, 2023, unless sooner terminated pursuant to the provisions of the Agreement; provided, that Phase 2 shall be completed by December 31, 2019.
2. Exhibit A, attached hereto and incorporated herein by this reference reflects the Parties’ agreement as to the Scope of Services Consultant shall satisfactorily perform for Phase 2.
3. Exhibit B, attached hereto and incorporated herein by this reference reflects the Parties agreement as to fees to be paid for Consultant’s satisfactory services for Phase 2, which shall not exceed \$1,606,948.00.
4. Except as expressly stated herein, all terms and conditions in the Agreement shall remain in full force and effect.
5. The effective date of this Amendment No. 1 shall be deemed to be November 27, 2018.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to be executed by their duly authorized representatives as of the day first written above.

City

Consultant

By: _____
Rob Livick,
Public Works Director

By: _____
Eric Casares,
Associate Vice President

Attest:

Dana Swanson, City Clerk

By: _____
Ken Wilkins,
Senior Vice President

APPROVED AS TO FORM

Joseph W. Pannone, City Attorney

EXHIBIT A

SCOPE OF SERVICES

This Scope of Services is the first amendment (Amendment No. 1) to the existing agreement executed with Carollo Engineers, Inc., (PROGRAM MANAGER) dated April 11, 2018 to provide Program Management Services to the CITY related to the Water Reclamation Facility Program (PROGRAM). The major components of the PROGRAM include:

- New Water Reclamation Facility (WRF);
- Offsite facilities including pipelines and injection wells to facilitate potable reuse via groundwater injection (OFFSITE POTABLE REUSE FACILITIES); and
- New lift station located near the existing wastewater treatment plant (WWTP), a secondary lift station located near Main Street and Highway 1, raw wastewater force main from the lift station to the WRF, and treated effluent brine line from the WRF to the existing ocean outfall (LIFT STATION AND PIPELINES).

The design and construction of the new WRF is being completed through a design-build process, while the other components of the PROGRAM are being delivered via a traditional design-bid-build procurement. The CITY has selected a design-build team for the new WRF and design of the LIFT STATION AND PIPELINES is currently being designed by the CITY'S design consultant (Water Works Engineers). Procurement of a design engineer for the OFFSITE POTABLE REUSE FACILITIES has not yet been initiated.

One of the reasons the CITY selected Carollo to provide Program Management Services for the PROGRAM is because the PROGRAM MANAGER, Eric Casares, is the primary contact with the CITY and the primary person Carollo would rely on for supervision and performance of this Agreement. Therefore, any change in that assignment would be a material change to this Agreement and would require approval of the CITY'S City Council. The PROGRAM MANAGER will utilize Carollo's technical staff and other members of the CITY'S technical team to successfully deliver all aspects of the PROGRAM.

The duration for the Scope of Services described below is approximately 57 months (4.5 years) in duration, spanning from approximately April 2018 through December 2022. The Scope of Services includes the following elements:

- Evaluation of the PROGRAM (Completed)
- PROGRAM implementation (Completed)
- PROGRAM controls (Ongoing)
- Permitting support (Ongoing)
- Funding support (Ongoing)
- Public outreach (Ongoing)
- Coordination with other PROGRAM consultants (Ongoing)
- Procurement of the WRF design-build team (Completed)
- WRF design-build contract negotiations (Completed)
- WRF design-build technical support services (Ongoing).
- WRF design-build management services (Ongoing)
- Construction oversight for the WRF (Future Contract Amendment)
- Start-up and operational support services for the WRF (Future Contract Amendment).
- LIFT STATION AND PIPELINES technical support services (Ongoing).
- Construction management for the LIFT STATION AND PIPELINES (Future Contract Amendment)

- Development of a request for proposals (RFP) for design of the OFFSITE POTABLE REUSE FACILITIES (Future Contract Amendment)
- Procurement of the designer for the OFFSITE POTABLE REUSE FACILITIES (Future Contract Amendment)
- Bidding services for the OFFSITE POTABLE REUSE FACILITIES (Future Contract Amendment)
- Construction management for the OFFSITE POTABLE REUSE FACILITIES (Future Contract Amendment)

PROGRAM will also include the following project activities: Hydrogeological Investigations; Outside Funding Advise and Coordination; Environmental Permitting/Mitigation; and Rate Setting. However, the PROGRAM MANAGER will be responsible for advice, oversight, coordination and management of those activities, as well as other activities related to the PROGRAM currently being led or may in the future be led by other CITY'S consultants.

The PROGRAM MANAGER has been the lead advisor to the CITY for the procurement of the WRF design-build team and the primary contact with the proposing WRF design-build teams on behalf of the CITY. The PROGRAM MANAGER will continue to provide key advice and coordinate the procurement of the LIFT STATION AND PIPELINES contractor, whereas the CITY'S LIFT STATION AND PIPELINES design engineer will take the lead in answering questions and developing addenda during the bid process. The PROGRAM MANAGER will be the adviser to the CITY for the procurement of the OFFSITE POTABLE REUSE FACILITIES design engineer and the primary contact with those bidding on that project on behalf of the CITY.

Phase 1 (Program Confirmation) - Phase 1 for PROGRAM MANAGEMENT was included as part of a previous Scope of Services. Phase 1 will be completed by December 31, 2018. The goal of Phase 1 was to establish a roadmap for the next four years of the PROGRAM and successfully bring on-board the design-build team for the WRF.

Phase 2 (Program Implementation) - The first portion of Phase 2 of PROGRAM MANAGEMENT is included in this Scope of Services. Phase 2 will begin on approximately December 01, 2018 and continue through December 31, 2019. Phase 2 will focus on program controls, funding support, permitting support, and providing technical direction to the WRF design-build-team. The estimated cost of Phase 2 is \$2,000,000. This Scope of Service is intended to cover the period between December 01, 2018 and December 31, 2019. The remaining portion of Phase 2 (i.e., will be included in a latter Scope of Services (i.e., Amendment No. 2). These services will include:

- Bidding service for the LIFT STATION AND PIPELINES
- Development of a request for proposals (RFP) for design of the OFFSITE POTABLE REUSE FACILITIES
- Procurement of the designer for the OFFSITE POTABLE REUSE FACILITIES
- Bidding services for the OFFSITE POTABLE REUSE FACILITIES

Phase 3 (Program Oversight) - Phase 3 for PROGRAM MANAGEMENT is not included as part of this Scope of Services but will be developed through the CITY'S budgeting process. Phase 3 will begin around January 1, 2020 and continue through December 31, 2022. Phase 3 will focus on program controls, funding support, permitting support, construction oversight/management for the WRF, construction management for the LIFT STATION AND PIPELINES, and construction management for the OFFSITE POTABLE REUSE FACILITIES. The estimated cost of Phase 3 is \$5,300,000.

It is anticipated amendments to the Scope of Services will be developed for each fiscal year of the PRORGRAM. An amendment to cover the remaining portion of Phase 2 will be developed preceding the end of calendar year 2019.

Tasks for Phase 1 Program Confirmation

Task 1 - Program Assessment (Complete)

No additional effort will be assigned to this task for Phase 2.

Task 2 - Technical Evaluation (Complete)

No additional effort will be assigned to this task for Phase 2.

Task 3 - Design-Build Procurement Support (Complete)

No additional effort will be assigned to this task for Phase 2.

Task 4 - PROGRAM Controls Plan (Complete)

No additional effort will be assigned to this task for Phase 2.

Task 5 - PROGRAM Team Integration Plan (Complete)

No additional effort will be assigned to this task for Phase 2.

Task 6 - Routine PROGRAM Update Meetings (Phase 2)

PROGRAM MANAGER will continue to conduct and attend the following regular meetings to discuss progress, current status, and planned activities with internal PROGRAM technical team, CITY staff, and CITY Council for the duration of the PROGRAM:

Subtask 6.1 - Project Update Meetings

PROGRAM MANAGER will continue to hold bi-weekly project update meetings for the core CITY team. The PROGRAM MANAGER will prepare for and lead these meetings. The meetings will consist of updates on project progress, action items for the coming week, task assignments, and any issues that may impact schedule and budget.

Up to sixteen (16) one-hour meetings have been estimated under this task.

Subtask 6.2 - Internal Program Status Meetings

PROGRAM MANAGER will continue to conduct weekly internal progress meetings to include all members of the PROGRAM technical team. The primary focus of this meeting is to discuss engineering issues and the status of individual projects.

Up to thirty two (32) one-hour meetings per have been estimated under this task.

Subtask 6.3 - City Council Meetings

PROGRAM MANAGER will attend monthly CITY Council meetings for the PROGRAM to communicate the PROGRAM progress to the CITY Council. PROGRAM MANAGER will assist CITY staff with development of the Staff Report and will be responsible for preparation of the CITY Council presentation.

Subtask 6.4 - Project Monitoring and Reporting

PROGRAM MANAGER will monitor project schedule and budget and prepare monthly progress reports on the status of the PROGRAM. PROGRAM MANAGER will submit progress reports with the monthly billing statements.

Subtask 6.5 - WRF Onsite Design-Build Partnering Meeting

With the goal of facilitating collaboration between the WRF Design-Build Team, PROGRAM MANAGER, CITY staff, and other key stakeholders, increasing the efficiency and effectiveness of project delivery, and identifying roles and responsibilities for key stakeholders, the PROGRAM MANAGER will facilitate a series of partnering workshops. The first workshop (i.e., pre-construction workshop) is included in this Scope of Services. Additional workshops may be conducted prior to the start of construction in Summer/Fall 2019 and will be included in the next Scope of Services amendment prepared prior to the start of FY 19/20.

Subtask 6.5.1 - Pre-Workshop Interviews

Prior to the pre-construction workshop, the partnering facilitator will hold telephone interviews of several key stakeholders to research and understand the PROGRAM team responsible for the design and construction of the WRF project. These interviews will allow the partnering facilitator to gain insight into stakeholder issues and potential red flags.

Subtask 6.5.2 - Project Delivery Team Kick-Off Partnering Workshop

The partnering workshop may include individuals from the following PROGRAM stakeholders:

- Facilitator Leonard Steinberg
- CITY staff
- Key stakeholders including CITY Council and WRFCAC
- WRF Design-Build Team
- PROGRAM MANAGER and key Carollo technical staff
- LIFT STATION AND PIPELINES Project Manager

The selected participants will be chosen based on their ability to positively impact the project.

In order to immediately demonstrate the commitment to collaboration and partnering, this workshop will begin by incorporating a brief discussion by senior team members from each stakeholder group. These brief comments will be focused on the senior management's commitment to teamwork, collaboration, accountability, open communications and claim prevention and conflict resolution. The workshop will be facilitated by a trained, experienced, neutral, and unbiased facilitator with hands on construction industry expertise.

The goal of the partnering workshop will be:

- Identify potential issues and concerns related to the construction of the project.
- Explore and/or incorporate relevant lessons learned from previous projects to improve construction efficiencies, quality, and safety.
- Co-develop procedures and solutions strategically focused on mitigating identified issues and concerns.

- Design and implement a communications protocol and a Dispute Resolution Ladder.
- Establish mutually agreed upon project goals.
- Demonstrate the stakeholder's commitment to the project goals by developing and executing a PROGRAM Charter (by all stakeholders).
- Determine next steps for maintaining the partnering process.

Task 6 Deliverables:

- Project Update Meetings (bi-weekly up to sixteen [16])
- Internal Program Status Meetings (weekly up to thirty two [32])
- CITY Council Meetings (monthly up to eight [8])
- Monthly Invoices and Progress Reports (monthly up to eight [8])

Task 6 Assumptions:

- The need for future partnering workshops will be determined prior to the beginning of FY 19/20 and would be included in future Scope of Services amendments.

Tasks for Phase 2 Program Implementation

Task 7 - Program Management Oversight

This task expands upon the administrative management services for Phase 1 for the PROGRAM. PROGRAM MANAGER will be responsible for management and coordination of PROGRAM MANAGER's resources and staffing.

Task 8 - Program Controls

The PROGRAM MANAGER will provide overall program management, administration, and controls for the PROGRAM. For the duration of Phase 2, the PROGRAM MANAGER will manage the following projects:

- WRF Project
- CONVEYANCE LIFT STATIONS AND PIPELINES
- OFFSITE POTABLE REUSE FACILITIES

Items covered under this task include, but are not limited to:

- Scope, budget, and schedule management.
- Development and interface with the PMIS.
- Management and coordination of sub consultants.
- Monthly invoicing and schedule updates.
- Monthly progress report preparation.

Subtask 8.1 - Program Management Information System (PMIS) Development

PROGRAM MANAGER will continue the development, management, and support of the Project Management Information System (PMIS) initially developed under Phase 1 (Task 4). The PMIS will be used as the primary information system to support all of the PROGRAM Support tasks. PMIS tasks for Phase 2 will include:

- Conduct two (2) PMIS design workshops with CITY staff to confirm and refine the PMIS configuration to support all PROGRAM projects.

- Implement changes and enhancements to the PMIS as needed to support all PROGRAM projects as to be determined in the PMIS design workshop, within agreed upon schedule and budget constraints for this task.

Subtask 8.2 - Program Monitoring and Reporting

Using the PMIS described in Subtask 8.1, the PROGRAM MANAGER will monitor and report on the status of the PROGRAM. PROGRAM MANAGER will monitor the scope, budget, schedule, and risks for both the PROGRAM as a whole as well as the two (2) individual projects described above. The status for each project and the aggregate of the projects will be measured against the PROGRAM targets for schedule, budget, quality, and other key performance indicators (KPIs). PROGRAM MANAGER will coordinate with PROGRAM team members (i.e., subconsultants, contractors, CITY staff, etc.) to obtain status information and report on the plan for PROGRAM activities. Scope, budget, schedule, and risk management updates for each project will be provided to the PROGRAM MANAGER by the Project Manager for the two (2) projects. PROGRAM MANAGER will report on the PROGRAM status as part of bi-weekly progress meetings and monthly City Council update meetings and other outreach efforts (i.e., website, mailings, etc.).

Subtask 8.2.1 - Scope Management

PROGRAM MANAGER will provide overall management and administration of the scope over the duration of the PROGRAM. This includes assistance with development of the overall PROGRAM scope as a rollup of individual project scopes, management of project scope changes in the context of the overall program, and monitoring of progress towards the established contract scope targets.

