



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.

NOTICE OF SPECIAL MEETING

Wednesday, November 6, 2019

Veterans Memorial Hall - 5:30 P.M.

209 Surf St., Morro Bay, CA

ESTABLISH QUORUM AND CALL TO ORDER

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

SPECIAL MEETING AGENDA ITEMS:

I. COUNCIL REVIEW AND RECOMMENDATION ON AWARD OF COMMUNITY GRANTS

RECOMMENDATION: Staff recommends the City Council review the eight received community grant applications and provide recommendation on award of grant funds.

II. APPROVAL OF AMENDMENT NO. 2 TO THE WATER RECLAMATION FACILITY PROGRAM MANAGEMENT CONTRACT AND AUTHORIZATION FOR THE PUBLIC WORKS DIRECTOR TO SIGN THE AGREEMENT

RECOMMENDATION: Staff recommends the City Council approve, and authorize the Public Works Director to sign, Amendment No. 2 (Attachment 1) to the existing agreement with Carollo Engineers, Inc., (Carollo) dated April 11, 2018, for continued program management of the Water Reclamation Facility (WRF) Project in an increased amount of \$2,381,968.

III. APPROVAL OF MEMORANDUM OF AGREEMENT (MOA) WITH SAN LUIS OBISPO COUNTY FOR ANIMAL SHELTER PROJECT

RECOMMENDATION: Staff recommends the City Council review and approve the MOA with the County of San Luis Obispo for the City's share of the Animal Services project.

ADJOURNMENT

DATED: November 1, 2019



John Heading, Mayor

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 ENSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

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AGENDA NO: I

MEETING DATE: November 6, 2019

Staff Report

TO: Honorable Mayor and City Council **DATE:** October 28, 2019
FROM: Jennifer Callaway, Finance Director
SUBJECT: Council Review and Recommendation on Award of Community Grants

RECOMMENDATION

Staff recommends the City Council review the eight received community grant applications and provide recommendation on award of grant funds.

BACKGROUND

On July 9, 2019, the City Council adopted Resolution 67-19 establishing the City of Morro Bay Community Grants Policy, provided as Attachment 1 for Council reference. With approval of this policy, staff sent notification letters to the prior year recipients of Community Grant funds notifying them that the Grant application period was open and provided reference to where the application could be found. In addition, the application was posted on the City's website with notification provided under Hot Topics. Notification of the open application period was also announced at the Citizen's Finance Advisory Committee Meeting and the City's public meeting related to the Fee Study update held on August 8, 2019. City Managers and Department Directors were aware of the open application period as well and advised community members of the grant process when appropriate. The application period was open until August 31, 2019. Staff received numerous calls with questions regarding the application and responded accordingly.

DISCUSSION

Within the adopted FY 2019/20 City budget, \$16,500 has been appropriated for discretionary award for community grants. In response to the grant application period, eight completed applications were received and are summarized below:

Applicant	Program Summary	Requested Amt
Morro Bay Art Association	Summer Art Youth Classes	\$ 5,000
By the Sea Productions	Funding for Summer Theatre Show	\$ 2,000
Diversity Coalition	Community Diversity Educational and Training Program	\$ 2,500
Ecologistics	Climate Change focus on the MB Estuary and surrounding areas	\$ 5,000
Economic Vitality Corporation	Economic Development Support	\$ 5,000
Meals that Connect	Senior Nutrition Program	\$ 5,000
Score	Small Business Mentoring/Education and Support	\$ 1,000
SmartShare Housing Solutions	Affordable Shared Housing Solutions for all of San Luis Obispo County	\$ 5,000
Total Requests		\$ 30,500

Per the Council's approved grant policy there are four eligibility requirements that must be met for an application to be considered as well as three categories for which a program must fall under.

The eight applications were reviewed for compliance with these criteria, with all meeting the eligibility requirements. A summary of this review is provided below for Council reference.

Eligibility Requirements:	Morro Bay Art Association	By the Sea Productions	Diversity Coalition	Ecologistics	Economic Vitality Corporation	Meals that Connect	Score	SmartShare Housing Solutions
Submit Application	X	X	X	X	X	X	X	X
Incorporated as Tax-exempt 501-C and/or exist as another government entity	X	X	X	X	X	X	X	X
Demonstrate capacity to receive and expend funds	X	X	X	X	X	X	X	X
Assure Compliance with Laws	X	X	X	X	X	X	X	X
Fall under one of the funding categories								
Community and Social Services			X	X	X	X	X	X
Cultural Arts	X	X						
Project								

The Council approved grant policy also includes nine (9) evaluation criteria that the Council shall consider as outlined below:

Evaluatin Criteria	Morro Bay Art Association	By the Sea Productions	Diversity Coalition	Ecologistics	Economic Vitality Corporation	Meals that Connect	Score	SmartShare Housing Solutions
Non-Profit Status and/or Gov't entity	X	X	X	X	X	X	X	X
Number of Citizens within the Community that will direct benefit		Indeterminable	200	Indeterminable		199	96	
Ratio of Morro Bay residents served compared to the total number of individuals		Indeterminable	Indeterminable	Indeterminable		8.5%		
Adherence to stated City policies	X	X	X	X	X	X	X	X
Public need will go unmet without funding								
Recognized cause as contributing to the community					Council Goal - Economic Diversification		Council Goal - Economic Diversification	Council Goal - Affordable Housing
Contribution could expose the City to Liability	No	No	No	No	No	No	No	No
Amount of the request	\$ 5,000	\$ 2,000	\$ 2,500	\$ 5,000	\$ 5,000	\$ 5,000	\$ 1,000	\$ 5,000
Fundraising efforts			Yes	Yes		Yes		
Other San Luis Obispo County Cities Contributed		N/A	Yes		Yes	Yes		

Funding Options:

The total funding requested by all of the grant applicants is \$30,500. The available funds to be appropriated within the current adopted budget total \$16,500--\$14,000 less than the total funding requests.

Economic Development Fund:

Council could choose to fund the Economic Vitality Corporation (EVC) request of \$5,000 out of the City's Economic Development Fund, as well as the SCORE grant request of \$1,000. This would

result in a total of \$6,000 funded out of the Economic Development Fund. There are sufficient funds available within the Economic Development Fund to support this request.

Affordable Housing in-lieu Fund:

Council could elect to fund the SmartShare Housing Solutions request of \$5,000 with funds from the City’s Affordable Housing in-lieu fund. There are currently sufficient funds available with the Housing in-Lieu fund to support this request.

Should Council decide to grant the EVC and SCORE requests from the Economic Development fund and the SmartShare Housing Solutions from the Affordable Housing in-lieu fund, the Council would have \$19,500 in requests for the available funding of \$16,500 as summarized below:

Applicant	Program Summary	General Fund Requested Amt	Economic Development Fund	Affordable Housing in-lieu Fund
Morro Bay Art Association	Summer Art Youth Classes	\$ 5,000		
By the Sea Productions	Funding for Summer Theatre Show	\$ 2,000		
Diversity Coalition	Community Diversity Educational and Training Program	\$ 2,500		
Ecologistics	Climate Change focus on the MB Estuary and surrounding areas	\$ 5,000		
Economic Vitality Corporation	Economic Development Support		\$ 5,000	
Meals that Connect	Senior Nutrition Program	\$ 5,000		
Score	Small Business Mentoring/Education and Support		\$ 1,000	
SmartShare Housing Solutions	Affordable Shared Housing Solutions for all of San Luis Obispo County			\$ 5,000
Total Requests		\$ 19,500	\$ 6,000	\$ 5,000

The grant applications are included as attachments for Council review and staff will notify applicants of the scheduled discussion on November 6, 2019 so applicants may choose to attend and address the Council during public comment.

Staff recommends that the Council review the applications and material provided in context of the City’s grant policy (included as Attachment 1 for reference) and make a recommendation to staff on awarding funding to the applicants. After direction is provided by Council, staff will work with the applicants to finalize the City’s contract and disburse funds.

CONCLUSION

Staff recommends that the Council review the applications and material provided in context of the City’s grant policy (included as attachment 1 for reference) and make a recommendation to staff on awarding funding to the applicants. After direction is provided by Council, staff will work with the applicants to finalize the City’s contract and disburse funds.

ATTACHMENTS

1. Resolution No. 67-19 Community Grants Policy
2. Grant Applications
 - a. Diversity Coalition
 - b. Ecologistics Morro Bay
 - c. Economic Vitality Corporation (EVC)
 - d. SCORE
 - e. SmartShare Housing Solutions
 - f. By the Sea Productions
 - g. Morro Bay Art Association

RESOLUTION NO. 67-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
ESTABLISHING THE CITY OF MORRO BAY'S COMMUNITY GRANT POLICY**

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

WHEREAS, the City of Morro Bay wishes to establish Accounting and Financial Reporting policies to direct staff and provide transparency to the Council and Community; and

WHEREAS, those Accounting and Financial policies include a policy regarding the City of Morro Bay's Community Grant Policy; and

WHEREAS, The City of Morro Bay's Community Grant Policy includes an application form, an annual performance report and a Community Grant agreement; and

WHEREAS, The City of Morro Bay's Community Grant Policy will aid in the accountability of use of City funds which demonstrates the City's commitment to fiscal responsibility and prudent management and is consistent with Government Accounting Standards.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, the "Community Grants Policy," as set forth in Exhibit A, attached hereto and incorporated herein, is hereby approved.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 9th day of July 2019, by the following vote:

AYES: Headding, Addis, Davis, Heller, McPherson
NOES: None
ABSENT: None



JOHN HEADDING, Mayor

ATTEST:


DANA SWANSON, City Clerk



COUNCIL POLICY

COMMUNITY GRANTS POLICY

Policy Statement

The City of Morro Bay (City) is a full-service City, providing police, fire protection, public works, harbor, recreation and development services. As such, it is the City's responsibility to establish policies for prudent financial oversight and accountability.

The City Council sets legislative financial management policies, as recommended by staff and advisory committees. Historically, the City Council has annually awarded community grants to contribute towards the funding of programs conducted by non-profit organizations that actively enhance the quality of life for Morro Bay residents.

Purpose

The purpose of this policy is to provide guidance on award of City discretionary money, allocated to be awarded by the City Council. Annually, the City budget includes a set aside amount of discretionary funds available for the City Council to make monetary grants to community non-profits for community benefits or to organizations and agencies that provide services to Morro Bay residents as outlined under eligibility requirements below which includes Community and Social services, Cultural Arts, Projects.

Policy

1. Non-profit organizations must file a City application for the community grants funding program in accordance with the City's timeline for grant applications, which may vary from year to year. Notification of open grant period will be provided on the City's website. Applications are submitted to the Finance Department and forms are available on the City's website or at City Hall. Application format and requested information is provided as Attachment 1.
2. Public funds shall be made available only when the funds are to be expended for a community program or service that will benefit the community and residents of Morro Bay.
3. An organization shall not be eligible for funding if they have failed to meet any of the post funding application requirements from the prior fiscal year.
4. Funds will not be allocated to the following organizations and activities (so as to maintain local government impartiality towards political campaigns, religious activities and fundraising endeavors):
 - a. Political action committees, political candidates, political campaigns, or partisan political activity;
 - b. Any organization conducting, promoting or denigrating religious activity;
 - c. To support an organization's fundraising event or activity;

5. Funds requested from membership based adult organizations will not be considered if the funds requested are to be used to directly benefit its members and not the community at large.
6. Requests for funding will be considered by the City Council only during the periods determined in this Council Policy and if submitted on the appropriate City application form.
7. Funding of a program will not constitute a precedent for contributions in subsequent years.

Eligibility

To be eligible for award of a community grant, agencies must:

1. Submit a separate, completed application form for each project (see Attachment 1).
2. Be incorporated as a tax-exempt nonprofit corporation (IRS 501-C) and/or exist as another government entity.
3. Demonstrate the managerial and financial capability to receive and expend grant funds.
4. Assure compliance with all applicable local, state, and federal laws including but not limited to non-discrimination requirements.

Programs for which funding is requested must qualify under one of the categories below:

1. **Community and Social Services:** Funding for programs and services that address identified community needs or problems (as stated in the City's General Plan, action plan, Council Goals, or other policies). These may include, but are not limited to, the following:
 - a. Crisis Intervention and/or Centers
 - b. Youth Services and Athletics
 - c. Active Adult service agencies
 - d. Health and Safety
 - e. Youth-Serving Agencies
 - f. Social service agencies and programs.
 - g. Bilingual service agencies
 - h. Low-income service agencies
 - i. Homelessness
 - j. Economic Development
2. **Cultural Arts, including but not limited to:**
 - a. Museum, including artistic, historical or scientific display or education
 - b. Performing Arts, including music and theater arts
 - c. Fine and Visual Arts
3. **Project:** Funding for one-time projects designed to address a significant community need or problem. City funding shall be limited to a specific time-frame, usually not more than one year.

Funding Request

All applications must submit a completed City application (Attachment 1) and the following attachments unless already on file with the City:

1. Names/addresses of current Board of Directors
2. Board approved current operating budget

Evaluation Criteria

All applications will be submitted to the Department of Finance, C/O of the Director of Finance, for Council consideration. The Department of Finance will forward all qualifying applications to the City Council for review and consideration. In the Council's sole discretion, an otherwise qualified applicant (who is unable, pursuant to an articulated justification consistent with promotion of City's needs, to reasonably meet application requirements) may be granted an exception by the City Council from one or more application requirements. In its evaluation, the City Council shall consider and evaluate the following criteria:

1. The non-profit status of the organization.
2. The number of citizens within the community that will benefit directly by the expenditure as well as the ratio of Morro Bay residents served to the total number of individuals served.
3. Adherence to stated policies of the City of Morro Bay.
4. Whether or not a public need will go unmet without the contribution.
5. The degree to which the cause has been recognized as a contribution to the community.
6. Whether or not the contribution could expose the City to liability.
7. The amount of the request.
8. The degree to which the members of the organization have engaged in fundraising activities.
9. Whether or not the organization has applied for funding from other San Luis Obispo County cities.

After review, the City Council shall make award to approve, deny or modify the funding request and direct staff to include the awarded amounts in the upcoming proposed operating budget for adoption. Applications will be reviewed by the City Council during the April Council meetings for inclusion in the draft proposed budget. At the time of consideration and evaluation, staff will advise Council of available funding amount to be awarded.

Post Funding Application Requirements

Following award of community grant funds, the recipients will be asked to sign a City Grant Agreement (Attachment 2) stipulating the following conditions:

1. Carry adequate liability insurance naming the City of Morro Bay as additional insured as may be required by the City.
2. Not discriminate in employment or in clients served because of race, religion, national origin, sexual orientation or sex.

3. Be accountable for revenue and expenditures through standard bookkeeping procedures. An annual audit or review at the applicant's expense may be required, with the results available to the City of Morro Bay upon request.
4. Provide access to periodic reviews by City staff and City Council for purposes of monitoring the program should the City wish to do so.
5. The funded applicant shall provide the City with a year-end report, including a full financial accounting and narrative report (Attachment 3).

The end-of-the-year report shall be in writing and submitted within 60 days after the one-year grant period. This report must include a complete financial statement detailing all expenditures of City monies for the program(s) covered under the grant and a narrative report on the project or program and its significance. The financial and narrative report should compare actual expenditures and accomplishments with the budget and objectives cited in the original proposal.

Failure to comply with the reporting requirements by the stipulated dates may lead to termination of the grant agreement and funds being returned to the discretion of the City Council. Failure to comply with reporting requirements will also automatically exclude an agency from eligibility to receive community grant funding from the City for the following two fiscal years

6. Funded applicants must return to the City any unexpended funds at the end of the one-year period, or whenever the City reasonably determines that the applicant has not performed in accordance with the approved program proposal.
7. Any funds returned in accordance with this policy shall be returned to the fund from which they were allocated from.
8. City moneys shall be used only for the purpose and program(s) duly authorized and in accordance with the approved budget. Any deviation from the approved program proposal may be made only with the City's prior written approval which requires Council authority. If moneys are used outside the approved program proposal without prior written approval from the City, funds must be returned immediately to the City.



CITY OF MORRO BAY ❖ FY 2019/20

APPLICATION FOR COMMUNITY GRANT FUNDING

Project: Project/Program:

Program Manager:

Agency: Name of Agency:

Site Address:

Telephone Number:

Web Address:

Name of Executive Director:

*Note: You may attach additional pages if necessary

Project Description: Provide brief description of agency, agency goals, and agency services. Describe your program briefly, including who benefits from your program.



APPLICATION FOR COMMUNITY GRANT FUNDING

I. AGENCY INFORMATION

A. General Information

Grant Request Amount: \$ _____

General Organization Information	
Organizations Name:	
Year Established:	
Board Roster	
Number of Paid Full-Time Employees	
Number of Paid Part-Time Employees	
Most recent financial statements (or copy of your last tax return (IRS 990)	

Mailing Information	
Street Address:	
City:	
State:	
Zip:	

Contact Person	
Title:	
Phone Number:	
E-mail:	



APPLICATION FOR COMMUNITY GRANT FUNDING

Insurance/Tax Information	
Federal Employer Tax Number	
State Employer Tax Number	
Name of Program	
IRS Determination Letter (approval of 501(C) Status)	
Name of Executive or CEO	
Name of Board Chairperson or President	

Please answer the following questions:

1. Does the agency have a not-for-profit incorporation status in the State of California?
2. How long has the agency been in operation?