Subtask 8.2.2 - Schedule Management

PROGRAM MANAGER will establish the PROGRAM Baseline Schedule, including the schedule for each of the three (3) projects, and monitor the program and project schedules in relation to the baseline schedule for the duration of the PROGRAM. Schedules will be developed using Microsoft Project, updated at least monthly in coordination with individual Project Managers. The schedule will be published to the PMIS, integrated with the public outreach tools and with other reports. PROGRAM MANAGER will perform regular reviews of PROGRAM activities and schedule, and compare progress of critical path activities to the PROGRAM schedule. PROGRAM MANAGER will discuss schedule and critical path activities with the CITY at progress meetings and provide monthly schedule updates as part of the Program Monitoring and Reporting task and at monthly CITY Council meetings.

Subtask 8.2.3 - Budget Management/Cost Control

PROGRAM MANAGER will develop the PROGRAM Baseline Budget, including the budget for each of the projects, and monitor the financial performance of the PROGRAM in relation to the baseline budget for the duration of the PROGRAM. Monthly earned value analyses will be performed using the information from Project Managers and CITY internal costs, to compare current financial performance against the baseline budget and schedule. PROGRAM MANAGER will discuss financial performance with the CITY at the progress meetings and provide monthly budget updates with cash flow projections as part of the PROGRAM Monitoring and Reporting task and at monthly CITY Council meetings.

PROGRAM MANAGER will support the review, processing, and approval procedures for progress payments (i.e., invoices) submitted monthly by Project Managers for each Project. PROGRAM MANAGER will coordinate with Project Managers and engineering supervisors to support the review and approval process for progress payments. Using the PMIS, PROGRAM MANAGER will document and monitor the progress payments for compliance with contract requirements, process and track the payment approvals, and maintain a current log of contract payments.

Subtask 8.2.4 - Risk Management

PROGRAM MANAGER will develop a risk register for the PROGRAM that identifies risks that could impact the ability to meet the established PROGRAM goals and objectives. A risk management workshop will be held with the CITY to review the draft risk register, assign weights and priorities, and identify risk management strategies for the PROGRAM. PROGRAM MANAGER will update and manage the risk register for the duration of the PROGRAM. PROGRAM MANAGER will review the risk register with the CITY on at least a monthly basis and provide updates for reporting purposes as part of the Program Monitoring and Reporting task and at monthly CITY Council meetings.

Subtask 8.2.5 - Document Management

PROGRAM MANAGER will establish and follow a formal document management approach for the PROGRAM, including use of standard file structures, document naming conventions, and forms/templates for technical memoranda, meeting agendas, minutes, and monthly progress reports. PROGRAM MANAGER will utilize the PMIS, established under Subtask 8.1, to support these document management standards, enforce compliance by all PROGRAM team members, and provide that program information is appropriately documented.

Subtask 8.2.6 - Program Communications

PROGRAM MANAGER will support timely and effective communications of the PROGRAM to CITY stakeholders including, but not limited to, the CITY Council. External PROGRAM communications to the general public and other non-CITY stakeholders, will be provided as documented in the Public Outreach task (Task 11). Under this task, PROGRAM MANAGER will assist in preparing materials (i.e., agendas, presentations, etc.) and attend internal CITY meetings (not included as regular progress meetings in Task 7) to communicate the progress and planned activities of the PROGRAM. Up to four (4) meetings have been assumed under this task.

Task 8 Deliverables:

- Program progress reports (monthly up to eight [8]).
- Project scopes and scope change updates (monthly up to eight [8]).
- Baseline schedule and schedule updates (monthly up to eight [8]).
- Baseline budget, cash flow projections, and earned value reports (monthly up to eight [8]).
- Risk register and risk management updates (monthly up to eight [8]).
- Document management standards.
- Program communications meetings, agenda, materials, and minutes (monthly up to eight [8]).

- PMIS functionality enhancements requirements specification (as to be determined during PMIS design workshops), site management, and technical support.
- Progress pay estimate logs.

Task 9 - Funding Support

Subtask 9.1 - Master Water Reclamation Plan Completion Support

In March 2017, the CITY submitted a draft of the Master Water Reclamation Plan to the State Water Resources Control Board (SWRCB) for review. As a result of their review, the SWRCB sent a letter to the CITY dated April 13, 2017 that identified numerous changes to the draft document. In order to receive the remaining \$37,500 of the planning grant and be eligible for a Clean Water State Revolving construction loan (CWSRF), the CITY must incorporate the requested changes, and produce and submit the final document to the SWRCB before December 31, 2018 or it could lose the \$37,500 in grant money and/or put the construction loan for calendar year 2019 at risk.

The Draft Water Reclamation Plan was developed by the CITY's previous program manager (MKN & Associates). However, as of August 31, 2018, MKN & Associates is no longer working with the CITY. Therefore, the current PROGRAM MANAGER will incorporate the changes requested by the SWRCB. In order to meet the SWRCB's requirements, the PROGRAM MANAGER will develop a new cover document that will extensively reference the previous document developed by MKN & Associates. The PROGRAM MANAGER has reviewed this approach with the SWRCB.

Subtask 9.2 - Title XVI Crosswalk Document

On December 29, 2017, the Bureau of Reclamation (Reclamation) received a copy of the Draft Master Water Reclamation Plan. In order for the CITY to be eligible for a Title XVI Water Reclamation and Reuse Program (Title XVI) grant, changes must be made to the Draft Master Water Reclamation Plan so that it is consistent with the Reclamation Directives and Standards. Like Subtask 9.1, the PROGRAM MANAGER will develop a "crosswalk" document that heavily references the Draft Master Water Reclamation Plan, complies with the requirements identified in Reclamation's review, and makes the PROGRAM eligible for a Title XVI grant.

Subtask 9.3 - WIFIA Funding Support

PROGRAM MANAGER will provide general support to facilitate an EPA WIFIA loan agreement. Services include:

- Preparation of a questionnaire to determine the applicability of the WIFIA programmatic environmental impact report (PEIR) for the PROGRAM;
- Participation in monthly coordination calls with WIFIA staff;
- Travel to Washington DC to meet with WIFIA staff and presentations to key EPA stakeholders; and
- Answering questions and providing clarification regarding the CITY's WIFIA application.

Subtask 9.4 - CWSRF Funding Support

PROGRAM MANAGER will provide general support to facilitate a CWSRF loan agreement. Services include:

- Providing technical support to finalize the CWSRF application package with the CITY's environmental consultant (i.e., Kestrel);

- Participation in monthly coordination calls with WIFIA staff;
- Travel to Sacramento to meet with CWSRF staff; and
- Answering questions and providing clarification regarding the CITY's CWSRF application following submission of the complete package.

Task 9 Deliverables:

- One (1) Final Master Water Reclamation Plan.
- One (1) Final Title XVI Report.
- Agenda and meeting minutes for the monthly WIFIA coordination calls.
- Agenda and meeting minutes for the monthly CWSRF coordination calls.

Task 9 Assumptions:

- The Draft Master Water Reclamation Plan was developed by MKN & Associates. Since MKN & Associates is no longer working for the CITY, the PROGRAM MANAGER will be responsible for developing documents that comply with both the SWRCB and Reclamation requirements only. The PROGRAM MANAGER is not responsible for the technical analyses included in the Draft Master Water Reclamation Plan.
- A total of eight (8) monthly coordination calls will be held with WIFIA staff.
- A single trip to Washington DC has been assumed for a period of three (3) days.
- A single trip to Sacramento has been assumed for a period of one (1) day.
- A total of eight (8) monthly coordination calls will be held with CWSRF staff.

Task 10 - Permitting Support

Subtask 10.1 - Regulatory and Land Use Permit

This task includes all resource regulatory agency permitting for the PROGRAM, as well as any land use permitting that maybe needed. PROGRAM MANAGER will coordinate these efforts, and work with members of the PROGRAM technical team, and CITY staff to prepare or complete these processes or permits.

Subtask 10.1.1 - Resource Regulatory Agency Permitting

The PROGRAM will require a variety of permits from State and federal resource regulatory agencies. It is not yet known whether the PROGRAM can be located outside of Waters of the United States, Waters of the State of California, and other resources under federal or State regulatory protection. Depending on the nature of the activity, it may also require a Streambed Alteration Agreement from the State Department of Fish and Wildlife, action 404 permit pursuant to the Clean Water Act from the U.S. Army Corps of Engineers, and Section 401 certification from the RWQCB.

Key resource regulatory permitting agencies for the PROGRAM include:

- U.S. Army Corps of Engineers (pursuant to Section 404 of the Clean Water Act).
- RWQCB (NPDES permit; meeting Porter-Cologne Act requirements; Section 401 certification).
- California Department of Fish and Wildlife (Streambed Alteration Agreement).
- California Environmental Protection Agency, Department of Toxic Substances Control (Site Assessment/Remedial Action Plan).
- San Luis Obispo County Air Pollution Control District (SLOCAPCD).

These agencies will use the Final Environmental Impact Report (FEIR) to assist in their permitting processes. It is assumed that the regulatory permits can be obtained under this Scope of Services (i.e., within six [6] months from the end of the certification by CITY Council of the FEIR). This depends on the permit process being initiated during the CEQA evaluation, and assumes that resource agencies engage in a timely review within their permitting processes.

If there are disagreements between permitting agencies and the CITY, it may require additional supplemental CEQA studies to satisfy resource permitting agency concerns.

Subtask 10.1.2 - Land Use Permitting

PROGRAM will require a variety of permits from State and federal land use permitting agencies, notably the California Coastal Commission among others. Coordination with San Luis Obispo County (COUNTY) will also be required because a portion of the PROGRAM may be permitted under the COUNTY's Local Coastal Plan (LCP). In addition, a California Department of Transportation (Caltrans) encroachment permit would be needed if pipelines will be located within the Caltrans right-of-way.

Key land-use permitting agencies for the PROGRAM could include:

- California Coastal Commission/COUNTY Department of Planning and Building (LCP Amendment).
- CITY (consistency with General Plan/LCP and local land use permits).
- COUNTY (coordination on LCP consistency).
- Caltrans (Encroachment Permit).

As is the case for resource regulatory permitting, these land use agencies will use the FEIR to assist in the permitting processes. If any permitting agency determines the existing FEIR is not sufficient for their permitting purposes, PROGRAM MANAGER will work with the CITY to develop a plan to address agency requirements. The plan may include additional services that would require an amendment to this Scope of Services.

Subtask 10.1.3 - Annexation

This phase of the PROGRAM includes all steps necessary to annex the WRF Project site into the CITY. This includes, but is not limited to, coordinating with LAFCO staff, preparation of necessary application documents and technical reports, and assisting LAFCO staff in preparing staff reports associated with public hearings. If necessary, this subtask also includes modifying the existing FEIR to ensure it is suitable for LAFCO's purposes. However, this determination will be made by LAFCO staff. If modifying the FEIR is needed, PROGRAM MANAGER will work to produce this document. PROGRAM MANAGER's services include coordination with the CITY, and review of preliminary documents. Preparation of a supplementary environmental document is not included in this Scope of Services and would require an amendment to complete.

PROGRAM MANAGER will coordinate with LAFCO staff and assemble the application for annexation describing the PROGRAM's service needs relative to LAFCO requirements and evaluating the PROGRAM's consistency with LAFCO policies, including those associated with the conversion of agricultural land and the provision of water supply. While the ultimate determination of consistency with LAFCO policies must be made by LAFCO, it is useful to coordinate closely with LAFCO staff throughout the entire process to ensure that the

PROGRAM is on the right track, and that the application process will go in a more timely fashion. In this way, if there are issues to be resolved, then they can be addressed early in the process.

Subtask 10.2 - Potable Reuse

Implementation of potable reuse for the CITY will require several permitting efforts including the production of two (2) regulatory documents for potable water reuse:

- Title 22 Engineer's Report (Engineer's Report).
- Report of Waste Discharge (ROWD).

Regulatory authority for projects using recycled water falls to the Division of Drinking Water (DDW) within the SWRCB as well as the RWQCB. The SWRCB establishes general policies governing the permitting of recycled water projects consistent with its role of protecting water quality and sustaining water supplies. The SWRCB also exercises general oversight over recycled water projects, including review of RWQCB permitting practices. The DDW is charged with protection of public health and drinking water supplies and with the development of uniform water recycling criteria appropriate to particular uses of water. The RWQCB is charged with protection of surface and groundwater resources and with the issuance of permits that implement DDW recommendations.

The requirements for indirect potable reuse (IPR) for Groundwater Replenishment Reuse Projects (GRRPs) is clearly defined in the June 2014 revised Title 22 regulations that include extensive guidelines regarding GRRPs. For subsurface injection, the treatment process is required to include RO and AOP and a minimum of two (2) months of subsurface travel time is required before pumping for potable use. Additionally, the RWQCB can implement "additional requirements for a proposed recharge project that has a substantial adverse effect on the fate and transport of a contaminant plume or changes the geochemistry of an aquifer thereby causing the dissolution of constituents, such as arsenic, from the geologic formation into groundwater."

An Engineer's Report is the permitting document for DDW. A ROWD, which includes a summary of anti-degradation analysis, will be required by the RWQCB for groundwater recharge. Engineer's Reports and ROWDs can typically have hundreds if not a thousand pages including support documents, requiring extensive review time.

Subtask 10.2.1 - Title 22 Engineer's Report

PROGRAM MANAGER will develop a Draft and Final Engineer's Report for IPR. Work includes compilation of existing material in accordance with DDW standards as well as development of some new materials. DDW requires potable reuse facilities meet an extensive list of performance criteria for pathogens, nutrients and trace pollutants. Treatment system performance information from other potable water reuse facilities will be required to provide an accurate estimation of future membrane bioreactor (MBR)-based potable reuse for the CITY.

The Engineer's Report will go through extensive regulatory and public review. PROGRAM MANAGER's effort will include preparing for public hearing, attending and summarizing results of hearings, preparing Findings of Fact and Conditions for DDW, and meeting with the regulators as necessary to gain approval of potable reuse for the CITY.

Effort will include summarizing and improving as needed the Industrial Pretreatment Program and/or Sewershed Assessment (i.e., mandatory “Enhanced Source Control Program” or ESCP). These elements are required to reduce potential for contaminants reaching drinking water.

PROGRAM MANAGER will prepare the Engineer’s Report for review and approval by DDW. The Engineer’s Report will detail the following issues:

- Potable reuse program summary;
- Participating partners including roles, responsibilities, and contractual relationship;
- Summary of CEQA related items;
- Summary of stakeholder outreach and coordination;
- Potable reuse regulatory requirements;
- Summary of infrastructure (i.e., treatment, conveyance, injection, extraction) for the potable reuse project;
- Source water quality for potable reuse, including description of industrial pretreatment and source control program;
- Pathogen and pollutant control and treatment;
- Potable reuse operational strategy including direct reuse and groundwater recharge and extraction schemes;
- Development of monitoring and response retention time requirements;
- Review of alternative water sources;
- Demonstration of potable reuse water quality;
- Summary of groundwater basin and basin water quality;
- Summary of domestic water supply production wells;
- Groundwater recharge impacts including anti-degradation analysis;
- Development of a Monitoring and Reporting Program;
- Potable Reuse Operations Plan; and
- Summary of start-up testing requirements.