II. COMMUNITY NEED STATEMENT

A. Community Need: Describe briefly the demonstrated need in the Morro Bay community for the program. Cite data sources as appropriate.



APPLICATION FOR COMMUNITY GRANT FUNDING

B. Program Narrative: Please provide your agency's Mission Statement and Goals, brief history, programs and population(s) served, organizational structure and experience with proposed grant activities. If your organization provides programs countywide, indicate the percentage of Morro Bay residents served.

C. Local Challenges: What local challenge or need does this grant address? How will Morro Bay residents and residents of adjacent areas and or countywide benefit? How will all eligible participants have the opportunity to participate in the program?



APPLICATION FOR COMMUNITY GRANT FUNDING

D. Project Description: Please provide project description, including explanation of project approach, identified strategies and anticipated outcomes. Please quantify the number of Morro Bay residents to be served. Include a list of planned activities, timeline and staff/volunteers responsible for the proposed program.

E. Previous Funding: If your organization has received previous funding from the City of Morro Bay for the proposed project (within the last year), please provide the outcomes in measurable terms and a case example of the grant impact.

F. Collaborative Requests: If a collaborative request, please provide a description of prior collaborative activities, and proposed responsibilities of collaborative members.



APPLICATION FOR COMMUNITY GRANT FUNDING

III. PROGRAM FISCAL INFORMATION

A. Program Budget

Please complete the following summary tables to reflect the budget for your organization and program. All amounts should be rounded to the nearest dollar. Alternatively, please attach single page revenue/expense summary sheets for the program for which funds are requested and a separate summary for the organization.

Budget Summary

Budget Data	FY 2019/20	FY 2018/19
Morro Bay grant funding	Requested:	Received:
Total Program budget	\$	\$
Total Organization budget	\$	\$

Funding Summary

Revenue Source	FY 2019/20 Program Budget
Morro Bay grant:	\$
Other municipal funding (please specify:)	\$
County funding (please specify:)	\$
State funding (please specify:)	\$
Federal funding (please specify:)	\$
Fees for services	\$
Donations	\$
Reserve contingency fund	\$
All other sources (please specify:)	\$
Total	\$



APPLICATION FOR COMMUNITY GRANT FUNDING

Organization Contracts--Has your organization ever had funds withdrawn or a contract terminated for cause, unsatisfactory performance, or questionable costs on any financial statements or audit? If so, please describe.

B. Travel Expense Disclosure--If Community Grant funds are to be used for staff travel expenses, please describe.



APPLICATION FOR COMMUNITY GRANT FUNDING

CERTIFICATION

The applicant hereby proposes to provide the services as listed in this proposal. If this proposal is approved and funded, it is agreed that relevant federal, state, and local regulations, including nondiscrimination laws and other assurances as required by the City of Morro Bay, will be adhered to. Furthermore, I certify that the applicant is fully capable of fulfilling its obligation under this proposal as stated herein.

Grantee agrees to provide immediate written notice to the City if significant changes or events occur during the term of this award which could potentially impact the progress or outcome of the grant, including without limitation, changes in Grantee management personnel or losses of funding.

This grant is requested with the understanding that the City has no obligations to provide any, other or additional support or grants to the Grantee.

On behalf of the applicant organization, I understand and agree to the foregoing terms and conditions of the City's grant, and I hereby certify and attest to my authority to execute this agreement on Applicant's behalf.

This application and the information contained herein are true and correct and complete, to the best of my knowledge.

Date: _____, 2019

Organization Name

Executive Director

(Print Name)



Community Grant Funding Program ANNUAL PERFORMANCE REPORT- FY 2019-20

GENERAL INFORMATION

Name of Organization: _____ Phone: _____

Mailing Address: _____ Zip: _____

Report Preparer: _____ Title: _____

Contact Number: _____ Email: _____

Funds Approved: \$ _____ Funds expended per report period: \$ _____ Fund remaining: \$ _____

PERFORMANCE INFORMATION

1. Describe in detail how grant funds have been used:
2. List dates, name of activities, and event locations for special events funded with City of Morro Bay Grant funds, as relevant:

(Note: attach activity fliers/advertisement/agendas, as relevant to funded activities)

3. Total Number of Individuals Served: _____ Number of Morro Bay Residents Served: _____

4. List the goals that were achieved by your project during this report period:

**Community GRANT
Report Form**

5. Authorizations:

I hereby certify and attest that both the information contained in this report is true to the best of my knowledge and belief, as well as I am authorized by the organization discussed herein to present this report as its duly authorized representative. I also hereby certify that our organization is in compliance with all state, federal, and local laws regarding licensing and employment practices.

Print Name of Report Preparer: _____ Title: _____
Preparer Signature: _____ Date: _____

Print name of President or Authorized Officer: _____ Title: _____
President Signature: _____ Date: _____

Return this completed report to:

City of Morro Bay
Finance Department
595 Harbor Street
Morro Bay, CA 93442
Attn: Finance Director
Office (805) 772-6217
Email: jcallaway@morrobayca.gov

GRANT AGREEMENT BY AND BETWEEN
THE CITY OF MORRO BAY AND
[NAME OF GRANTEE]
2019-2020

THIS AGREEMENT is made and entered into this _____ day of _____, 2019, and is effective as of the xx day of xxx, 20xx by and between the CITY OF MORRO BAY, a municipal corporation of the State of California (hereinafter CITY), and [NAME OF GRANTEE], a nonprofit corporation of the State of _____ (hereinafter CONTRACTOR).

WITNESSETH

WHEREAS, CITY appropriated funds in its Fiscal Year 2019-2020 Budget for allocation to community service agencies, and;

WHEREAS, CITY desires to engage CONTRACTOR to provide services as permitted pursuant to CONTRACTOR'S non-profit purpose for the public purpose of the benefit of the residents of CITY (hereinafter "PROGRAM"), and CITY has appropriated funds for this purpose, to be utilized during the time period between July 1, 2019, and June 30, 2020, and;

WHEREAS, CONTRACTOR represents and warrants the truth of all statements contained in "Assurances" attached as Exhibit A and incorporated herein by reference.

NOW, THEREFORE, THE PARTIES AGREE, as follows:

I. COMMUNITY GRANT POLICY

The CONTRACTOR warrants that it has read and understands the CITY's Community Grant Policy Governing Community Grants attached as Exhibit C to this Agreement, and incorporated herein by reference [hereinafter Community Grant Policy], and agrees that it shall be bound by that Community Grant Policy in its performance under this Agreement, with the sole exception of any express exemptions from that Community Grant Policy as provided herein. In case of any conflict between the terms of this Agreement and the Community Grant Policy, the terms of this Agreement shall take precedence.

II. PROGRAM COORDINATION

- A. CITY: The CITY Manager or his/her designee, shall be the PROGRAM MANAGER and shall render overall supervision of the progress and performance of this Agreement by CITY. All services agreed to be performed by CITY shall be under the overall direction of the PROGRAM MANAGER.
- B. CONTRACTOR: CONTRACTOR shall assign a single PROGRAM DIRECTOR who shall have overall responsibility for the progress and execution of this Agreement. CONTRACTOR shall timely provide notice to PROGRAM MANAGER of the name of the PROGRAM DIRECTOR. Should circumstances or conditions subsequent to the execution of this Agreement require a substitute PROGRAM DIRECTOR, CONTRACTOR shall notify CITY immediately of such

occurrence in writing. PROGRAM DIRECTOR and CONTRACTOR staff will fully cooperate with CITY'S PROGRAM MANAGER relating to the PROGRAM, areas of concern, and the impact of PROGRAM on residents of CITY.

- C. NOTICES: All notices or other correspondence required or contemplated by this Agreement shall be sent to the parties at the following addresses:

CITY

Finance Director
City of Morro Bay
Finance Department
595 Harbor Street
Morro Bay, CA 93442

CONTRACTOR

[NAME OF CONTACT]
[NAME OF GRANTEE]
[ADDRESS OF GRANTEE]
[ADDRESS OF GRANTEE]

III. OBLIGATIONS OF CITY

- A. Contract Compliance: CITY staff shall provide reasonable assistance to CONTRACTOR in connection with:

1. Obtaining conformity of the PROGRAM with the CITY's policies and procedures and all CITY codes, ordinances, directives and laws.
2. Performance review under the Agreement for compliance purposes and evaluating PROGRAM based on Semi-Annual and/or Annual reports received from CONTRACTOR and on-site monitoring of client-based data.

IV. OBLIGATIONS OF CONTRACTOR

CONTRACTOR shall file Semi-Annual and/or Annual narrative reports with CITY on the types and numbers of services rendered to beneficiaries through the operation of PROGRAM, which reports shall evaluate the manner in which PROGRAM is achieving its goals according to standards established by CITY. The report shall be due on July 31, or the first working day thereafter and shall cover the entire year immediately preceding the date on which the report is filed, and shall be made on forms approved by CITY.