Subtask 10.2.2 - Report of Waste Discharge

A new ROWD will be required for the groundwater recharge elements of the proposed potable reuse program. A ROWD is required by the RWQCB for any site receiving treated wastewater. While the CITY has a discharge permit (i.e., NPDES permit) for their existing ocean discharge, a new ROWD and discharge permit will be required.

PROGRAM MANAGER shall prepare the ROWD for review and approval by the RWQCB. The ROWD effort does overlap with the Engineer’s Report effort. The ROWD will detail the following issues:

- Potable Reuse program summary;
- NPDES Summary for the relevant utilities;
- Documentation of water and wastewater characteristics;
- Summary of preliminary, secondary, and advanced treatment facilities;
- Summary of treatment and recharge operations;
- Recycled water rules and regulations;

- Documentation of best management practices including industrial pretreatment, laboratory monitoring, etc.;
- Groundwater quality assessment; and
- Anti-degradation analysis.

Subtask 10.2.3 - Brine Analysis and Management

PROGRAM MANAGER will characterize the existing secondary effluent from the CITY's WRF and develop a model of the advanced wastewater treatment processes to estimate recovery rate, pollutant removal, finished water quality, and brine quality. PROGRAM MANAGER will summarize the results of the analysis in a Technical Memorandum (TM) that will include a table of brine flows and pollutant loads. The list of pollutants that will require analysis will be developed based on the discharge limits in NPDES No. CA0047881.

Subtask 10.2.4 - Permitting Guidance and Regulatory Meetings

Over the anticipated duration of Subtask 10.3, a total of three (3) meetings with regulators have been included in this Scope of Services.

Subtask 10.3 - SAFE System

The WRF design-build team has proposed the use of the stormwater adaptive filtration equipment (SAFE) system to manage peak flows in excess of 1.88 million gallons per day (mgd). While the WRF Design-Build Team will be providing technical information to facilitate permitting through the RWQCB, the PROGRAM MANAGER will take the lead in the permitting effort. Tasks will include preparing for and attending meetings with the RWQCB.

Task 10 Assumptions:

- Ability to obtain regulatory permits within six (6) months of CITY Council certification of the FEIR depends on the permit process being initiated during the CEQA evaluation and assumes that resource agencies engage in a timely review within their permitting processes.
- Scope of Services includes coordination with regulatory agencies, CITY, COUNTY, and LAFCO and does not include any supplemental CEQA studies or environmental documents in addition to the FEIR (if required).
- Effort and budget for the potable reuse regulatory work does not include generation of new data or generation of groundwater hydrology data. This work is assumed to be provided by others, or to be done by PROGRAM MANAGER under an amendment to this Scope of Services).
- The potable reuse regulatory work will be performed over a period of nine (9) months to create draft reports, with the work evenly spaced over that time interval. The time period for regulatory review and approval may be up to twelve (12) months. There is substantial overlap within the Engineer's Report and the ROWD. The Engineer's Report would move forward in advance of the ROWD, but both would be concurrently completed.
- The selection of groundwater recharge locations, monitoring well locations, and extraction well locations will be determined by member of the program technical team under a separate Scope of Services.

- The Engineer's Report will detail the necessary groundwater monitoring and treatment process monitoring requirements. However, start-up testing will not occur until the treatment system is constructed and operational. Thus scope and budget for such field assistance and analysis will be included in a future amendment to this Scope of Services.
- The PROGRAM MANAGER has assumed a total of three (3) meetings with DDW and the RWQCB for the permitting for potable reuse.
- The PROGRAM MANAGER has assumed a total of three (3) meetings with the RWQCB for the permitting for the SAFE system.

Task 10 Deliverables:

- Two (2) Draft and one (1) Final Engineer's Report.
- Two (2) Draft and one (1) Final Engineer's Report.
- One (1) Draft and one (1) Final Brine Analysis and Management TM.
- Meeting agenda and minutes for the three (3) anticipated meetings with regulators for potable reuse.
- Meeting agenda and minutes for the three (3) anticipated meetings with regulators for the SAFE system.

Task 11 - Public Outreach

The WRF is not only a significant undertaking for the CITY, but it is also a highly-visible program throughout the CITY that impacts customers, residents, business owners, community leaders, elected officials, regulatory authorities, and funding partners. Clear, timely, and informative communication is instrumental to encouraging trust and collaboration for the successful completion of the PROGRAM. The public outreach effort for the PROGRAM is based on a two-phase approach.

Subtask 11.1 - Public Outreach Plan

The overall approach for the first phase of to the PROGRAM consists of the following components:

- Research and Stakeholder Interviews.
- Strategic Communication Plan.
- Stakeholder Database Development.
- Key Messages.

Subtask 11.1.1 – Research and Stakeholder Interviews

Research will be the basis of the development of the Strategic Communication Plan. A communications/media audit will be conducted to review both media coverage of the PROGRAM and current communications methods and materials, and up to ten (10) one-on-one stakeholder interviews will be conducted to help inform message development. An interview question guide and interview findings summary report will be developed and submitted.

Subtask 11.1.2 – Strategic Communication Plan

The purpose of the Strategic Communication Plan is to inform the community about the purpose and need for the PROGRAM, and provides additional information on the many benefits of potable reuse. In order to develop the plan, the PROGRAM MANAGER will hold a workshop with the CITY to identify outreach and communication priorities and challenges. Once the initial planning session and research are conducted, the PROGRAM MANAGER and CITY will develop the overall Strategic Communication Plan to include:

- **Situation Analysis** - Background information describing the PROGRAM and related conditions, using the research conducted.
- **Project Challenges and Opportunities** - Listing these allows the PROGRAM MANAGER to identify and develop strategies to successfully address the challenges and make the most of the opportunities.
- **Communication Goal** - Clearly articulate why the CITY wants to communicate about this PROGRAM.
- **Objectives** - The results the CITY wants to achieve.
- **Messages** - What does the CITY want to say about the PROGRAM? Messages are key to all communication – written and verbal – and will help the CITY reach various audiences.
- **Audiences** - Who does the CITY want to communicate with? Audiences might consist of individual stakeholders or groups. General audience categories would include interest groups such as business, environmental and agricultural organizations; tourism interests; ratepayers; government officials; schools; multicultural organizations and leaders; civic organizations; medical and health professionals; and state and local regulators. A more detailed list of interested parties will be developed throughout the PROGRAM to facilitate PROGRAM information distribution and strategic engagement.
- **Strategies** - How will the communication goals and objectives be accomplished? Outreach strategies provide the structure for the tactical implementation of the plan or the activities that will be used.
- **Tactics/Activities** – The set of communication tools, appropriate for each audience, used to carry out the identified strategy in order to meet the PROGRAM goals/objectives.
- **Evaluation** - Established measures and metrics to gauge outreach success.
- **Timeline for Implementation** - This will include a calendar for the remainder of the PROGRAM identifying recommended outreach tactics or activities that will be implemented during this timeframe.

Subtask 11.1.3 – Stakeholder Database

Stakeholder Database development includes conducting a stakeholder analysis, and developing a comprehensive database that includes those who may be interested in, or have the ability to impact the PROGRAM. The PROGRAM MANAGER will work directly with the CITY to compile contact information and categorize the stakeholders based on audience and communication needs. As the PROGRAM proceeds, the PROGRAM MANAGER will update and expand the list with new contacts to ensure all interested stakeholders are included. This stakeholder database will be used to keep stakeholders informed about project progress (through newsletters or other communication).

Subtask 11.1.4 - Key Messages

A key message platform must first be developed so it can be used as the basis for all future communications and outreach. Communicating about recycled water potable reuse and construction impacts requires the development of key messages and takeaways that will frame the discussion to the community as a whole as well as to various interest groups.

Subtask 11.2 - Public Outreach (FY 18/19)

Subtask 11.2 includes the anticipated public outreach activities that will occur during the remainder of FY 18/19 (i.e., November 2018 through June 2019) and will include the following components:

Subtask 11.2.1 - Outreach Meetings

Two (2) outreach meetings will be held for the PROGRAM in an open house format where stakeholders can learn about the PROGRAM and speak with team members. The PROGRAM MANAGER will support the CITY in preparing notifications for the meetings, including both a printed notification and electronic notifications. The PROGRAM MANAGER will develop up to eight (8) informational poster displays for the outreach meetings.

Subtask 11.2.2 - Newsletters and Direct Email Notifications

Monthly utility bill newsletter inserts will keep the PROGRAM top of mind with ratepayers throughout design and construction and provide status updates. Newsletters will be brief, and professionally designed with both text and visual elements to convey technical concepts and address known questions.

Direct email will be used to reach a broad base of stakeholders in advance of meetings and events, and to provide project updates throughout design and construction. Email notifications can include links to website information and can include visual elements like photos and maps. Email contact information will be collected during meetings, public outreach efforts, and subscriptions to the PROGRAM website.

Subtask 11.2.3 - Social Media Management

PROGRAM content will be developed on a monthly basis for the CITY's social media channels, including Facebook, Twitter, and Nextdoor. Posts will include photos and updates about project milestones.

Subtask 11.2.4 - Website Update and Management

The website is currently the online hub for PROGRAM updates and materials, and should serve as the go-to source of information about the PROGRAM. A review of the current website will be conducted, including a review of the website traffic, to determine whether changes are needed to the structure or organization of the site. If needed, a website map and content plan will be developed, and the PROGRAM MANAGER will implement changes to the website.

Quarterly content updates would be made to the website to ensure accuracy.

Subtask 11.2.5 - Informational Materials

Informational materials will be developed that clearly explain the PROGRAM purpose and need. The materials will include a fact sheet for distribution in hard copy and electronically, a Frequently Asked Questions document and a PowerPoint presentation that can be used in community meetings and presentations.

Subtask 11.2.6 - Presentations and Speakers Bureau

Public speaking engagements with community organizations will be employed to inform the community about and build the profile of the PROGRAM. A full speaker's bureau plan will be developed and implemented, including identification of target groups, presentation scheduling, presentation preparation, and materials development.

Subtask 11.2.7 - Phone Line and Community Inquiries

An information line will be established to be monitored by the PROGRAM MANAGER for public inquiries. All inquiries will be logged and organized by topic, and responded to in a timely manner.

Subtask 11.3 - Monthly Coordination Meetings

Monthly, in-person meetings will be conducted with the PROGRAM MANAGER's public outreach team and the CITY.

Task 11 Deliverables:

- Communications/Media Audit.
- Stakeholder Interview Guide.
- Stakeholder Interview Report.
- Communication Planning Workshop.
- Strategic Communication Plan.
- Stakeholder Database.
- Message Plan.
- Outreach Meeting Notifications.
- Outreach Meeting Displays.
- Monthly Bill Insert Newsletters.
- Monthly Email Notifications.
- As-Needed Social Media Content.
- Website Map and Content Plan.
- Fact Sheet.
- Frequently Asked Questions.
- Template Community Presentation.
- Public Inquiry Log.
- Monthly Activities Summaries.

Task 11 Assumptions:

- CITY shall identify targets for stakeholder interviews.
- CITY to print all materials and provide postage for any mailings.
- CITY to host PROGRAM website.
- PROGRAM MANAGER to establish information line and the CITY to pay monthly subscription fees.
- PROGRAM MANAGER to establish e-blast system and the City to pay monthly subscription fees.

Task 12 - Conveyance Facilities Design Oversight

Subtask 12.1 - General Design Oversight Services

PROGRAM MANAGER will provide engineering support services for the design and procurement for the LIFT STATION AND PIPELINES. For the purposes of this Scope of Services, it is assumed that the PROGRAM MANAGER will provide project management, design review, and other ancillary engineering support services for up to two (2) lift stations and approximately 2.75 miles of pipelines. The PROGRAM MANAGER will provide a formal review of each submittal and provide review comments to the designer in a comment tracking form. The PROGRAM MANAGER will also work with the CITY to facilitate communicating their comments to the designer for each submittal.

In addition to general support, the PROGRAM MANAGER will facilitate and participate in the following workshops identified by the designer:

- Concept Design Report Workshop.
- 60-Percent Design Submittal Review Workshop.
- 90-Percent Design Submittal Review Workshop.

Subtask 12.2 - Subsurface Utility Engineering

In their scope of services, the designer for the LIFT STATION AND PIPELINES (Water Works Engineers) identified subsurface utility engineering (i.e., potholing) in the amount of \$17,960. Through discussion with the designer for the LIFT STATION AND PIPELINES, the existing potholing budget will not be sufficient to support the design of the LIFT STATION AND PIPELINES based on the preliminary design work that has been completed to date. The PROGRAM MANAGER has included a placeholder amount of \$25,000 for additional subsurface utility engineering.

Task 12 Deliverables:

- Consolidated comment forms for the Concept Design Report, 60-Percent Design Submittal, and 90-Percent Design Submittal.

Task 12 Assumptions:

- Agendas, presentation materials, and meeting minutes will be provided by the designer.

Task 13 - WRF Onsite DB Support

Subtask 13.1 - Design-Build Team Kick-Off Meeting

Key PROGRAM MANAGER staff including the primary contact, key technical leads, and key permitting leads will help prepare for and attend a 2.5 day workshop held at the CITY's office with the WRF Design-Build Team to initiate the design phase of the WRF.

Subtask 13.2 - Design-Build Team Meetings

During the technical review workshops held on August 21 and 22, 2018, PROGRAM MANAGER and WRF Design-Build Team identified the following regular meetings and/or conference calls to be held during the design-phase of the WRF:

- Monthly conference calls.
 - Tentatively, the conference calls have been scheduled for the third Thursday of the month from 1:00 PM to 3:00 PM.
- Monthly in-person meetings.
 - Tentatively, the in-person meetings have been scheduled for the first Thursday of the month from 1:00 PM to 3:00 PM.

Subtask 13.3 - Design Oversight

PROGRAM MANAGER will provide engineering support services for the design and procurement for the WRF. For the purposes of this Scope of Services, it is assumed that the PROGRAM MANAGER will provide project management, design support, and other ancillary engineering support services for the WRF. The WRF Design-Build Team has identified the following submittals that will be reviewed by the PROGRAM MANAGER:

- 30-Percent Design Submittal.
- 60-Percent Design Submittal.
- 90-Percent Design Submittal.

The PROGRAM MANAGER will review each submittal and provide the WRF Design-Build Team with a comment log. The PROGRAM MANAGER will also work with the CITY to facilitate communicating their comments to the WRF Design-Build Team for each submittal.

Subtask 13.4 - Major Equipment Procurement Support

Specifically, the PROGRAM MANAGER will oversee the procurement of equipment for the following main components of the WRF:

- Headworks
 - Submittal No. 1 - Coarse Screening/Screenings Washing/Grit Removal
 - Submittal No. 2 - Fine Screening
 - Submittal No. 3 - Odor Control
- Stormwater Adaptive Filtration Equipment (SAFE)
 - Submittal No. 4 - Cloth Media Disk Filters
- Biological Nutrient Removal
 - Submittal No. 5 - Fine Bubble Membrane Diffusers
 - Submittal No. 6 - High-Speed Turbo Blowers
- Membrane Bioreactor (MBR).
 - Submittal No. 7 - MBR
- Reverse Osmosis (RO)
 - Submittal No. 8 - RO
- Ultraviolet/Advanced Oxidation (UV/AOP)
 - Submittal No. 9 - UV Reactors
- Chemical Handling and Feed
 - Submittal No. 10 - Peristaltic Pumps
- Dewatering
 - Submittal No. 11 - Belt Filter Press (BFP)

- Storage and Pumping
 - Submittal No. 12 - End-Suction Centrifugal Pumps
 - Submittal No. 13 - Glass-Lined Bolted Steel Tank
- Purified Water Conditioning
 - Submittal No. 14 - Calcite Contactors

Procurement will include the initial review of the procurement packages for the above major pieces of equipment and process areas. Once proposals are received from the equipment manufacturers, the PROGRAM MANAGER will review the proposals and work with the WRF Design-Build Team and CITY to select the preferred manufacturer. Comments on the major equipment package procurement documents will be consolidated along with comments from CITY staff into a comment form that will be delivered to the WRF Design-Build Team. The review of the results of the procurement will be summarized in a letter technical memorandum.

Subtask 13.5 - Major Subconsultant Procurement Support

Per the final design-build contract, the PROGRAM MANAGER will participate in the procurement of subcontractors that are performing more than \$200,000 of work for the WRF. Procurement will include the initial review of the procurement packages for the subcontractors. Once proposals are received from the subcontractors, the PROGRAM MANAGER will review the proposals and work with the WRF Design-Build Team and CITY to select the preferred subcontractor. Comments on the subcontractor procurement documents will be consolidated along with comments from CITY staff into a comment form that will be delivered to the WRF Design-Build Team. The review of the results of the procurement will be summarized in a letter technical memorandum.

Based on discussions with the WRF Design-Build Team, the PROGRAM MANAGER anticipates participation in the procurement for the following subcontractors:

- Painting/coating.
- Reinforcing steel.
- Building mechanical (i.e., HVAC).
- Earthwork.
- Paving.
- Fencing.
- Landscaping.

Subtask 13.6 - Process Site Visits

Based on meetings with CITY staff and the WRF Design-Build Team, the PROGRAM MANAGER has identified the following site visits that should be conducted before the WRF Design-Build Team delivers the 30-Percent Design Submittal. Specially, these site visits include tours for wastewater facilities employing the use of a MBR utilizing Fibrecast membranes and a total of two (2) facilities utilizing cloth media disk filters for the direct filtration of raw wastewater. The PROGRAM MANAGER will work with the WRF Design-Build Team and equipment manufacturers to determine the nearest facilities to the CITY.

Task 13 Deliverables:

- Consolidated comment forms for the 30, 60, and 90-Percent Design Submittals.
- Consolidated comment forms for review comments for the major equipment packages.
- A letter technical memorandum summarizing the results of the procurement for each major equipment package.

- Consolidated comment forms for review comments for the major subcontractors.
- A letter technical memorandum summarizing the results of the procurement for each major subcontractor.

Task 13 Assumptions:

- Procurement support will be provided for a total of twenty (20) major equipment packages.
- Procurement support will be provided for a total of fifteen (15) major subcontractors.

A total of three (3) site visits in the United States have been identified to tour wastewater treatment facilities employing treatment technologies and/or equipment for the MBR or SAFE systems that are being considered for the WR



**CITY OF MORRO BAY
 WATER RECLAMATION FACILITY PROGRAM
 PROGRAM MANAGEMENT - AMENDMENT NO. 1 (PHASE 2)
 SUMMARY AND FISCAL YEAR BREAKDOWN**

EXHIBIT C



Task	Description	Budget	Sumarized Budget	Comparison to \$126M Program		Allocation				
				Budget	Difference	FY18/19	FY19/20	FY 20/21	FY 21/22	Total
Task 6	Routine Program Update Meetings	\$ 188,447	\$ 368,432	\$ 375,000	\$ (6,568)	\$ 188,447	\$ -	\$ -	\$ -	\$ 188,447
Task 7	Program Management Oversight	\$ 17,389	\$ -	\$ -	\$ -	\$ 17,389	\$ -	\$ -	\$ -	\$ 17,389
Task 8	Program Controls	\$ 162,596	\$ -	\$ -	\$ -	\$ 162,596	\$ -	\$ -	\$ -	\$ 162,596
Task 9	Funding Support	\$ 77,632	\$ 77,632	\$ 100,000	\$ (22,368)	\$ 77,632	\$ -	\$ -	\$ -	\$ 77,632
Task 10	Permitting Support	\$ 499,242	\$ 499,242	\$ 500,000	\$ (758)	\$ 349,469	\$ 149,773	\$ -	\$ -	\$ 499,242
Task 11	Public Outreach	\$ 181,246	\$ 181,246	\$ 150,000	\$ 31,246	\$ 108,747	\$ 72,498	\$ -	\$ -	\$ 181,246
Task 12	Conveyance Facilities Design Oversight	\$ 107,478	\$ 107,478	\$ 105,000	\$ 2,478	\$ 85,982	\$ 21,496	\$ -	\$ -	\$ 107,478
Task 13	WRF Onsite Design-Build Support`	\$ 372,918	\$ 372,918	\$ 367,500	\$ 5,418	\$ 298,335	\$ 74,584	\$ -	\$ -	\$ 372,918
Total		\$ 1,606,948	\$ 1,606,948	\$ 1,597,500	\$ 9,448	\$ 1,288,598	\$ 318,350	\$ -	\$ -	\$ 1,606,948

This Page Intentionally Left Blank



AGENDA NO: C-2

MEETING DATE: November 27, 2018

Staff Report

TO: Honorable Mayor and City Council **DATE:** November 20, 2018

FROM: Joseph W. Pannone, City Attorney

SUBJECT: Review and Approve the First Amendment to Employment Contract with Scott Collins, City Manager

RECOMMENDATION

Council approve the First Amendment to the employment contract with Scott Collins, City Manager, and authorize the Mayor to sign the contract on behalf of the City.

ALTERNATIVES

No alternatives proposed.

FISCAL IMPACT

The total cost to the City of Morro Bay for salary and deferred compensation increases is \$11,681 per year. For the remainder of Fiscal Year 2018/2019 that increase will be covered through fiscal-year expenditure savings.

SUMMARY

Effective October 10, 2017, the City and Mr. Collins entered into an employment agreement for him to serve as City Manager (Agreement). The City Council has expressed its complete satisfaction with Mr. Collins performance during the last 13 months. The City and Mr. Collins have agreed to an amendment to the Agreement to increase his salary and deferred compensation contribution.

BACKGROUND/DISCUSSION

The Agreement provides an opportunity for the City Council and City Manager to review his salary six months after he commenced his service as City Manager, which was November 6, 2017. At the end of that six-month period, Mr. Collins did not seek any increase in any of the compensation provided to him by the Agreement.

The Agreement also provides the City Council may review Mr. Collins salary after the annual evaluation, which was successfully and satisfactorily completed on November 14, 2018. As a result of that evaluation, the City and Mr. Collins have agreed to amend his contract in two ways. First, commencing with December 1, 2018, his current salary of \$179,703 (which includes a COLA increase applicable to all management employees) will be increased to Step 5 of his salary schedule, which is \$188,800, an increase of about 5%. In addition, the City will increase its contribution to his deferred retirement account by \$2,000, annually, which will bring that yearly contribution to \$5,500. The contribution is prorated over payroll 24 payments each calendar year and that increase will begin with the first paycheck in January 2019.

Effective January 1, 2018, Subdivision 54953(c)(3) of the California Government Code requires the City Council, prior to taking final action on the salaries, salary schedules, or compensation paid in the form of

01181.0001/521297.1	
Prepared By: <u> JWP </u>	Dept Review: <u> N/A </u>
City Manager Review: <u> N/A </u>	City Attorney Review: <u> JWP </u>

fringe benefits of a local agency executive (*i.e.*, City Manager), to report orally, in an open meeting, a summary of a recommendation for a final action.

The law is unclear whether that oral report must actually be provided by a Council Member or if staff can make that presentation to the City Council. To be sure the legal requirements are met, it would be best if the Mayor reads the below descriptions of the salary and deferred compensation to be paid pursuant to First Amendment:

The City Manager's annual salary will be \$188,800.

The City's annual contribution to his deferred compensation will be \$5,500.

CONCLUSION

Staff recommends the City Council, after review of the First Amendment, approve it and authorize the Mayor to sign it on behalf of the City. The changes the First Amendment is making to the Employment Agreement are noted with double underline in the attachment.

ATTACHMENT

1. First Amendment to City Manager Employment Agreement

CITY OF MORRO BAY
FIRST AMENDMENT TO CITY MANAGER
EMPLOYMENT AGREEMENT

This FIRST AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT (hereinafter referred to as the “FIRST AMENDMENT”) is entered into and made effective the 27th day of November, 2018 by and between the CITY OF MORRO BAY, a general law city and municipal corporation (hereinafter referred to as the “CITY”) and Scott J. Collins, an individual (hereinafter referred to as “EMPLOYEE”). For purposes of this FIRST AMENDMENT, CITY and EMPLOYEE may be collectively referred to as the “Parties” or individually as a “Party.”

RECITALS

WHEREAS, on October 10, 2017, the City Council of the CITY approved the City Manager Employment Agreement (“AGREEMENT”), which appointed EMPLOYEE to the position of City Manager effective November 6, 2017, and set forth the terms and conditions of his employment with the CITY; and

WHEREAS, Section 2.4 of the AGREEMENT provides the City Council may increase EMPLOYEE’S salary and benefit package after an annual evaluation of EMPLOYEE; and

WHEREAS, Section 9.2 of the AGREEMENT provides the AGREEMENT may be amended at any time by the mutual consent of the Parties by written amendment, as approved by the City Council; and

WHEREAS, the CITY and EMPLOYEE now desire to amend the terms of the AGREEMENT in order to: i) provide EMPLOYEE compensation at Step 5 of the salary range for the position of City Manager and ii) provide EMPLOYEE an additional \$2,000 annually in deferred compensation.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the CITY and EMPLOYEE hereby agree as follows:

A G R E E M E N T

SECTION 1. The above recitals are incorporated by reference as if set forth in full herein.

SECTION 2. Section 2.2 of the AGREEMENT is hereby amended to read, in its entirety, as follows:

“2.2. Current Base Salary. Effective the first full pay period after City Council formal approval of this AGREEMENT at a regularly scheduled City Council meeting, EMPLOYEE shall receive Step 3 One Hundred Seventy-six Thousand One Hundred Seventy-nine Dollars (\$176,179.00) as his annual base salary for the city manager position (“Salary”), which shall be paid on a pro-rated basis bi-weekly at the same time as other employees of the CITY are paid, as increased as of July 1, 2018 to \$179,703.00 based on the cost of living allowance granted to all City management employees. Effective the payroll period beginning December 1, 2018, EMPLOYEE shall receive Step 5 One Hundred Eighty-eight Thousand Eight Hundred Dollars (\$188,800.00) as his Salary, which shall be paid on a pro-rated basis bi-weekly at the same time as other employees of the CITY are paid. Such Salary shall be subject to normal and proper withholdings as determined by state and federal law and as determined appropriate by the City Council and shall be subject to payroll taxes, workers’ compensation, and other payroll-related liability costs.”

SECTION 3. Section 6.6 of the AGREEMENT is hereby amended to read, in its entirety, as follows:

“6.6 Deferred Compensation. The CITY shall pay a total annual amount of \$3,500, on a pro-rated basis bi-weekly at the same time as other employees of the CITY are paid, into a qualified Section 457 Plan from one of the City approved plans selected by EMPLOYEE. Effective the payroll period beginning December 15, 2018, the CITY shall pay a total annual amount of \$5,500, on a pro-rated basis bi-weekly at the same time as other employees of the CITY are paid, into a qualified Section 457 Plan from one of the City approved plans selected by EMPLOYEE. Amounts contributed under this section shall be to the benefit of EMPLOYEE in accordance with the CITY’s Deferred Compensation Plan participation agreement. No requirement of any provision of this Subsection shall be effective if it would violate any provision of the Internal Revenue Code or its related regulations, and the inability of the CITY to effectuate such requirements shall not constitute a breach of this AGREEMENT.”

SECTION 4. Except as expressly amended by this FIRST AMENDMENT, all the terms, conditions, and compensation of EMPLOYEE’S employment by the CITY as and for his employment as City Manager shall be as set forth in the AGREEMENT.

IN WITNESS WHEREOF, the CITY has caused this FIRST AMENDMENT to be signed and executed on its behalf by its Mayor, and duly attested by its officers thereunto duly authorized, and EMPLOYEE has signed and executed this FIRST AMENDMENT.

[SIGNATURES ON FOLLOWING PAGE]

CITY OF MORRO BAY

Jamie L. Irons, Mayor

ATTEST:

Dana Swanson, City Clerk

APPROVED AS TO FORM:

Joseph W. Pannone, City Attorney

EMPLOYEE

Scott Collins, City Manager

This Page Intentionally Left Blank



AGENDA NO: C-3

MEETING DATE: November 27, 2018

Staff Report

TO: Honorable Mayor and City Council **DATE:** November 19, 2018
FROM: Scott Collins, City Manager
SUBJECT: Adoption of Resolution No. 94-18 Declaring a Homeless Shelter Crisis

RECOMMENDATION

Adopt Resolution No. 94-18 declaring a homeless shelter crisis in Morro Bay pursuant to the Homeless Emergency Aid Program under SB 850.

ALTERNATIVES

1. Do not adopt Resolution No.94-18 declaring a homeless shelter crisis in Morro Bay; or
2. Provide alternative direction to staff.

FISCAL IMPACT

Approval of the recommendation will not result in any fiscal impact to the City's General Fund. However, if the City declares a homeless shelter crisis, then, pursuant to the Homeless Emergency Aid Program ("HEAP"), it will be eligible to receive HEAP funds to support homeless programming in the community, either directly or indirectly through the City.