V. PAYMENTS TO CONTRACTOR

- A. Method of Payment:

1. CITY agrees to provide CONTRACTOR a sum of money not to exceed [AMOUNT OF GRANT IN WORDS](\$[AMOUNT OF GRANT IN NUMERALS]), including all allowable costs and expenses, by _____.
2. CITY grant funds are meant to fund CONTRACTOR for all allowable costs and expenses incurred in providing the PROGRAM Payment shall be made solely for services set forth in Exhibit B, and subject to CITY's review of CONTRACTOR performance.
3. CITY may, at any time and in its absolute discretion, elect to suspend or terminate payment to CONTRACTOR, in whole or in part, under this

Agreement, or not to make any particular payment under this Agreement, in the event of unsatisfactory performance or noncompliance with this Agreement.

VI. DISCLOSURE OF CONFIDENTIAL CLIENT INFORMATION

CITY, to the extent allowed by the California Public Records Act, and CONTRACTOR agree to maintain the confidentiality of any information regarding applicants for services offered by the PROGRAM pursuant to this Agreement or their immediate families which may be obtained through application forms, interviews, tests, or reports, from public agencies or counselors, or any other source. Without the written permission of the applicant or court order, or as otherwise required by law, such information shall be divulged only as necessary for purposes related to the performance or evaluation of the services and work to be provided pursuant to this Agreement to designated persons having responsibilities under the contract, including those furnishing services under the PROGRAM through subcontracts.

VII. ASSIGNABILITY AND INDEPENDENT CONTRACTOR REQUIREMENTS

- A. The relationship of CONTRACTOR to CITY is that of an independent contractor. CONTRACTOR is responsible for the results of its PROGRAM and compliance with the terms of this Agreement. CONTRACTOR has full rights to manage its employees subject to the requirements of the law. All persons employed by CONTRACTOR in connection with this Agreement shall be employees of CONTRACTOR and not employees of CITY in any respect. CONTRACTOR shall be responsible for all employee benefits, including, but not limited to, statutory workers' compensation benefits.
- B. None of the work or services to be performed hereunder shall be delegated or subcontracted to third parties without prior written CITY approval.
- C. No subcontractor of CONTRACTOR will be recognized by CITY as such. All subcontractors are deemed to be employees of CONTRACTOR, and CONTRACTOR agrees to be responsible for their performance and any liabilities attached to their actions or omissions.
- D. This Agreement is based on the unique services of CONTRACTOR. This Agreement shall not be assigned or transferred without the written consent of the CITY. No changes or variations to this Agreement of any kind are authorized without the written consent of the CITY Manager.

VIII. COMPLIANCE WITH LAW

CONTRACTOR shall become familiar and comply with and cause all its subcontractors and employees, if any, to become familiar and comply with all applicable federal, state and local laws, ordinances, codes, regulations, and decrees including, but not limited to, the City's Community Grant Policy as provided in Exhibit C, and "Assurances" as provided for in Exhibit C. Failure of CONTRACTOR to, in any manner, observe and adhere to law as described herein or as amended shall in no way relieve CONTRACTOR

of its responsibility to adhere to same and CONTRACTOR herein acknowledges this responsibility.

IX. TERMS AND AMENDMENTS

Amendments to the terms and conditions of this Agreement shall be requested in writing by the party desiring such revision, and any such adjustment to this Agreement shall be determined and effective only upon the mutual Agreement in writing of the parties hereto unless the Amendments are made by the CITY as corrective actions under the Community Grant Policy, attached hereto as Exhibit C and incorporated herein by reference, in which case they will be adopted as ordered.

X. LEGAL MATTERS

A. Integration

This document, including Exhibits A through C, represents the entire and integrated Agreement between the CITY and the CONTRACTOR, and supersedes all prior negotiations, representations, and agreements, either written or oral.

B. Binding Effect

The terms of this Agreement shall bind, and inure to the benefit of, the parties, their heirs, successors, and assigns.

XI. HOLD HARMLESS

A. CONTRACTOR hereby releases and agrees to protect, defend, hold harmless, and indemnify CITY, its CITY Council, its officers, employees, agents, volunteers and elected officials, boards and commissions, from and against all claims, injury, liability, loss, costs and expense, or damage, however same may be caused, including all cost and reasonable attorney's fees in providing the defense to any claim arising therefrom, for any loss or damage to property (real and/or personal) and for personal injury to or death of any person or persons arising out of, occurring by reason of, or in any way connected with CONTRACTOR'S PROGRAM activities or omissions, or in consequence thereof.

B. CONTRACTOR shall hold CITY, its CITY Council, officers, employees and boards and commissions harmless from CONTRACTOR's failure(s) to comply with any requirement imposed on PROGRAM by virtue of the utilization of Federal funds. CONTRACTOR shall reimburse CITY, for any disallowed costs and/or penalties imposed on CITY, because of CONTRACTOR's failure to comply with Federal, State or legal regulations or requirements, including any CITY costs, including attorney's fees, reasonably necessary to secure such reimbursement.

C. CITY shall indemnify and save CONTRACTOR, its officer, employees, and officials harmless with respect to any judgements arising from CITY's sole negligence or intentional actions or omissions in performance of CITY's obligations under this Agreement.

D. CITY and CONTRACTOR agree that CITY's indemnification shall extend solely to the payment of any judgements and is not intended to require that a defense to

suit be provided by CITY, or to limit in any manner CONTRACTOR's duty to defend all suits, actions, claims and causes of action arising out of the services CONTRACTOR provides pursuant to this Agreement.

XII. INSURANCE AND INDEMNIFICATION

A. Minimum Scope of Services

1. CONTRACTOR agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her organization/firm to an amount not less than: one million dollars (\$1,000,000) per occurrence, and two million dollars (\$2,000,000) in the aggregate, for bodily injury, personal injury and property damage.
2. CONTRACTOR agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars (\$1,000,000) per accident for bodily injury and property damage.
3. CONTRACTOR shall provide to the CITY all certificates of insurance, with original endorsements effecting coverage. CONTRACTOR agrees that all certificates and endorsements are to be received and approved by the CITY before work commences.
4. CONTRACTOR agrees to have and maintain, for the duration of the contract, professional liability insurance appropriate to the CONTRACTOR's profession in amounts not less than \$1,000,000 which is sufficient to insure CONTRACTOR for professional errors or omissions in the performance of the particular scope of work under this agreement.

B. General Liability

1. The CITY, its CITY Council, its officers, officials, employees, agents and volunteers are to be covered and named as additional insured as respects: liability arising out of activities performed by or on behalf of the CONTRACTOR; products and completed operations of CONTRACTOR, premises owned or used by the CONTRACTOR. This requirement does not apply to the professional liability insurance required for professional errors and omissions.
2. The CONTRACTOR's insurance coverage shall be primary insurance as respects the CITY, its CITY Council, its officers, officials, employees, agents and volunteers. Any insurance or self-insurances maintained by the CITY, its CITY Council, its officers, officials, employees, agents or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the CITY, its officers, employees and agents and their respective insurers.
3. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the CITY, its CITY Council, its officers, officials, employees, agents or volunteers.

4. The CONTRACTOR's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- C. All Coverages
Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the CITY. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the CITY Clerk.
- D. Workers' Compensation
In addition to these policies, CONTRACTOR shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the CITY before beginning services under this Agreement. Further, CONTRACTOR shall ensure that all subcontractors employed by CONTRACTOR provide the required Workers' Compensation insurance for their respective employees.
- E.

XIII. WHEN RIGHTS AND REMEDIES WAIVED

In no event shall any payment by CITY or any acceptance of payment by CONTRACTOR hereunder constitute or be construed to be a waiver by CITY or CONTRACTOR of any breach of covenants or conditions of this Agreement or any default which may then exist on the part of CITY or CONTRACTOR, and the making of any such payment while any such breach or default shall exist shall in no way impair or prejudice any right or remedy available to CITY or CONTRACTOR with respect to such breach or default.

XIV. TERMINATION

A. Termination for Cause and Reimbursement

1. Termination for Cause. This Agreement may be suspended or terminated at any time before the date of completion by CITY if:
 - A. CONTRACTOR fails to comply with conditions of the Agreement.
 - B. CONTRACTOR refuses to accept any additional conditions that may be imposed by the Federal or State Government.
 - C. CITY Council determines the CITY can no longer fund the monies for the Agreement.
2. Reimbursement. CONTRACTOR expressly agrees and understands that if in the sole reasonable written determination of the CITY the grant funds provided

by CITY to CONTRACTOR are not used exclusively for the agreed upon intended purpose, in whole or in part, CITY may terminate this Agreement for cause, and CONTRACTOR will promptly reimburse CITY in full for the entire amount of the grant funding provided by the CITY, or on a pro rate basis as determined by the CITY.

B. Termination for Convenience

CITY or CONTRACTOR may terminate this Agreement in whole or in part when both parties agree that the continuation of the PROGRAM would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated.

C. Upon Suspension or Termination, CONTRACTOR shall:

1. Not incur new obligations, and shall cancel as many outstanding obligations as possible, as such obligations concern the PROGRAM.
2. Be paid only for services actually rendered to CITY to the date of such suspension or termination; provided, however, if this Agreement is suspended or terminated for fault of CONTRACTOR, CITY shall be obligated to compensate CONTRACTOR only for that portion of CONTRACTOR's services which are of benefit to CITY.
3. Turn over to CITY immediately any and all copies of studies, reports and other data, prepared by CONTRACTOR or its subcontractors, whether or not completed, if any, in connection with this Agreement; such materials shall become property of CITY. CONTRACTOR, however, shall not be liable for CITY's use of incomplete materials or for CITY's use of complete documents if used for other than the services contemplated by this Agreement.

D. CITY is not liable for any CONTRACTOR expenses incurred after the termination or closing date of the Agreement.

XV. MISCELLANEOUS PROVISIONS

A. The Caption

The captions of the various sections, paragraphs, and subparagraphs of the Agreement are for convenience only and shall not be considered nor referred to for resolving questions of the interpretation.

B. No Third Party Beneficiary

This Agreement shall not be construed or deemed to be an Agreement for the benefit of any third party or parties, and no third party shall have any claim or right of action hereunder for any cause whatsoever.

C. Severability Clause

In case any one or more of the provisions contained herein shall, for any reason, be held invalid, illegal, or unenforceable in any respect, it shall not affect the validity of the other provisions which shall remain in full force and effect.

D. No Pledging of CITY's Credit

Under no circumstances shall CONTRACTOR have the authority or power to pledge the credit of CITY, or incur any obligation in the name of CITY. CONTRACTOR shall save and hold harmless CITY, its CITY Council, its officers, employees and boards and commissions from expenses arising out of this Agreement.

E. Disputes

In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, as well as reasonable costs.

F. Nondiscrimination

1. Neither the CONTRACTOR nor any of its subcontractors shall discriminate in the employment of persons because of their race, color, national origin, sex, age, ancestry, sexual orientation, religion, physical or mental disability, or marital status, unless based upon a bona fide qualification under the California Fair Employment and Housing Act.
2. Neither the CONTRACTOR nor any of its subcontractors shall discriminate in the provision of any services or programs because of race, color, national origin, sex, age, ancestry, sexual orientation, religion, physical or mental disability, or marital status, unless based upon a bona fide qualification under the California Fair Employment and Housing Act.

G. Venue

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of San Luis Obispo, State of California, or any other appropriate court in such county, and CONTRACTOR covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of San Luis Obispo, State of California.

H. Non-liability of City Officers and Employees

No officer or employee of the City shall be personally liable to the CONTRACTOR, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the CONTRACTOR or to its successor, or for breach of any obligation of the terms of this Agreement.

I. Interpretation

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

J. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

[Signatures on the following page.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first herein above set forth.

City of Morro Bay

[NAME OF GRANTEE]

Scott Collins
City Manager

[NAME OF CONTACT]
Executive Director

APPROVED AS TO FORM:

Chris Neumeyer, City Attorney

EXHIBITS:

- A. Assurances
- B. Scope of Services
- C. Community Grant Policy

Project/Program: 2019-20 Community Diversity Education and Training Program
Kathleen Minck, Board Member

Program Manager:

Name of Agency:
Diversity Coalition
San Luis Obispo
County

Site Address: [REDACTED] Arroyo Grande, Ca 93420

Telephone Number: [REDACTED]

Web Address: diversityslo.org

Name of Executive Director: Rudy Xavier, Board President

*Note: You may attach additional pages if necessary

Project Description: Provide brief description of agency, agency goals, and agency services. Describe your program briefly, including who benefits from your program.

The Diversity Coalition’s membership and sponsors include representatives from local government, education, business, non-profit organizations and concerned citizens throughout our communities. It is operated by a Board of Directors, responsible to the public. Its guiding principle is “Diversity is Good” “Good for education, for business, for government, for our community...good for everyone!” Its programs and efforts are always pointed toward this goal. Its current primary program is the “Community Diversity Education and Training Program” (explained in detail below). It directly benefits all students who participate, increasing their base of knowledge and helping them become more caring, responsible adult citizens; in turn indirectly benefitting our society at large.

I. AGENCY INFORMATION

A. General Information

Grant Request Amount: \$ 2500.00

General Organization Information	
Organizations Name:	Diversity Coalition San Luis Obispo County
Year Established:	2011
Board Roster	See attached
Number of Paid Full-Time Employees	0

Number of Paid Part-Time Employees	0
Most recent financial statements (or copy of your last tax return (IRS 990))	See attached

Mailing Information	
Street Address:	[REDACTED]
City:	Arroyo Grande
State:	Ca.
Zip:	93420

Contact Person	
Title:	Joe Whitaker, Board Member
Phone Number:	[REDACTED]
E-mail:	[REDACTED]

Insurance/Tax Information	
Federal Employer Tax Number	82-2075135
State Employer Tax Number	C4034306
Name of Program	2019-20 Community Diversity Education and Training Program
IRS Determination Letter (approval of 501(3)C Status)	See attached
Name of Executive or CEO	Rudy Xavier
Name of Board Chairperson or President	Rudy Xavier

Please answer the following questions:

1. Does the agency have a not-for-profit incorporation status in the State of California? Yes.
2. How long has the agency been in operation? 8 years

II. COMMUNITY NEED STATEMENT

A. Community Need: Describe briefly the demonstrated need in the Morro Bay community for the program. Cite data sources as appropriate. The Coalition believes the key to a less divisive community is to reach children before their belief systems are hardened and minds are blinded to the worth of all those who are “different”. Its Program (as detailed below) is a significant step towards this goal. It has been implemented for the past three years in the Lucia Mar Unified School District to considerable success. Over 2000 middle and high school students have received the benefit of our Program. Earlier this year, our initial visit to a San Luis Coastal District school occurred at Morro Bay High, where approximately 200 students, currently studying either World History or American History, heard Paul and Marion Wolff, local residents and Holocaust survivors, tell their life’s story. Beginning in October 2019, our Program will return to Morro Bay High, with similarly pertinent and provocative speaker visits.

B. Program Narrative: Please provide your agency’s Mission Statement and Goals, brief history, programs and population(s) served, organizational structure and experience with proposed grant activities. If your organization provides programs countywide, indicate the percentage of Morro Bay residents served. **OUR MISSION:** We provide programs and resources promoting and advocating for the inclusion and affirmation of Diversity in our communities, and countering any instances of bias or prejudice against our citizens. **OUR VISION:** We believe an understanding and acceptance of the equality of gender, race, ethnicity, sexual orientation, age, physical abilities and attributes, and the other characteristics comprising all our individual identities, is an essential part of any proud, peaceful and prosperous community. **HISTORY:** The Coalition was founded in 2011 as a community outrage to a widely reported hate crime involving a cross burning in Arroyo Grande. Its initial effort involved raising the funds for, then commissioning the creation, design and installation, of a significant local public symbol testifying to the importance of Diversity and all it offers to our communities. The 11ft. tall sculpture, “Arboring Our Roots of Diversity” was installed at the entrance of Arroyo Grande High School, June 1, 2017. Since then, our efforts have been concentrated on the Program for which we are requesting grant funds. **ORGANIZATIONAL STRUCTURE:** The Coalition is governed by its seven member Board of Directors, which is responsible for all its decisions and actions. Its membership at large pays nominal annual dues, but is not actively involved in the Coalition’s operations. Board Members take no compensation. Our administrative overhead is minimal, so almost every dollar we raise in grant funds is spent directly on our programs and efforts. **MORRO BAY RESIDENTS:** Our school speakership program has just begun at Morro Bay High, but we estimate by the end of the 2019-20 school year, the number of Morro Bay students participating in the Program could reach 20% of our total effort.

C. Local Challenges: What local challenge or need does this grant address? How will Morro Bay residents and residents of adjacent areas and or countywide benefit? How will all eligible participants have the opportunity to participate in the program?

During this increasingly divisive era in our country, it is critical to reach young people and expose them to the importance of the many positive aspects offered by diversity of all sorts and types in our community, with structured efforts, such as the Coalition's program detailed below. Recent incidents, at Cal Poly and other local institutions demonstrate destructive biases and prejudices do exist even here. This is a local problem...and challenge, too.

The over arching benefit of the Coalition's work is the long term creation of an even better community for all of us in which to live.