BACKGROUND/DISCUSSION

The Governor and Legislature have provided funding to local governments under the HEAP as part of SB 850 enacted on June 27, 2018, and the 2018-19 Budget Act (Chapter 48, Statutes of 2018). HEAP is a one-time \$500 Million block grant program designed to provide direct assistance to cities and counties to address homelessness throughout California. HEAP funds are intended to provide funding to Continuums of Care (CoCs) to address the homelessness crisis throughout California. Formula funding estimates for CoC in San Luis Obispo (SLO) County total approximately \$4.8 Million separated into the following categories:

- \$4,000,000 - Based on Point in Time Count Ranges [SB 850: Section 2, Chapter 5, 50213 (a)]
- \$837,814 - Based on Percent of Homeless Population [SB 850: Section 2, Chapter 5, 50213 (b)]

Based on the HEAP Grant Program Guidance, a shelter crisis declaration is required for all cities and counties within a CoC that wish to receive HEAP funds. While the County serves as the "Collaborative Applicant" for the local CoC, the County may only declare a shelter crisis for the unincorporated areas of the county. Cities within the county must take action by the end of

01181.0001/522022.1 Prepared By: ___ SC ___

City Manager Review: ___ SC ___ City Attorney Review: ___ JWP ___

November to declare their own shelter crisis within their respective jurisdictions in time for the County's December 31, 2018 application deadline to the State. To date, a shelter crisis declaration was adopted by San Luis Obispo County and most of the cities within the County. Other areas such as Santa Maria and Santa Barbara are adopting similar declarations.

According to the *2017 San Luis Obispo County Homeless Census and Survey Comprehensive Report* (aka Point in Time Count), there were 36 homeless individuals identified in Morro Bay. For reference with other SLO County cities, 94 homeless individuals were identified in Arroyo Grande, 60 in Grover Beach and 9 in Pismo Beach with a total of 1,125 homeless individuals identified countywide. The 36 homeless individuals identified in Morro Bay were all found to be unsheltered given the lack of homeless shelter space on the north coast.

Declaration of a shelter crisis provides the City with the following opportunities with regards to homeless services:

- Immunity from ordinary negligence liability and the ability to suspend strict compliance with housing, health, or safety requirements in the provision of emergency housing.
- Eligibility to become a direct recipient of HEAP funds from the local Continuum of Care (CoC) as referenced earlier.

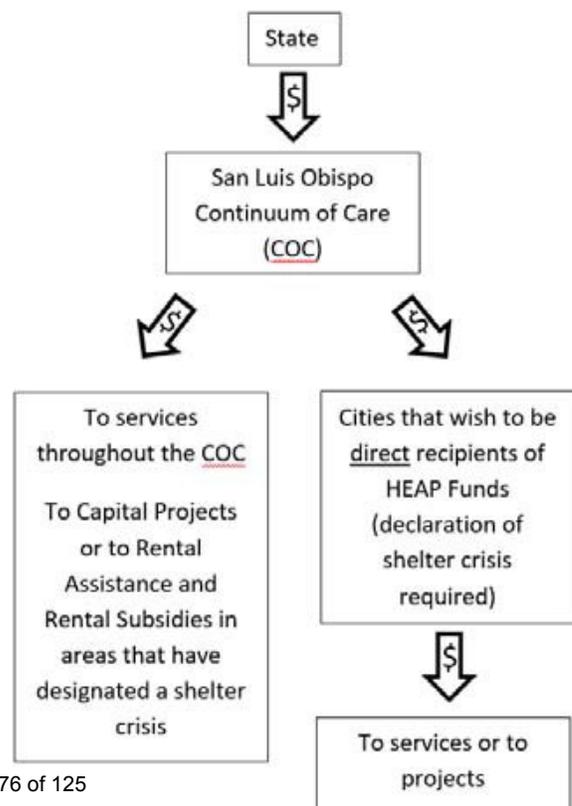
Although there are no current plans to utilize public buildings or other facilities for a shelter within Morro Bay, declaring a shelter crisis provides the City with flexibility to take actions if needed.

As referenced earlier, HEAP provides a total of \$500 Million in one-time funding to local governments for immediate emergency assistance to people experiencing homelessness or are at imminent risk of homelessness. Eligible uses include, but are not limited to, the following:

- Homelessness prevention activities,
- Criminal justice diversion programs for homeless individuals with mental health needs,
- Establishing or expanding services meeting the needs of homeless youth or youth at risk of homelessness, and
- Emergency aid

The parameters of the program are intentionally broad to allow local communities to be creative and craft programs that meet the specific needs they have identified. Although some funds from the HEAP program can be spent in jurisdictions that have not declared a shelter crisis, declaring a shelter crisis does significantly expand the programs available to receive support or allows the City to develop its own programs and become a direct recipient of HEAP funds. Expanded programs include using funds for capital construction projects or towards rental assistance and rental subsidies. The chart on the page above demonstrates the flow of HEAP funds to cities and counties.

Lastly, award of HEAP funds under SB 850 is intended to move quickly as the Business, 01181.0001/522022.1



Consumer Services, and Housing Agency (Agency) will make a first round of awards by January 31, 2019, and a second round of awards by May 31, 2019. Any unallocated funds following the second round will revert to the State's General Fund. Due to that rapid timeline to disburse funds, the process to develop a system to review and select programs and services within the SLO County COC or to individual cities as part of an application to the Agency has already begun with coordination between the County, cities, and nonprofit homeless services organizations.

As part of this process, CoCs must demonstrate that a local collaborative effort has been conducted prior to application submission. A collaborative process may include, but is not limited to, a public meeting, regional homeless taskforce meeting, and letters of support with signatures of endorsement, an adopted homeless plan, and an adopted budget that includes HEAP funds. Participants should include representatives of the local homeless population. Such a process would build on the extensive collaboration on homeless services already underway within Morro Bay through the Estero Bay Alliance for Care (EBAC).

ATTACHMENT

Resolution No. 94-18

RESOLUTION NO. 94-18

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
DECLARING A SHELTER CRISIS PURSUANT TO
SB 850 (CHAPTER 48, STATUTES OF 2018
AND GOVERNMENT CODE SECTION 8698.2)**

WHEREAS, California's Governor Edmund G. Brown, Jr., and the members of the California Legislature have recognized the urgent and immediate need for funding at the local level to combat homelessness; and

WHEREAS, the Governor and Legislature have provided funding to local governments under the Homeless Emergency Aid Program as part of SB 850 and the 2018-19 Budget Act (Chapter 48, Statutes of 2018); and

WHEREAS, the Governor and Legislature require jurisdictions seeking an allocation through the Homeless Emergency Aid Program to declare a Shelter Crisis pursuant to Government Code §8698.2; and

WHEREAS, the City of Grover Beach has developed a homelessness plan as part of the regional *San Luis Obispo Countywide 10-Year Plan to End Homelessness* and undertaken multiple efforts at the local level to combat homelessness; and

WHEREAS, the City Council finds the 2017 Point in Time Count found a total of 36 homeless persons within the City of Morro Bay (City) who were homeless and living without shelter at that time; and

WHEREAS, the City Council finds a significant number of persons within the City are without the ability to obtain shelter, and the situation has resulted in a threat to the health and safety of those persons; and

WHEREAS, the City Council affirms the City's commitment to combatting homelessness and creating or augmenting a continuum of shelter and service options for those living without shelter in our communities.

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

Section 1. The City Council does hereby find and declare the existence of a shelter crisis, pursuant to Government Code §8698.2, in the City.

Section 2. The City Council authorizes the City's participation in the Homeless Emergency Aid Program

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Morro Bay, California this 27th day of November 2018.

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

This Page Intentionally Left Blank



AGENDA NO: C-4

MEETING DATE: November 27, 2018

Staff Report

TO: Honorable Mayor and City Council

DATE: November 19, 2018

FROM: Jennifer Callaway, Finance Director
Rob Livick, Public Works Director
Scot Graham, Community Development Director

SUBJECT: Receive and File Fiscal Year (FY) 2017/18 Status Report on Receipt and Use of Development Impact Fees

This item was continued from the November 13, 2018 City Council Meeting. The original staff report and all supporting documents are included for reference.

Prepared By: __DS____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: C-5
MEETING DATE: November 13, 2018

Staff Report

TO: Honorable Mayor and City Council **DATE:** October 25, 2018
FROM: Jennifer Callaway, Finance Director
Rob Livick, Public Works Director
Scot Graham, Community Development Director
SUBJECT: Receive and File Fiscal Year (FY) 2017/18 Status Report on Receipt and Use of Development Impact Fees

RECOMMENDATION:

Staff recommends Council **receive and File** Fiscal Year (FY) 2017/18 status report on receipt and use of Development Impact Fees.

FISCAL IMPACT:

There is no fiscal impact associated with the requested action.

BACKGROUND/DISCUSSION:

To ensure certain mitigation fees associated with development are spent in a timely manner and on projects for which they were being collected, the State Legislature passed a bill known as AB 1600. That bill was codified as Government Code section 66000 *et seq.* (Mitigation Fee Act) and applies to developer fees which were increased or imposed on or after January 1, 1989.

The Mitigation Fee Act requires local agencies that impose Development Impact Fees¹ to present an annual, consolidated report showing the receipt and use of those fees. The Annual Status Report (Attachment 1) must be reviewed by Council within 180 days after the close of the fiscal year represented. The Mitigation Fee Act report is required to be accessible to the public for viewing at least 15 days prior to the public hearing. The report was available at City Hall on October 26, 2018, 17 days in advance of the November 13, 2018, Council discussion of this item.

The City collects the following Development Impact Fees that meet the Mitigation Fee Act reporting requirements:

- Government Impact Fees (Fund 900)
 - Administration
 - Police
 - Fire
 - Street
 - Storm Drain
 - Parks Fees
- Affordable Housing In-Lieu Fees (Fund 941)
- Water Impact Fees (Fund 951)
- Sewer Impact Fees (Fund 952)
- Miscellaneous Impact Fees (Fund 515)

¹ Development Impact Fees do not include Park In Lieu Fees (Quimby Fees), those fees charged if parklands are not dedicated as part of a new residential development, or Parking In Lieu Fees, an alternative developers can chose for certain developments rather than providing required parking.

- Highway 41/Main Impact Fees
- Traffic Impact
- Sewer Master Plan Impact
- Flood Hazard Plan Impact

Separate balances exist for each of those fees either as individual accounts or separate funds. As required by the Mitigation Fee Act, as of June 30, 2018, all accounts or funds with unspent balances have been credited interest revenue at the City's current interest rate earned on its total investment portfolio.

The Mitigation Fee Act requires a status report be prepared annually which must include the following:

- A brief description of the fee and the fund into which the fee was deposited;
- The amount of the fee;
- The associated fund's beginning and ending balances for the fiscal year;
- The total amount of the fees collected, and interest earned;
- Identification of each public improvement on which impact fees were expended and amount of the expenditure on each improvement, including the total percentage of the cost of the public improvement that was funded with impact fees;
- Identification of approximate date by which construction of a public improvement will begin;
- Determination that sufficient funds have been collected to complete financing on an incomplete public improvement;
- Description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the loaned funds will be expended, and in the case of an inter-fund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan, and
- Amount of any refunds made due to inability to expend impact fees once a determination is made that sufficient impact fees have been collected to finance a public improvement, the improvement remains incomplete, and the City has not determined an approximate date by which the construction will begin.

The information is presented in the attached FY 2017/18 Annual Status Report on Receipt and Use of Development Impact Fees.

CONCLUSION

Staff recommends Council receive and file the FY 2017/18 Annual Status Report on Receipt and Use of Development Impact Fees as required under the Mitigation Fee Act.

ATTACHMENTS

1. FY 2017/18 Annual Status Report on Receipt and Use of Development Impact Fees.
2. Resolution No. 37-18 Adopting the Fiscal Year 2018/19 Master Fee Schedule

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

CITY OF MORRO BAY
ANNUAL STATUS REPORT ON RECEIPT AND USE OF DEVELOPMENT IMPACT FEES
JUNE 30, 2018

Government Impact Fees:

Government Impact Fees are collected to ensure that new development pays the cost of infrastructure expansion required to meet the needs of that new development, effectively transferring the cost burden of growth from the existing rate and tax payers.

The collected fees are held in fund 940, Government Impact Fees Accumulation Fund and are permitted to be used for capital projects for new facilities, vehicles, and rehabilitation and/or renovation of existing facilities, so long as the rehabilitation or renovation is needed to serve the new development that has paid the fee.

Fund 900	FY 17/18
Beginning Fund Cash Balance (07/01/2017)	\$ 727,576
Source of Funds	
Administration Fees Collected FY 17/18	\$ 71,128
Interest Earned FY 17/18	\$ 2,978
Police Fees Collected FY 17/18	\$ 2,744
Interest Earned FY 17/18	\$ 115
Fire Fees Collected FY 17/18	\$ 3,373
Interest Earned FY 17/18	\$ 141
Street Fees Collected FY 17/18	\$ 14,127
Interest Earned FY 17/18	\$ 591
Storm Drain Fees Collected FY 17/18	\$ 614
Interest Earned FY 17/18	\$ 26
Parks Fees Collected FY 17/18	\$ 120,093
Interest Earned FY 17/18	\$ 5,027
Transfers In	
Total Source of Funds	\$ 220,957
Use of Funds	
Interfund Transfer to Facilities for Del Mar Restroom	\$ 25,500
Interfund Transfer to fund ADA Sidewalk Gap Work	\$ 42,818
Total Use of Funds	\$ 68,318
Ending Fund Cash Balance (06/30/2018) Pre-Final Audit	\$ 880,214

**Cash Balance Per Category
FY 17/18**

Administration Fees	\$	472,437
Police Fees	\$	60,778
Fire Fees	\$	77,008
Street Fees	\$	115,748
Storm Drain Fees	\$	10,777
Parks Fees	\$	143,467
<hr/>		
Total Impact Fees	\$	880,214

*The City's Fee Schedule with Development Impact Fees is included as Exhibit A and potential future funded projects are provided below. These are potential projects and may or may not be approved in the City's current budget. Any expenditures from these funds would require Council authorization and approval prior to expenditure.