While the San Luis Coastal School District and Morro Bay High School officials decide, in collaboration with the Coalition, exactly which grades, classes and students participate in and receive benefits of the Program, the more sponsor funds we raise, the more Program events we are able to hold in local schools. Any funds granted by the City of Morro Bay will be used directly to increase the number of Morro Bay students participating in the Program.

The Coaliton also hosts quarterly Community Outreach Meetings at local venues, open to the public. The gatherings feature well known local and national speakers discoursing on important topical diversity subjects and issues.

D. Project Description: Please provide project description, including explanation of project approach, identified strategies and anticipated outcomes. Please quantify the number of Morro Bay residents to be served. Include a list of planned activities, timeline and staff/volunteers responsible for the program. The Coalition's successful "Community Diversity Educational and Training Program", now in its third year, is based on the assertion reaching children before their belief systems are hardened in stone is a key, if not THE key, to a more tolerant and peaceful society. The Program has already benefitted over 2000 Middle and High School students in the Lucia Mar and San Luis Coastal Unified School Districts, by immersing them in a semester long diversity study project. The Coalition and School Districts fund visits by national and internationally known speakers/authors, whose lives have been drastically altered by extreme circumstances, such as Dr. Henry Oster, a Holocaust survivor, Alepho Deng, one of the famous "Lost Boys of Sudan", and Joeph Jok, African Refugee expert. The students' teachers use these visits as cornerstones for involving them by reading the authors' books in advance, students then being able to meet and query them during the visit, followed by continuing discussions post-visit. These events have proven transformative for all involved. Each speaker visits a minimum of two schools, in each addressing usually an audience of 100-250 students, in the school's auditorium or gym. Our goal during the 2019-20 school year is to introduce 2000-3000 new students to this critical experience by funding and hosting several new equally important speaker guests.

Our next visit to Morro Bay High School is planned for October 2nd and 3rd. Fanshen Fox DiGiovanni, an award winning playwright and actor, will perform her one-woman play, "One Drop of Love", which "travels from the 1700's to the present day, exploring intersections of race, class and gender in pursuit of truth, justice and love". Fanshen's show, produced by ben Affleck and Matt Damon, has been seen in venues nationwide. We expect several hundred Morro Bay students to experience this unique play.

Later during the 2019-20 school year, we anticipate returning to Morro Bay High with other equally important and compelling speaker events.

In addition, the Program funds selected teachers to visit sites such as the Los Angeles Museum of Tolerance's two-day seminar and the Human Rights Watch's annual event in Santa Barbara. The commitment of these teachers to share their experiences with colleagues, assists in giving them all the tools to weave diversity learning seamlessly into their students' curriculum studies, as appropriate.

For younger children (ages 6-8), the Coalition supports the vision of the Peace Academy of the Sciences and Arts' summer school, by providing scholarships for local students.

The Coalition tracks and measures impact of the Program by conducting follow up discussions/interviews with school administrators, principals and teachers, after each phase of the Program, modifying and improving it as needed. In this manner, the Program's benefits can be sustained and expanded.

Two of the Coalition's Board Members, Kathleen Minck and Dr. Cornel Morton, are responsible for implementation of the Program, assisted by other Board Members, plus school teachers/staff, as necessary.

E. Previous Funding: If your organization has received previous funding from the City of Morro Bay for the proposed project (within the last year), please provide the outcomes in measureable terms and a case example of the grant impact.

N/A

F. Collaborative Requests: If a collaborative request, please provide a description of prior collaborative activities, and proposed responsibilities of collaborative members. N/A

III. PROGRAM FISCAL INFORMATION

A. Program Budget

Please complete the following summary tables to reflect the budget for your organization and program. All amounts should be rounded to the nearest dollar. Alternatively, please attach single page revenue/expense summary sheets for the program for which funds are requested and a separate summary for the organization.

CITY OF MORRO BAY ✕ FY 2019/20
APPLICATION FOR COMMUNITY GRANT FUNDING

Project: Project/Program: CO₂ Baseline Measuring – Morro Bay Estuary

Project Manager Richard E. T. Sadowski

Agency: Ecologistics, Inc., a California nonprofit 501(c)(3) in collaboration with Home Front Environmental Justice Morro Bay

[REDACTED]
Los Osos, CA 93402

[REDACTED]
www.ecologistics.org

Stacey Hunt, CEO

Michael Jencks, Board Chair

Project Description: Much attention has been focused on high pollution levels in major California cities and in problem areas, such as the Central Valley, however little funds have been spent in less populated areas, such as the Central Coast. With climate change no longer on the distant horizon, no community is safe or immune. While air quality monitoring is performed in San Luis Obispo County, none of the devices are currently designed to measure carbon dioxide (CO₂) levels.

The proposed project will fund the purchase of a handheld air monitoring device that will not only measure CO₂ levels, but will also measure other air quality factors such as PM₁₀/PM_{2.5}, NO₂, O₃. The focus will be in and around the Morro Bay Estuary and the project team plans to take readings bi-monthly through all four seasons. Once data has been downloaded to a computer the monitoring software has the capability to provide data in table/graph forms that can be exported to a network of internet sites as needed to support the efforts of regional and state air regulators. It is important to establish baseline CO₂ levels in the Morro Bay area for two reasons. First, public officials need to know what they are dealing with as far as potentially dangerous CO₂ levels in the community. Secondly, the project will help facilitate collaboration efforts for community-based solutions.

CITY OF MORRO BAY ✕ FY 2019/20
APPLICATION FOR COMMUNITY GRANT FUNDING

I. AGENCY INFORMATION

A. General Information

Grant Request Amount: \$5,000

General Organization Information	
Organization's Name	Ecologistics, Inc.
Year Established	2010
Board Roster	Stacey Hunt, CEO Michael Jencks, Board Chair Saba Asghary, Secretary/Treasurer Ted Hamilton, Program Director Doreen Liberto, Director Erik Berg-Johansen, Director
Number of Paid Full-Time Employees	None
Number of Paid Part-Time Employees	None
Most recent financial statements	Attached

Mailing Information	
Street Address:	[REDACTED]
City:	Los Osos
State:	CA
Zip:	93402

Contact Person:	
Title:	Stacey Hunt, CEO
Phone Number:	[REDACTED]
E-mail:	stacey@ecologistics.org

CITY OF MORRO BAY ж FY 2019/20
APPLICATION FOR COMMUNITY GRANT FUNDING

Insurance/Tax Information	
Federal Employer Tax Number	27-2116150
State Employer Tax Number	None
Name of Program	CO ₂ Baseline Measuring – Morro Bay Estuary
IRS Determination Letter	Dated 5/21/2010 – copy attached
Name of Executive or CEO	Stacey Hunt
Name of Board Chairperson or President	Michael Jencks

Please answer the following questions:

1. Does the agency have a not-for-profit incorporation status with the State of California? Yes
2. How long has the agency been in operation? Nine years

II. COMMUNITY NEED STATEMENT

A. Community Need: Describe briefly the demonstration need in the Morro Bay community for the program. Cite data sources as appropriate.

Climate change, which has been warned about since the early 1980s, is now manifesting itself in increasingly visible and urgent ways. Communities and the governmental agencies that are responsible for them are being confronted with the need to design the best adaptation and mitigation measures possible. Baseline CO₂ data will help governmental agencies and other interested parties establish best practices in addressing climate change as it relates to coastal communities. Without necessary and reliable data, government is helpless to create any sort of strategy to protect land, humans, plants and animals and the local economy from any looming disaster. The project proposed by applicants will provide not only the City of Morro Bay with desperately needed data regarding CO₂ levels in the area, but this data can be shared regionally and across the state to assist in larger climate reality efforts.

CITY OF MORRO BAY ж FY 2019/20
APPLICATION FOR COMMUNITY GRANT FUNDING

B. Program Narrative: Please provide your agency’s Mission Statement and Goals, brief history, programs and population(s) served, organizational structure and experience with proposed grant activities. If your organization provides programs countywide, indicate the percentage of Morro Bay residents served.

Ecologistics’ mission is to create a resilient and healthy community for the residents of the California Central Coast that is environmentally and economically sustainable by:

- developing, teaching, and disseminating practical and innovative solutions to ecological and ecosystem problems;
- developing practical and innovative solutions to foster conservation, restoration, connectivity, and stewardship of ecosystems, watersheds, habitats, and landscapes in harmony with human needs and uses;
- consulting with and serving as a resource for public agencies and non-profit organizations;
- working and networking with other non-profit organizations and agencies to popularize innovative solutions to ecological problems, providing a hub for the sharing of scientific developments, and promoting socially responsible and environmentally just institutions; and
- developing, conducting, and sponsoring programs to provide training in proactive citizenship and leadership.