Fund 900

Potential Future Projects	Total Funds Available	
Administration Fees	\$	-
Council Chambers Improvements	\$	300,000
Phone System Upgrades and Improvements	\$	50,000
Security Improvements and Upgrades	\$	150,000
Total Potential Admin Projects	\$	500,000
	\$	472,437
Police Fees	\$	-
Police Facility Improvements and Upgrades	\$	75,000
Total Potential Police Projects	\$	75,000
	\$	60,778
Fire Fees		
Fire Engine Upgrade	\$	77,008
Total Potential Fire Projects	\$	77,008
	\$	77,008
Street Fees		
ADA Transition Plan Improve	\$	5,657,072
Total Potential Street Projects	\$	5,657,072
	\$	115,748
Storm Drain Fees	\$	-
Laurel Ave Easement Rehabilitation	\$	97,000
Total Potential Storm Drain Projects	\$	97,000
	\$	10,777
Parks Fees	\$	-
Bocce Ball Court	\$	20,000
City Park Playground Equipment Upgrade	\$	150,000
Total Potential Parks Projects	\$	170,000
	\$	143,467
Total Potential Future Projects	\$	6,576,080
	\$	880,214

Affordable Housing In-Lieu Fee:

Affordable Housing In-Lieu Fees are collected from residential development projects when the construction of affordable housing units is impractical. The required in-lieu fee is to be paid to the City prior to the issuance of a building permit (where square footage is added) or a final tract map. The Affordable Housing In-Lieu Fee is \$0.35 per square foot.

The collected fees are held in the 941 fund and are restricted to be used solely for the affordable housing program activities, including projects such as the Housing Element or General Plan Update, or transfer to another public agency for providing affordable housing in the City.

AFFORDABLE HOUSING IN-LIEU FEES

Fund 941	FY 17/18
Beginning Cash Balance (07/01/2017)	\$ 116,874
Source of Funds	
Fees Collected FY 17/18	\$ 175,200
Interest Earned FY 17/18	\$ 2,175
Total Source of Funds	\$ 177,375 *
Use of Funds	
Bequeathment for Home Share SLO	\$ 1,000
SLO County Housing Trust Fund	\$ 5,000
Total Use of Funds	\$ 6,000
Ending Cash Balance (06/30/2018) Pre-Final Audit	\$ 288,249
Potential Future Projects	
Home Share SLO (5 year total - pending appropriation)	\$ 25,000
Housing Element Update	\$ 70,000
Housing Element Implementation	\$ 200,000
Total Potential Future Projects	\$ 295,000

*Amount reported is net an interest adjustment of \$64

Sewer Impact Fee:

Pursuant to Government Code, revenues derived from the City’s impact fees can only be used for the purpose for which the charges are collected. Wastewater impact fee recover costs for buying in to existing facilities and assets. As such, this share of each fee represents a reimbursement to the City’s existing customer base for previously-funded facilities and therefore, may potentially be used for any purpose. However, the City’s practice is conservative and uses these fees to exclusively fund capital improvements.

The collected fees are held in the 952 fund and are restricted to be used solely for wastewater capital improvements.

Fund 952-5251-3950	FY 17/18
Beginning Cash Balance (07/01/2017)	\$ 389,993
Source of Funds	
Impact Fees FY 17/18	\$ 18,150
Interest Earned FY 17/18	\$ 354
Total Source of Funds	\$ 18,504
Use of Funds	
Interfund Transfer to	
Total Use of Funds	\$ -
Ending Cash Balance (06/30/2018) Pre-Final Audit	\$ 408,497
Potential Future Projects	
One Water Capital Improvements	\$ 500,000
Total Potential Projects	\$ 500,000

Water Impact Fee:

Pursuant to Government Code, revenues derived from the City’s impact fees can only be used for the purpose for which the charges are collected. Water impact fees are designed to recover the cost of existing water system facilities and assets as well as the cost of system upgrades and expansion needed to serve the City.

The collected fees are held in the 951 fund and are restricted to be used solely for water system facilities, assets and system upgrades and expansion.

Fund 951-5240-3950	FY 17/18
Beginning Cash Balance (07/01/2017)	\$ 137,065
Source of Funds	
Impact Fees FY 17/18	\$ 101,596
Interest Earned FY 17/18	\$ 2,247
Total Source of Funds	\$ 103,843
Use of Funds	
Nutmeg Tank	
Nutmeg St. Trench Repair	
Desale Plant Upgrade	
Desale Plant, Permit Upgrade	
Nitrate Study	
One WaterPlan	\$ 221,425
WRF Project	\$ 559,342
Total Use of Funds	\$ 780,767
Ending Cash Balance (06/30/2018) Pre-Final Audit	\$ 0
Potential Future Projects	
OneWater Capital Improvements	\$ 500,000
Total Potential Projects	\$ 500,000

Trust & Agency

The Trust & Agency fund (fund 515) has historically been used by the city to hold funds with restricted purposes. There are three impact fees that remain in the Trust & Agency fund, traffic impact, sewer master plan impact and flood hazard plan impact. In addition, previous years balances exist for the Highway 41/Main Impact, Storm Drain Impact and Calvary Baptist Drain Impact. These funds are restricted to use of related projects and improvements.

Fund 515	FY 17/18
Beginning Cash Balance (07/01/2017)	\$140,213
Source of Funds	
Highway 41/Main Impact Fee (2600)	\$ -
Traffic Impact/All Sources (2607)	\$ 18,981
Storm Drain Impact (2613)	\$ -
Calvary Baptist Drain Impact (2616)	\$ -
Sewer Master Plan Impact (2622)	\$108,834
Flood Hazard Plan Impact (2740)	\$ 620
Total Source of Funds	\$128,435
Use of Funds	
Interfund Transfer to	
Total Use of Funds	
Highway 41/Main Impact Fee (2600)	\$ (14,811)
Ending Cash Balance (06/30/2018) Pre-Final Audit	\$253,837

	Cash Balance Per Category FY 17/18	
Highway 41/Main Impact Fee	\$	50,878
Traffic Impact/All Sources	\$	49,973
Storm Drain Impact	\$	4,208
Calvary Baptist Drain Impact	\$	314
Sewer Master Plan Impact	\$	146,073
Flood Hazard Plan Impact	\$	2,391
Total Cash Balance	\$	253,837

Fund 515

Potential Future Projects	Total Funds Available	
Highway 41/Main Impact Fee		
State Rt (SR) 1/SR 41 Interchange Improvement	\$ 620,000	
Total Potential Projects	\$ 620,000	\$ 50,878
Traffic Impact/All Sources		
State Rt (SR) 1/SR 41 Interchange Improvement	\$ 620,000	
Total Potential Projects	\$ 620,000	\$ 49,973
Storm Drain Impact		
Laurel Ave Easement Rehabilitation	\$ 97,000	
Total Potential Projects	\$ 97,000	\$ 4,208
Calvary Baptist Drain Impact		
Laurel Ave Easement Rehabilitation	\$ 97,000	
Total Potential Projects	\$ 97,000	\$ 314
Sewer Master Plan Impact		
OneWater Plan	\$ 691,150	
Total Potential Projects	\$ 691,150	\$ 146,073
Flood Hazard Plan Impact		
OneWater Plan	\$ 691,150	
Total Potential Projects	\$ 691,150	\$ 2,391
Total Potential Future Projects	\$ 2,816,300	\$ 253,837

RESOLUTION NO. 37-18

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
AMENDING THE FISCAL YEAR 2018/19 MASTER FEE SCHEDULE ADOPTED BY
RESOLUTION 17-18 TO INCLUDE A COMMERCIAL MEDICAL CANNABIS LICENSE
APPLICATION FEE**

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

WHEREAS, the City Council finds fees and charges for City services are annually in need of review for possible updating to reflect changes in the cost of providing those services; and

WHEREAS, pursuant to the California Constitution, with certain expectations, if a City Fee exceeds the City's cost for providing the service covered by that fee, that fee is considered a tax; and

WHEREAS, the City has reviewed the new Commercial Medical Cannabis Operation License fee, and finds it does not exceed the actual costs of providing related services; and

WHEREAS, the City Council, November 14, 2017 adopted Ordinance No. 612 adding a Commercial Medical Cannabis Operation Regulatory Program to the Morro Bay Municipal Code; and

WHEREAS, the establishment of a new Commercial Medical Cannabis Operation License Fee is necessary to cover the cost of City administration of new regulatory program; and

WHEREAS, pursuant to government Code section 66016, et seq., specific fees to be charged for services must be adopted by City Council resolution or ordinance, after providing notice and holding a public hearing; and

WHEREAS, the City's Municipal Code Section 3.34.020 Fee revisions and reviews, states: *Any fees, included in the Master Fee Schedule, may be reviewed and revised annually by the city council. The City's cost of providing the services shall be completed and reflected in these fees. The fees shall then be enumerated, and the revised Master Fee Schedule adopted by resolution of the City Council;* and

WHEREAS, on April 10, 2018, City Council adopted Resolution No. 17-18, adopting the FY 18/19 Master Fee Schedule.

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

SECTION 1. the Fiscal Year 2018/19 Master Fee Schedule, adopted by Resolution No. 17-18 is amended to incorporate a new Commercial Medical Cannabis Operation License Fee.

SECTION 2. the Amended Fiscal Year 2018/19 Master Fee Schedule, attached hereto and incorporated herein, shall be adopted.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 12th day of June 2018, by the following vote:

AYES: Irons, Davis, Headding, Makowetski, McPherson
NOES: None
ABSENT: None
ABSTAIN: None



JAMIE L. IRONS, Mayor

ATTEST:



DANA SWANSON, City Clerk

CITY OF MORRO BAY FEE SCHEDULE FOR THE FISCAL YEAR 2018/19

All fees adjust annually by either the December Consumer Price Index (CPI = 2.9%) or Construction Cost Index (ENR = 3.5%). The CPI used is for the San Francisco-Oakland-San Jose area.

Table of Contents

Category	Page Number
General	2
Finance	3
Community Development	4
Public Works	12
Police	16
Fire	18
Harbor	23
Recreation	27
Transit	31

GENERAL FEES	
FEE NAME	ADOPTED FEE
Photocopies (unless otherwise defined)	\$0.40 per page \$0.70 per 11 x 17" page
Print material mailed	Cost of copying/printing and postage
Refundable appeal fee for non-land use administrative decisions	\$250 per appeal*
Elections filing fee - Notice of intention to circulate petition; this amount is refundable under Elections Code Section 9202(b), with conditions	\$200

*Estimated Cost of Appeal is \$1,000. The \$250 appeal fee denotes 25% cost recovery.

FINANCE	
FEE NAME	ADOPTED FEE
Budget document, per copy	Per page cost for photocopying
City audit document, per copy	Per page cost for photocopying
Master Fee Schedule	Per page cost for photocopying
Business Tax Schedule	Per page cost for photocopying
Returned check charge, per CA Civil Code Section 1719	\$25 for the first check \$35 for each subsequent check
UTILITY BILLING	
Water service application fee	\$29
Physical posting of shut-off notice at customer location	\$62.27
Refundable/transferable deposit - residential tenants only on signup (MC 13.04.220)	\$100
Deposit required for service termination for delinquent non-payment (residential tenants only, if a deposit has not previously been collected)	\$100
Reconnection (MC 13.040.310)	\$52.48

COMMUNITY DEVELOPMENT

BUILDING DIVISION

FEE NAME	ADOPTED FEE
Valuation of from 0 - \$3,000 (including electrical service less than 600 amp, and minor plumbing alternatives)	\$94
\$3,001 and up	.025 x total valuation as determined by the Building Official (50% submittal/50% at issuance)
Construction Operation After Hours	\$36
Building Re-Address Processing	\$35
Demo Commercial	\$514
Demo Residential	\$309
In-lieu Housing Fee (if unit not affordable housing) - per square foot	\$0.37
General Plan Maintenance	6% surcharge on all Building Permits
I.T. Service Fee	.0075 x valuation
SMIP Category I (Residential)	.00013 x valuation
SMIP Category II (Commercial)	.00028 x valuation
Unsafe Building repair, demolition or moving structure	Charged at cost
Inspection Fees - outside of normal work hours - per hour, 2 hour minimum	\$173
Re-Inspection Fees - per hour	\$129
Property condition report for Condominium Conversions (Review/Inspection)	\$206
Inspection for which no fee is otherwise indicated - per hour, 1 hour minimum – Use for Certificate of Occupancy	\$129
Additional Plan Review required by changes, additions, revisions to the approved plans - per hour, 1hour minimum	\$129

Use of outside consultants for special plan checking and inspection	Charged at cost + 25% Administration Fee
Permits – Change Ownership/Add Contractor	\$129
Permit Extension of Time	\$129
Residential Solar Permit 1kW to 15 kW	\$360
Residential Solar over 15kW	\$360 + \$15 per kW above 15kW
Commercial Solar Permit below 50kW	\$772
Commercial Solar Permit 50kW – 250kW	\$772 + 5\$ per kW above 50kW
SPECIAL INSPECTION & PLAN REVIEW FEES	
Penalty for commencing construction without permit(s). This is in addition to the standard building permit fees.	\$120 + 2 times the permit fee
DEVELOPMENT IMPACT FEES	
Building fees per square foot, including garages (enclosed spaces). Single family residential additions of 500 square feet or less are exempt. Water and Wastewater fees are additional. An increase in meter size resulting from the need to comply with the hydraulic demand associated with Fire Sprinklers is exempt.	
Residential, Single Family	\$4.43
Residential, Multi-family	\$7.10
Accessory Dwelling Unit	\$1.08
Non-residential, commercial	\$4.50
Non-residential, office	\$3.17
Non-residential, industrial	\$1.63

Park fees for residential in-fill lots, per square foot	
Single-family	\$1.38
Single-Family, Detached Accessory Structure	\$0.34
Accessory Dwelling Unit	\$0.34
Multi-family	\$2.29
Public Facilities Fees, per square foot.	
Single-family residential:	
General Government	\$1.32
Police	\$0.44
Parks	\$1.38
Fire	\$0.48
Storm Drain	\$0.06
Traffic	\$2.13
Multi-family residential:	
General Government	\$2.18
Police	\$0.72
Parks	\$2.29
Fire	\$0.81
Storm Drain	\$0.07
Traffic	\$3.31
Public Facilities Fees, per square foot	
Non-residential, commercial:	
General Government	\$0.28
Police	\$0.07
Parks	\$0.02
Fire	\$0.25
Storm Drain	\$0.04
Traffic	\$3.78

Public Facilities Fees, per square foot (continued)	
Non-residential, office:	
General Government	\$0.36
Police	\$0.09
Parks	\$0.02
Fire	\$0.35
Storm Drain	\$0.04
Traffic	\$2.30
Non-residential, industrial:	
General Government	\$0.10
Police	\$0.04
Parks	\$0.02
Fire	\$0.09
Storm Drain	\$0.04
Traffic	\$1.33
PLANNING DIVISION	
Affordable Housing In-Lieu:	
Funding assistance application fee	\$620
Reasonable Accommodation (ADA) fee (no fee required if in conjunction with other discretionary permit)	\$120
Coastal Permits (may be billed at direct cost):	
Coastal Permit in combination with Conditional Use Permit	No fee
Coastal Permit (Administrative)	\$806
Regular CDP Without CUP - New single family and single family additions over 25%, Multiple Dwelling, Office, Commercial, Convention, Industrial & Institutional	\$5,653
Additions between 10% and 25% to a Single Family Dwelling in Coastal Appeals area (Planning Commission)	\$2,174
Emergency Permit (excluding required regular CDP)	\$726
Other administrative – Tree Removal, private	\$277

Environmental (may be billed at direct cost):	
Categorical Exemption	\$98
Negative Declaration	\$1,575
Mitigated Negative Declaration If contracted = contract amount + 25% administrative fee	\$3,844, if done in house or as a deposit for outside consultant
Filing Fee - for environmental document	\$200
Environmental Impact Report - Contract Amount + 25% administrative fee	\$5,000 deposit
Archaeology Research Fee – Santa Barbara Central Coast Information Services	\$100
Miscellaneous:	
Letter regarding land use confirmation or other research – per hour cost	\$98
Development Agreement – charged at fully allocated hourly rates for all personnel involved, plus any outside costs	\$10,000 deposit
Applicant Requested Continuance	\$127
Fine, in addition to permit fee	\$100 + two times the permit fee + plus \$50 per day – after notice.
Appeal of City decision, excluding Coastal Permits in the appeal jurisdiction – refundable if appellant prevails	\$250*
Copy of Planning Commission DVD	\$13
Street name/Rename Processing	\$461
Conceptual Review Fee – Fee is credited toward any future discretionary permit application	\$1,543
Notification fees:	
Planning Commission Hearing	\$326
Administrative Permit Noticing	\$163
Special Events	Actual staff cost

Sign Permits:	
Sign Permit	\$217
Sign Exception (CUP)	\$979
Pole Sign (CUP)	\$979
Fines – Temporary, beyond time allowed by Ordinance – per day after notice given	\$55
Fines – Permanently attached sign w/o permit – per day after notice	\$55

*Estimated Cost of Appeal is \$1,000. The \$250 appeal fee denotes 25% cost recovery.

Subdivisions: all Subdivisions may be billed at direct cost	
Tentative Parcel Map Application	\$7066
Tentative Tract Map 0 to 10 lots, add \$100.00 per lot over 10 lots	\$7066
Amendments to Existing Tract or Parcel Maps	\$3,261
Lot Line Adjustment	\$1,088
Certificate of compliance (legal determination) – initial fee covers up to 4 lots. Add \$250 per lot over 4 lots	\$2,130 + \$250 per lot for every lot over 4
Lot Mergers	\$1,088
Text Amendments & Annexations (May be billed at direct cost)	
Zone Ord. Changes/LCP - Minor (single section revisions/additions) - Major (multiple sections revised/added) If contracted – contract amount + 25% administrative fee. Fee amount becomes an initial deposit.	Minor = \$7,610 Major = \$10,871
Specific Plan (Billed as deposit with charges at the fully allocated hourly rates for all personnel involved + any outside costs). If contracted = cost + 25% administration fee. Fee amount becomes an initial deposit.	\$5,000 deposit

General Plan/Local Coastal Plan Amendment: - Minor (single section revisions/additions) - Major (multiple sections revised/added) If contracted – cost + 25% administrative fee. Fee amount becomes an initial deposit.	\$7,610 \$10,871
Annexations – Deposit to be determined by staff. Billed at fully allocated staff cost. If contracted – contract amount + 25% administrative fee.	\$5,355
Time Extensions	
Time extension for CUP, regular Coastal Permits and variance (Planning Commission)	\$979
Time Extensions for Tract Maps and Parcel Maps	\$979
Time Extension - Administrative	\$272
Use Permits - All use permits may be billed at direct cost at the discretion of the Community Development Manager and the scheduled fee would then be deemed as a deposit. - All Projects in the Planned Development Overlay require a Use Permit	
Conditional Use Permit (CUP)	\$5,653
CUP Concept Plan	\$8,697
CUP Precise Plan	\$3,261
CUP Combined Concept/Precise Plan	\$8,697
Conditional Use Permit for an SFR addition of 25% or less of the existing floor area. (appeals area only)	\$2,174
One SFR in a Planned Development Zone or Bluff Area	\$1,6315
Occupancy Change in Commercial/Industrial Zones	\$871
Additions to non-conforming structures, not adding units or new uses	\$2,130
Minor Use Permit (Residential & Industrial Uses)	\$619
Temporary Use Permit – Longer than 10 days	\$1,088
Outdoor display and sales and outdoor dining	\$988
Administrative Temporary Use Permit – 7 consecutive days or 10 non-consecutive days	\$163

Amendments to Existing Permits (Planning Commission)	\$2,827
Major modification while processing	\$1,672
Minor amendments to existing permits (Administrative)	\$211
Special Use Permit (Minor – PC Review)	\$2,174
Special Use Permit (Major – PC Review)	\$5,653
Variations	
Variance	\$2,174
Variance processed with other permits	\$830
Minor Variance	\$457
Parking Exception (will always be accompanied by a Conditional Use Permit, Minor Use Permit or Coastal Development Permit)	\$213
Laserfiche Applies to all Planning and Building Permits	
Laserfiche of planning and building documents, including scanning and storage. Fee based on plan set pages only.	\$15 for first page of plan set, and \$7 for each additional page.
Cannabis License	
Commercial Medical Cannabis Operation License application	\$18,000.00 Deposit meant to cover staff and consultant costs associated with processing of the application (Amount is a deposit and will be drawn down based on Staff Fully Loaded hourly rates, plus any 3 rd party Consultant cost). Applicant is responsible for 100% of the costs associated with processing the application. Additional deposit fees may be requested once deposit amount is drawn down below \$5,000.00. Any unused funds will be returned to the applicant.

PUBLIC WORKS	
FEE NAME	AMOUNT
IMPACT FEES	
Water Impact fee (Capacity Credit is given for existing meter) Based on Water & Wastewater Impact Fee Update, Bartle Wells Associates, 3/17/15	
Less than 1-inch meter	\$5,581
1 inch meter	\$7,487
1-1/2 inch meter	\$14,972
2 inch meter	\$23,956
3 inch meter	\$44,918
Wastewater fee (Capacity Credit is given based on existing water meter size) Based on Water & Wastewater Impact Fee Update, Bartle Wells Associates, 3/17/15	
Less than 1-inch meter	\$5,636
1 inch meter	\$7,514
1-1/2 inch meter	\$15,062
2 inch meter	\$24,047
3 inch meter	\$45,087
ENGINEERING DEVELOPMENT REVIEW FEES	
Flood Hazard Development Permit (MC 14.72.040) - time and materials costs may be added to minimum, when actual cost exceeds the minimum fee (PW):	
Permit, minimum fee	\$219
Flood plain letter	\$110
City Engineer Map Review Fees Subdivisions - (PW):	
Final Map - Tract, minimum fee (MC 16.24.040J)	\$5,167
Final Map – Tract, Per lot for every lot over 4 lots	\$136
Final Parcel Maps	\$5,167
Final Maps Amendment Review, minimum fee	\$1,176

Public Improvement Plans Inspections/Plan Review - time and materials costs may be added to minimum, when actual cost exceeds the minimum fee:	
Public/Subdivision Improvement Plan Check, and Inspection as a Percentage of the Engineer's estimate for Subdivision Improvements	5 - Percent
Abandonment Process:	
Street/R-O-W Abandonment Process	\$6,359
Encroachment Permits (MC 13.16.140) - time and materials costs may be added to minimum, when actual cost exceeds the minimum fee (PW):	
Regular – Surface Improvements	\$201
Regular – Underground Improvements	\$440
Special - Private Encroachments into the Public R/W, Landscaping plant materials and exempt.	\$1,542
Traffic Control Plan Review, in Addition to Encroachment Permit.	\$114
Annual Utility Encroachment Permit	\$1,922
Wide Load Permit with Traffic Control Plans - Per Year (Set by State of California)	\$90
Wide Load Permit with Traffic Control Plans - One Time (Set by State of California)	\$16
Street & Sidewalks:	
Exception Application Exception Application (Sidewalk Deferral)	\$184
PLANNING AND ENGINEERING DEVELOPMENT REVIEW FEES	
Storm Water Fees (PW):	
Single Family; Other than Single Family (per 6,000 square foot lot area, or fraction thereof):	
Planning review of preliminary stormwater plan	\$165
Building permit review of stormwater plan	\$215
Inspection of stormwater facility/erosion control	\$115

Trees (PW):	
Removal Permit (to trim, brace or remove, MC 12.08.110)	\$297
WATER	
Water Service:	
Application (MC 13.04.07)	\$29
Connection - Outside City), only by Council Resolution (MC 13.04.100)	2 x Fee
Meter Installations/Connections:	
3/4 inch Meter/Service (Only installed where Fire sprinklers are not required)	\$1,565
1 inch meter Meter/Service	\$2,099
1" Meter/1-1/2" Service (for residential fire sprinklers)	\$2,656
1" Meter/2" Service (for residential fire sprinklers)	\$3,323
1-1/2" inch meter and above	T&M (\$3,625 deposit)
Meter Box Installation	\$253
Water Meter Re-Read	\$53
Reconnection (MC 13.04.310)	\$53
After - Hours Water Meter Turn Off/On	\$226
"Drop in" meter fee, up to 2 inches	0.75 x Reg Meter Fee
Relocation of water meter for customer convenience	0.5 x Reg Meter Fee
Water meter lock and any other damage. Subject to Police investigation and potential prosecution for theft of water and tampering with City Property	T&M (\$53 minimum)

Meter Installations/Connections (continued):	
Water Meter Testing (Remove, test and replace meter); fee refunded if meter test indicates an overage of greater than 2%	\$165
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):	\$53 Installation; \$53 Removal
Hydrant Meter Rental, per day plus cost of water at current rate structure.	\$5 + \$1,500 Refundable Deposit, will be read and billed on a monthly basis
Certificate of Compliance – Water Retrofit	\$28
Water Service Refundable Deposit - residential tenants only	\$104
WASTEWATER	
Connection Permit - This is in addition to an Encroachment Permit.	\$88
Discharge Fee - Recreational Vehicles and Campers	\$26 + 0.25/gal or fraction there of
Discharge Fee - Tank Trucks and Commercial per truck, for gallon. No septage allowed	\$104 + \$0.25/gal or fraction there of
Raising Manhole to Grade	T&M (\$776 min)
Sewage Spill Cleanup - cost of providing service Sewage spill clean up	T&M (\$776 min)
OTHER FEES	
Dedication 15 Gallon Tree and Plaque	Actual cost plus time & materials
Dedication Bench and 1 Plaque Space	Actual cost plus time & materials
Dedication Whole Bench with 3 Plaque Spaces	Actual cost plus time & materials
Other Park Amenity Dedication	To Be Determined on an individual basis

POLICE SERVICES	
FEE NAME	ADOPTED FEE
Permits and Licenses:	
Tow/Taxi Service Provider Application Fee	\$673
Taxi Operator Permit Application Fee	\$428
Taxi Operator Permit Application Renewal Fee	\$71
Second Hand Dealer Permit - City Application Fee (does not include Department of Justice fee) (MBMC 5.40.330)	\$358
Second Hand Dealer Permit renewal - City Application Fee (does not include Department of Justice fee) (MBMC 5.40.330)	\$178
Massage Therapist/Parlor Permit Application Fee (MBMC 5.40.330)	\$149
Support Services Activity:	
Digital Photo Reproduction to CD - per hour, 1 hour minimum	\$60
Audio/Video Tape Reproduction - per hour, 1 hour minimum	\$60
Record Searches/Reviews/Clearance/Responses - per hour, 1 hour minimum	\$60
Officer Activity:	
Equipment Citation Sign Off	\$17
Vehicle Impound Fee Administrative Costs (CVD 22850.5)	\$178
Abandoned Vehicle Removal (junk vehicles/parts)	\$358
Other Police Services:	
Firearms-seizure/storage (PC 33880)	\$60

State Mandated Costs	
Concealed Weapons Permit (does not include DOJ or other fees (PC25455))	\$119
Renewal of Concealed Weapons Permit (does not include cost of ID card)	\$29
Subpoena Duces Tecum (does not include costs of report, etc) (EC 1563(b)(1))	\$17
Delinquent Parking Citation Copy (VC 40206.5)	\$2
Repossessed Vehicle (GC 41612)	\$17
Booking Fees (current cost-cost is dependent on charges by County) (GC 53150) & (GC 29550.1)	\$130
Live scan Fingerprint Fees (PC 13300(e))	\$23
Criminal History Review (PC13322)	\$29
Cost Recovery:	
DUI Emergency Response (MBMC 3.40.030)	Actual Cost
False Alarm Response (after 3 rd false alarm in a year) (MBMC 9.22.020)	\$239

FIRE	
FEE NAME	ADOPTED FEE
Permits:	
Permit Inspection Fees:	
Any single permit identified in Title 24 CFC and not specifically addressed in the Master Fee Schedule	\$146
Any combination of permits shall not exceed	\$438
Special Occurrence or Use Permit (equipment & personnel charges additional)	\$146
Special Permits:	
Marine Welding Permit: Vessel, Pier, Wharf, Waterfront	\$73
Aircraft Landing Permit, per occurrence (required Fire standby equipment & personnel charges additional)	\$146
Equipment & Personnel Charges:	
Engine or Truck: per hour, per vehicle (personnel charges additional)	\$129
Squad/Rescue: per hour, per vehicle (personnel charges additional)	\$94
Utility/Command Vehicle: per hour, per vehicle (personnel charges additional)	\$45
Personnel charges	Per hour, per person - 2 hour minimum, unless otherwise specified, at current productive hourly rate