Since its formation in February 2010, Ecologistics has put on eight Central Coast Bioneers conferences, featuring over 100 speakers, workshops and field trips. In 2016 Ecologistics held the first Salinas River Symposium that brought together the largest number of agencies, universities, nonprofits and other stakeholders under one roof to discuss the future of the Salinas River. From that effort a working group was created which has now led to a funded two-year study of a possible watershed management plan for the river. The project is being overseen by the Upper Salinas-Las Tablas Resource Conservation District. Ecologistics has also hosted three Carrizo Plain Colloquia, presenting scientific research and findings on the Carrizo Plain. In 2016, Ecologistics put on a three-day Deep Ecology Collaboratory at Rancho El Chorro to generate solutions for the impending ecological crisis threatening our planet. Ecologistics’ other major purpose is to be a fiscal sponsor and incubator for environmental and social justice organizations (currently numbering 27), most of whom are in San Luis Obispo County. One of those organizations, Home Front Environmental Justice Morro Bay, is the organization we are supporting for this proposed project. Ecologistics is run by a 6-person volunteer board of directors.

Ecologistics does not have direct experience with air quality monitoring but has access to experts and consultants through its fiscally sponsored organizations, who have the necessary expertise. Ecologistics will oversee the operation and management of the project, manage the budget, and report findings to the City of Morro Bay.

CITY OF MORRO BAY ж FY 2019/20
APPLICATION FOR COMMUNITY GRANT FUNDING

C. Local Challenges: What local challenge or need does this grant address? How will Morro Bay residents and residents of adjacent areas and or countywide benefit? How will all eligible participants have the opportunity to participate in the program?

This grant will address climate change focusing on CO₂ levels in the Morro Bay Estuary and surrounding areas. The air monitoring program will be providing baseline CO₂ data and air quality information via the internet. The project will help facilitate collaboration efforts for community-based solutions and help facilitate citizen science. The long-term benefits will help advance the best practices for adaptation and mitigation measures with respect to climate change. The air quality monitoring devices will provide quantitative air quality data for academic researchers, community-based partners and government agencies to further assist in understanding the correlation between air quality, carbon dioxide and ocean acidification for the area.

D. Project Description: Please provide project description, including explanation of project approach, identified strategies and anticipated outcomes. Please quantify the number of Morro Bay residents to be served. Include a list of planned activities, timeline and staff/volunteers responsible for the proposed program.

Global rising CO₂ levels are creating climate changes that have public health and safety implications. This project will be focusing on the air data gaps around the Morro Bay Estuary & providing CO₂ database. The Morro Bay Community Grant will help facilitate the California Air Resources Board (CARB) Community Air Grant proposal. The CARB Community Air Grant proposal includes the acquisition, installation, and operation of a system of stationary and handheld air monitoring devices. The stationary monitoring devices will be located around the Morro Bay Estuary creating a continuous real-time air monitoring system for PM₁₀/PM_{2.5}, NO₂, O₃. The handheld air monitoring device main function that distinguishes it from the stationary device is the ability to monitor the air for CO₂, while providing the same functionality as the stationary devices. The handheld devices will be manually used by project staff on a bi-monthly basis for a year to create a CO₂ database for the Morro Bay Estuary and surrounding areas. Project staff will provide data in table/graph form and generate reports for the City.

E. Previous Funding: If your organization has received previous funding from the City of Morro Bay for the proposed project (within the last year), please provide the outcomes in measurable terms and a case example of the grant impact.

N/A

F. Collaborative Requests: If a collaborative request, please provide a description of prior collaborative activities, and proposed responsibilities of collaborative members.

N/A

CITY OF MORRO BAY ж FY 2019/20
APPLICATION FOR COMMUNITY GRANT FUNDING

Organization Contracts – Has your organization ever had funds withdrawn or a contract terminated for cause, unsatisfactory performance, or questionable costs on any financial statements or audit? If so, please describe:

No.

B. Travel Expense Disclosure – If Community Grant funds are to be used for staff travel expenses, please describe.

No.

CITY OF MORRO BAY ж FY 2019/20
APPLICATION FOR COMMUNITY GRANT FUNDING

CERTIFICATION

The applicant hereby proposes to provide the services as listed in this proposal. If this proposal is approved and funded, it is agreed that relevant federal, state, and local regulations, including nondiscrimination laws and other assurances as required by the City of Morro Bay, will be adhered to. Furthermore, I certify that the applicant is fully capable of fulfilling its obligation under this proposal as stated herein.

Grantee agrees to provide immediate written notices to the City if significant changes or events occur, during the terms of this award which could potentially impact the progress or outcome of the grant, including without limitation, changes in Grantee management personnel or losses of funding.

This grant is requested with the understanding that the City has no obligations to provide any, other or additional support or grants to the Grantee.

On behalf of the applicant organization, I understand and agree to the foregoing terms and conditions of the City's grant, and I hereby certify and attest to my authority to execute this agreement on Applicant's behalf.

This application and the information contained herein are true and correct and complete, to the best of my knowledge.

Date: August 28, 2019

Ecologistics, Inc.

Stacey Hunt

Stacey Hunt, CEO

COMMUNITY AIR MONITORING PLAN

The Morro Bay Grant will support the CARB Community Air Monitoring Grant by providing collaboration and additional funding being utilized in the project. Purchasing equipment from Aeroqual, a New Zealand based company, there will be a 6-8 week lead time regarding the procurement of the air quality monitoring device. During this time, meetings will be coordinated with participating entities to further strengthen collaboration efforts and solidify monitoring locations. Following procurement of equipment the project staff will use the handheld monitoring devices to provide monitoring data for CO₂, PM₁₀/PM_{2.5}, NO₂ & O₃. Project staff will measure the air quality on a bi-monthly basis for a year at the approximate locations (see Figure 1 & 2 below). In late 2019 project staff will meet with City staff to talk about outcomes of the submitted CARB Community Air Monitoring Grant Proposal and provide a progress report. In conclusion, project staff will compile collected data and submit into a Final Report.



Figure 1

1. Cloisters Community Park
2. Hwy 1 & Hwy 41
3. Black Hill
4. Morro Bay Triangle Park
5. Morro Rock



Figure 2

6. South Bay Blvd & Turri Rd
7. Audubon Overlook
8. Sea Pines Golf Resort
9. Spooner's Cove
10. Los Osos Valley Rd. & South Bay Blvd

CITY OF MORRO BAY ✕ FY 2019/20
APPLICATION FOR COMMUNITY GRANT FUNDING

WORK TABLE

Task Number	Description of Activity to Accomplish Task	Project Staff	Start & End Dates
Task 1	Procurement of air monitoring equipment, meetings with collaborating entities & Progress/Final Report		9/19-1/21
Task 1.1	Purchase Aeroqual handheld air monitoring device	Richard E. T. Sadowski, Project Manager	9/19-11/19
Task 1.2	Conduct meetings with the collaborating entities & handheld monitoring at designated locations/Progress Report	Richard E. T. Sadowski, Project Manager & Brom Webb, Monitoring Supervisor	11/19-12/20
Task 1.3	Final Report & Overhead	Stacey Hunt, Project Report Manager	12/20-1/21

CITY OF MORRO BAY ✕ FY 2019/20
APPLICATION FOR COMMUNITY GRANT FUNDING

BUDGET TABLE

Task Number	Budget Item	Rate	Units	Cost
Task 1	Procurement of air monitoring equipment, meetings with collaborating entities & Progress/Final Report			
Task 1.1	Purchase Aeroqual handheld air monitoring device			
	• Handheld outdoor air quality starter kit (expanded) w/CO ₂ sensor	\$3,615	1	\$3,615
	• S & H	\$185	1	\$185
Task 1.2	Conduct meetings with the collaborating entities & handheld monitoring at designated locations/Progress Report			
	• Richard Sadowski, Project Manager	\$450	1	\$450
	• Brom Webb, Monitoring Supervisor	\$450	1	\$450
Task 1.3	Final Report/Overhead			
	• Ecologistics Inc. Fiscal Sponsorship Administration Fee	\$300	1	\$300
Total Grant Amount Requested:				\$5,000

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **MAY 21 2010**

ECOLOGISTICS INC
4349 OLD SANTA FE RD 5
SAN LUIS OBISPO, CA 93401

Employer Identification Number:
27-2116150
DLN:
17053106316000
Contact Person:
RENEE RAILEY NORTON ID# 31172
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
509(a)(2)
Form 990 Required:
Yes
Effective Date of Exemption:
February 16, 2010
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

ECOLOGISTICS INC

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Choi". The signature is stylized and somewhat cursive.

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-PC

Letter 947 (DO/CG)



Northern Chumash Tribal Council

A Native American Corporation - NorthernChumash.org
1590 18th Street Los Osos, PO Box 6533, CA 93412 805-801-0347

Richard Sadowski
Home Front EJ Morro Bay
490 Java St
Morro Bay, CA 93442

August 17, 2019

Re: Support for Sacred Eelgrass Monitoring

Dear Richard,

It is important to the Northern Chumash Tribal Council, Inc. (NCTC) a San Luis Obispo County Chumash Tribal Government, that we support all efforts to bring back our indigenous sacred Eelgrass and therefore it is our divine edict to write a letter in support of the proposal Environmental Justice grant application being submitted to the Community Air Grant. NCTC supports Home Front EJ, Morro Bay for their grant application to install air monitoring devices around the Morro Bay Estuary, to study the loss of our sacred eelgrass in the Morro Bay Estuary.