Plan Review Fees:	
Fire Plan Concept Review	Personnel charges, as specified in Equipment and Personnel Charges
Plan Review	0.9% of total valuation plus use of outside consultant for Plan Review & Inspection is based on actual cost plus \$67 fee
Additional Plan Review required by changes, additions or revisions to approved plans	Personnel charges, as specified in Equipment & Personnel Charges, on an hourly basis, plus actual cost of outside consultant for Plan Review
Fire Protection:	
System & Equipment Fees:	
Fire Sprinkler System Installation Inspection - (above ground):	
Residential	\$146 + \$0.55 per head
Commercial	\$219 + \$0.55 per head
Commercial projects or tenant improvements under 1,000 sq. ft.	\$146 + \$0.55 per head
Underground water line inspection	\$146
Fire Alarm System Installation Inspection:	
0 - 15 devices	\$146
16 - 50 devices	\$219
51 - 100 devices	\$292
101 - 500 devices	\$365
501 and up	\$365 + \$292 for each additional 100 devices or portion thereof
Specialized Fire Protection System Inspection, e.g., Halon, Dry Chemical Commercial Kitchen Hood System	\$146
Flammable or Combustible Tank Installation Inspection	\$73
On-site Hydrant System Installation Inspection	\$146
Use of Outside Consultants for Plan Review & and/or Inspection	\$146 + actual cost
Request for Building Fire Flow Calculations	\$73
Request for Hydrant Flow Information	\$73

Fire Protection (continued):	
Request for Hydrant Flow Test	\$73 fee plus personnel & equipment as specified in Personnel and Equipment Charges, 1 hr min
Engine company business inspection:	
1st and 2nd inspections	No charge
3rd and subsequent inspections	\$219
Fire Prevention:	
New and annual business/facility inspection fees:	
1st and 2nd inspections	No charge
3rd and subsequent inspections	\$146
Administrative citation for failure to correct a violation shall be charged per 1.03.050 of the Municipal Code	\$146
Administrative citation for second violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$292
Administrative citation for third and each additional violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$584
Annual weed and hazard abatement inspection fees:	
1st inspection for compliance	No charge
2nd and subsequent inspections	\$146
Administrative citation for failure to correct a violation shall be charged per 1.03.050 of the Municipal Code	\$146
Administrative citation for second violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$292
Administrative citation for third and each additional violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$584

Incident Response Fees:	
Hazardous Material/Chemical Incident	No charge first half-hour (excluding negligent/intentional acts) Each additional hour, or fraction thereof, will be charged as specified in the Personnel and Equipment Charges plus the cost of any materials and contract services used
Negligent Incidents	Response due to negligent/malicious act (e.g., DUI traffic accident, climber on Morro Rock, incendiary fire, negligent hazardous material incident, negligent confined space incident, etc.) Two hour minimum to be charged as specified by Personnel & Equipment Charges plus any material costs and contract services used.
Excessive or Malicious False Alarms	Emergency response due to "Failure to Notify" when working on or testing fire/alarm system 0.5 hours minimum to be charged as specified by Personnel & Equipment Charges.
Malicious False Alarms	.5 hour minimum to be charged as specified by Personnel & Equipment Charges plus any material costs.
Alarm system malfunction resulting in 2 in 30 days or 3 in 12 months	Charged as specified by Personnel & Equipment Charges plus any material costs
Other Fire Services:	
Copy of response report, per report	\$28
Additional copies, per page	See General Fees for copy charges
Cause & Origin investigation reports, per report	\$116
Non-renewal of required annual permit	Charge double permit fee rate
Failure to obtain permit	Charge double permit fee rate
Missed site inspection appointment	\$73
Failure to meet permit requirements/requiring re-inspection	\$73

Permits - California Fire Code:	
See operational and construction permits identified in the California Fire Code, Section 105	
Special Occurrence or Use Permit includes 1 inspection	
Plan Review Fees:	
Plan Review Fees	Total valuation to recover the cost of providing service
Use of outside consultant for Plan Review and/or Inspection	\$73 plus actual cost of consultant
All Plan Review Fees shown are minimum amounts, based on average processing. Large or complex projects may be subject to increased fees based upon time, costs, or equipment costs as shown per Equipment & Personnel Charges.	

HARBOR DEPARTMENT

1. All fees are due in advance. At the Harbor Department’s discretion, billing in arrears for qualified and registered vessels with current account status may be allowed.

2. Any account past due over 10 days will be charged a \$35 late fee on a monthly basis. Accounts are due and payable by the 10th of every month.

VESSEL FEES

1. All vessel fees based on the length of the vessel or the length of the slip, whichever is greater, with a 36-foot minimum.

2. The Harbor Director may waive dockage fees for “tall ships” visiting Morro Bay Harbor for any period less than 30 days with written notice.

3. Transient Slip fees will be charged by the day or by the month, whichever is less.

4. Transient Slip monthly subleases shall be limited to 3 months in any slip as long as there are vessels appropriate to the slip size on the sublease waiting list.

5. Floating Dock and Anchorage stay limited to 30 days in any 6 month period.

6. A 10% discount is available for assigned Commercial Fishing Vessel slips when paid one full year in advance during the first month of the fiscal year after adoption of the Master Fee Schedule for that fiscal year.

Commercial Fishing Slips – monthly rate per foot	\$5.10
Commercial Fishing Slip Waiting List Deposit	\$435
Head Float Berth – monthly rate	\$205
Transient Slips – monthly sublease rate per foot	\$10
Transient Slips – daily rate per foot	\$1
T-Piers – daily rate per foot	\$0.30
Floating Dock	\$0.30
A1-5 Anchorage Area – first 5 days	\$0.00
A1-5 Anchorage Area – daily rate/foot over 5 days	\$0.25

Vessel Fees (continued)	
Temporary Moorage – large vessels or equipment requiring special accommodation – daily rate	\$182
Impound Fee	\$213
Impounded Vessels – daily storage rate per foot	\$1.50
MOORING FEES	
<p>1. A 10% discount is available for Private and City mooring fees when paid one full year in advance during the first month of the fiscal year after adoption of the Master Fee Schedule for that fiscal year.</p> <p>2. Guest Mooring stay limited to 30 days in any 6 month period without prior approval of the Harbor Department.</p>	
City Moorings – monthly rate	\$260
Private Moorings – monthly rate	\$90
Guest Moorings – daily rate per foot	\$0.30
Mooring Ownership Transfer – private moorings	\$1,205
SERVICE FEES	
<p>1. South T-Pier Hoist may only be used for fish unloading in certain cases; see Harbor Department Rules and Regulations.</p> <p>2. Dry Storage fee for use of each designated approximate 9-foot by 20-foot space, minimum monthly increments.</p>	
T-Pier Electrical – daily rate	\$2.85
South T-Pier Hoist – rate per use	\$15.40
South T-Pier Hoist Fish Unloading – per hour	\$80.50
Wharfage – rate per ton	\$1.05
Loaned Electric Cord or Adaptor Replacement	\$175
Dry Storage – monthly rate	\$97

LIVEABOARD FEES

1. Liveaboard permits are valid for 2 fiscal years. Any Liveaboard application, submitted during the period January 1 through June 30, is valid only for that fiscal year and the following fiscal year, but will be prorated by reducing the Liveaboard application fee, stated herein, by 25%. Any Liveaboard application, submitted July 1 through December 31, will not be prorated.

2. Liveaboard Permit Inspections may be conducted by the Harbor Patrol or by a qualified Marine Surveyor acceptable to the City.

Liveaboard Permit Administration - biennial	\$184
Liveaboard Permit Inspection – biennial (if done by Harbor Patrol)	\$88
Service Fee, Moorings - monthly	\$17.40
Service Fee, City Slips - monthly	\$35.80

EQUIPMENT & PERSONNEL CHARGES

1. Vessels requiring non-emergency assistance more than once in any 12-month period may be charged at the rates established herein.

2. Officers and vessels charged on an hourly basis with a 1-hour minimum.

3. Officers and vehicles charged on an hourly basis with a 1-hour minimum.

One Patrol Officer + Patrol Vessel – per hour	\$213
Each Additional Patrol Officer – per hour	\$88
One Patrol Officer + Vehicle – per hour	\$130
Lifeguard	\$25

LAUNCH RAMP PARKING FEES

1. Launch Ramp Parking fees apply to the extended yellow-striped truck and trailer parking spaces at the Launch Ramp parking lot and Tidelands Park.

2. Annual Parking Permits are valid for one calendar year and may be prorated to the nearest month.

Daily (or any part thereof)	\$5
Annual Permit	\$115
Failure to Pay Established Fee	\$60
Failure to Visibly Display Receipt	\$60

LEASE ADMINISTRATION FEES	
Master Lease Approval	\$2,200
Actions Requiring City Council Approval	\$700
Actions Requiring Administrative Approval	\$265

RECREATION

FACILITY RENTALS:

COMMUNITY CENTER

	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Auditorium – Per Hour	\$82	\$121
Auditorium, one-half – Per Hour	\$50	\$72
Multi-Purpose Room – Per Hour	\$45	\$67
Lounge – Per Hour	\$36	\$54
Studio – Per Hour	\$28	\$41
Kitchen – Per Hour Note: Kitchen only rentals permitted Monday – Friday; weekend rentals must be combined with room rental.	\$22	\$27
Kitchen – 8 Hours	\$109	\$136

VETERAN'S MEMORIAL BUILDING

	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Assembly, w/o kitchen – Per Hour	\$36	\$48
Complete, w/o kitchen – Per Hour	\$41	\$54
Meeting, w/o kitchen – Per Hour	\$30	\$40
Kitchen & barbeque – Per Hour Note: Kitchen only rentals permitted Monday – Friday; weekend rentals must be combined with room rental.	\$22	\$27
Kitchen – 8 hours	\$109	\$136

RECREATION FACILITY RENTALS (continued)		
TEEN CENTER		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Per hour – up to 50 participants, includes one staff	\$75	\$75
Per hour - over 50 participants, includes two staff	\$90	\$90
ADDITIONAL FEES		
Processing Fee: \$10, non-refundable Public Special Event/Festival Processing Fee: \$30, non-refundable		
Security Deposit: \$150, no alcohol or live music \$500, alcohol and/or live music \$750, alcohol and/or live music over 200 people The City reserves the right to require additional security deposit limits at its discretion.	Facility Impact fee, non-refundable, per event based on group size: 100-200 participants: \$153 201 or more participants: \$306	
Event set-up: \$50 per hour Event breakdown: \$50 per hour Veteran’s Memorial Building stage use, set-up and breakdown: \$100 flat rate	Facility Attendant(s): \$16 per hour each Security Guard(s): \$31 per hour each (Required for events with alcohol and/or dancing) Unscheduled overtime: \$75 per hour	
Insurance: cost based on event size/type	Cancellations: 20% charge of invoiced costs	
PARK and OPEN SPACE RENTALS		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Anchor Memorial Park Open Area Bayshore Bluffs Open Area Centennial Parkway Open Area City Park Open Area Cloisters Park Open Area General Open Area Monte Young Open Area Morro Rock Open Area Tidelands Park Open Area	Single Area: \$54 Rental Fee/Area Multi-Area, Entire Park, Multi-Day Event: \$107/Day + Rental Fee	Single Area: \$80 Rental Fee/Area Multi-Area, Entire Park, Multi-Day Event: \$160/Day + Rental Fee

Park and Open Space Rentals (continued)		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
City Park Basketball Courts Coleman Park Coleman Basketball Courts Del Mar Park Hillside or Meadow Del Mar Park Basketball Courts Del Mar Pickleball Courts Del Mar Tennis Courts Lila Keiser Park BBQ (Excluding Tournament Use) Monte Young Tennis Courts North Point Overlook	Single Area: \$54 Rental Fee/Area Multi-Area, Entire Park, Multi-Day Event: \$213/Day + Rental Fee Note: See courts/rink hourly rental charges below, which are in addition to area rental fee.	Single Area: \$80 Rental Fee/Area Multi-Area, Entire Park, Multi-Day Event: \$319/Day + Rental Fee
Lila Keiser Park Tournament Use (does not include field prep, or hourly use rates)	\$533	\$1,066
Public Special Event/Festival	\$533	\$1,066
HOURLY and PARK USE FEES		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Giant Chessboard – Wooden Pieces	\$43	\$116
Giant Chessboard – Plastic Pieces	\$12	\$14
Basketball Courts, Pickleball Court & Tennis Court Hourly	\$7	\$8
Lila Keiser hourly field rental w/o lights	\$7	\$8
Lila Keiser hourly field rental w/ lights	\$19	\$21
Lila Keiser field preparation	\$30	\$33
City Park Banner Placement	\$107/wk	\$159/wk

ADDITIONAL FEES		
Processing Fee: \$10, non-refundable Public Special Event/Festival Processing Fee: \$30, non-refundable		
Security Deposit: \$50, Bounce House \$150, no alcohol or live music \$500, alcohol and/or live music \$500 Organized Sporting Event (tournaments) \$500 Public Special Event/Festival The City reserves the right to require additional security deposit limits at its discretion	Lila Keiser Support Services: \$27 per hour Insurance: cost based on event size/type Cancellations: 20% of invoiced costs	
MISCELLANEOUS PROPERTY USE		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Recreation equipment rental, per bag Includes one: Horseshoes, Badminton, Volleyball, Bocce Ball	\$12	\$14
Skate Park - Per Hour (2 hour minimum)	\$115	\$172
Photography/Filming – Per Day	\$533	\$1,065
ADDITIONAL FEES		
Equipment Rental Deposit: \$50 Photography/Filming Deposit: \$1,000		

MORRO BAY TRANSIT AND TROLLEY

Morro Bay Transit - Fixed Route

Regular fare, per ride	\$1.50
Discount fare, per ride	\$0.75
Regular punch pass (11 rides for the price of 10)	\$15
Discount punch pass (11 rides for the price of 10)	\$7.50
Regular day pass	\$4
Discount day pass	\$2

Morro Bay Transit - Call-a-Ride:

Fare, per ride	\$2.50
Call-A-Ride punch pass (11 rides for the price of 10)	\$25

Morro Bay Trolley Fares (Ages 12 and up):

Per ride (Children, under 12 years old ride free, but must be accompanied by a fare-paying adult)	\$1
All day pass	\$3

Morro Bay Trolley Advertising:

Exterior Side of Trolley (approx. 36"x20") - with supplied sign	\$401
Exterior Side of Trolley (approx. 36"x20") - MB Community Foundation supplied sign	\$468
Exterior Rear of Trolley (approx. 24"x20") - with supplied sign	\$365
Exterior Rear of Trolley (approx. 24"x20") - MB Community Foundation supplied sign	\$401
Interior (approx. 26"x12") - with supplied sign	\$172
Interior (approx. 26"x12") - MB Community Foundation supplied sign	\$208

Morro Bay Trolley Rental Rates:

Hourly rate includes driver, fuel, cleaning, standby mechanic and administration, unless otherwise noted.

One day, within City Limits, per hour (2 hour minimum):

Transportation of passengers to and from one location to another or continuous loop with multiple stops; plus cost of fuel	\$114
--	-------

One day, outside City limits, per hour (3 hour minimum)

Transportation of passengers to and from one location to another or continuous loop with multiple stops; plus cost of fuel	\$114
--	-------

--	--