The health of the eelgrass in the Morro Bay Estuary is of great concern to NCTC. NCTC anticipates that the project will help facilitate collaboration efforts for community based solutions and an understanding of the cumulative impacts in the Morro Bay Estuary. NCTC is certain that this project will help fill data gaps and will be of service in gaining knowledge/understanding regarding greenhouse emissions and greenhouse sinks in relationship to the Morro Bay Estuary. NCTC agrees that the gathering of coastal air quality data creates a good baseline for future climate science research. NCTC understands that the project will help researchers/other interested parties with tools to gain a better understanding between air quality and ocean health.

NCTC supports the contributions citizen science monitoring efforts will make in helping solve the climate crisis facing the present and future generations. In conclusion, NCTC fully supports Home Front EJ Morro Bay as they seek external funding to support a program designed to monitor the air around the Morro Bay Estuary.

Sincerely,


Fred Collins
Chair

Northern Chumash Tribal Council, Inc.

**ENVIRONMENTAL & LAND-USE CONSULTING
EDUCATIONAL SERVICES TEACHING NATURE, NATIVE CULTURES &
FARMING**



Economic Vitality Corporation

735 Tank Farm Road, Suite 264
San Luis Obispo, CA 93401
Tel (805) 788-2012
www.sloevc.org
info@sloevc.org
Non-profit 501(c)(3)
Direct: (805) 788-2013
mmanchak@sloevc.org

August 12, 2019

Scott Collins, City Manager scollins@morrobayca.gov
Jen Callaway, Finance Director jcallaway@morrobayca.gov
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

Re: **GRANT APPLICATION**

Dear Scott, Jen:

This follows the EVC's funding request dated April 8, 2019.

Please find attached the EVC's grant application that became required after my above letter.

On behalf of the Board of Directors and staff of the Economic Vitality Corporation, I wish to thank you, your City Council, and the team at the City for its long-standing support of the EVC. The EVC's role in providing economic development resources and services for the City and its businesses is vitally important. We are excited to be working directly with the City and Chamber on its 4MB program as well as helping to create a more vibrant local economy for the long-term by growing and attracting businesses in and to Morro Bay.

Now in its 25th anniversary, since 1994 the EVC has helped create a more vital local economy by providing resources to create jobs and foster the startup, growth and retention of businesses. We are addressing long-term, strategic efforts to help our local economy become more vital. This includes business connections and counseling; business retention, expansion and attraction; access to bank and investor capital; implementing the countywide economic strategy and industry clusters; and collaborating with local government and industry clusters to advocate for regional infrastructure. A healthy community requires a healthy business community and our economic development efforts will continue to have a direct, positive impact on the City, its businesses and its citizens.

REQUEST AND DELIVERABLE:

For \$5,000 during the 2019-20 fiscal year, the EVC proposes to:

- a) **Provide economic development resources to start, grow and attract business.**
- b) **Assist the Morro Bay Chamber of Commerce for the above including making connections with companies and individuals seeking to invest in the community.**
- c) **Provide a written assessment of key industry sectors to pursue for increased economic diversification and strategies to target sectors by providing recommendations regarding community capacity to meet the needs of fostering a more diverse and resilient economy.**

Creating jobs, fostering investment, and promoting business

August 12, 2019
Page 2 of 2

Please do not hesitate to contact me for questions or comments. Again, thank you for your support.

Sincerely,



Michael E. Manchak
President & CEO

cc: Council member Dawn Addis & EVC Board member daddis@morrobayca.gov
Loreli Cappel (805) 788-2015 lcappel@sloevc.org



APPLICATION FOR COMMUNITY GRANT FUNDING

III. PROGRAM FISCAL INFORMATION

A. Program Budget

Please complete the following summary tables to reflect the budget for your organization and program. All amounts should be rounded to the nearest dollar. Alternatively, please attach single page revenue/expense summary sheets for the program for which funds are requested and a separate summary for the organization.

Budget Summary

Budget Data	FY 2019/20	FY 2018/19
Morro Bay grant funding	Requested:	Received:
Total Program budget	\$ 5,000	\$ 5,000
Total Organization budget	\$ SEE ATTACHED	\$ SEE ATTACHED

Funding Summary

Revenue Source	FY 2019/20 Program Budget
Morro Bay grant:	\$ 5,000
Other municipal funding (please specify:)	\$ 45,000
County funding (please specify:)	\$ 10,000
State funding (please specify:)	\$ 0
Federal funding (please specify:)	\$ 100,000
Fees for services	\$ *
Donations	\$ *
Reserve contingency fund	\$ *
All other sources (please specify:)	\$ *
Total	\$

* SEE ATTACHED BUDGET

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first herein above set forth.

City of Morro Bay

Scott Collins
City Manager

APPROVED AS TO FORM:

Chris Neumeyer, City Attorney

[NAME OF GRANTEE]

*MICHAEL MANCHAK, PRES/CEO
ECONOMIC VITALITY CORP.*

[NAME OF CONTACT]

Executive Director

[Signature] 8/12/19

EXHIBITS:

- A. Assurances
- B. Scope of Services
- C. Community Grant Policy



CITY OF MORRO BAY ❖ FY 2019/20

APPLICATION FOR COMMUNITY GRANT FUNDING

Insurance/Tax Information	
Federal Employer Tax Number	SEE ATTACHED
State Employer Tax Number	
Name of Program	BUSINESS GROWTH PROGRAM
IRS Determination Letter (approval of 501(C) Status)	SEE ATTACHED
Name of Executive or CEO	MICHAEL MANCHAK
Name of Board Chairperson or President	JOLIE DITMORE

Please answer the following questions:

1. Does the agency have a not-for-profit incorporation status in the State of California?
2. How long has the agency been in operation?

II. COMMUNITY NEED STATEMENT

- A. **Community Need:** Describe briefly the demonstrated need in the Morro Bay community for the program. Cite data sources as appropriate.

5. Authorizations:

I hereby certify and attest that both the information contained in this report is true to the best of my knowledge and belief, as well as I am authorized by the organization discussed herein to present this report as its duly authorized representative. I also hereby certify that our organization is in compliance with all state, federal, and local laws regarding licensing and employment practices.

Print Name of Report Preparer: MICHAEL MANCHAK Title: PRES/CEO
Preparer Signature: [Signature] Date: 8-12-19

Print name of President or Authorized Officer: MICHAEL MANCHAK Title: PRES/CEO
President Signature: [Signature] Date: 8-12-19

Return this completed report to:

City of Morro Bay
Finance Department
595 Harbor Street
Morro Bay, CA 93442
Attn: Finance Director
Office (805) 772-6217
Email: jcallaway@morrobayca.gov



CITY OF MORRO BAY ❖ FY 2019/20

APPLICATION FOR COMMUNITY GRANT FUNDING

CERTIFICATION

The applicant hereby proposes to provide the services as listed in this proposal. If this proposal is approved and funded, it is agreed that relevant federal, state, and local regulations, including nondiscrimination laws and other assurances as required by the City of Morro Bay, will be adhered to. Furthermore, I certify that the applicant is fully capable of fulfilling its obligation under this proposal as stated herein.

Grantee agrees to provide immediate written notice to the City if significant changes or events occur during the term of this award which could potentially impact the progress or outcome of the grant, including without limitation, changes in Grantee management personnel or losses of funding.

This grant is requested with the understanding that the City has no obligations to provide any, other or additional support or grants to the Grantee.

On behalf of the applicant organization, I understand and agree to the foregoing terms and conditions of the City's grant, and I hereby certify and attest to my authority to execute this agreement on Applicant's behalf.

This application and the information contained herein are true and correct and complete, to the best of my knowledge.

Date: Aug. 12, 2019

ECONOMIC VITALITY CORP.

Organization Name

 PRES/CEO
Executive Director

MICHAEL E. MANCHAK

(Print Name)

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **DEC 14 1999**

Employer Identification Number:

77-0402681

DLN:

17053303740039

Contact Person:

REBECCA S BOWDEN

ID# 31183

Contact Telephone Number:

(877) 829-5500

Our Letter Dated:

December 1995

Addendum Applies:

No

ECONOMIC VITALITY CORPORATION OF
SAN LUIS OBISPO COUNTY
PO BOX 5257
SAN LUIS OBISPO, CA 93403-5257

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Steven T. Miller

Steven T. Miller

Director, Exempt Organizations

Letter 1050 (DO/CG)



EVC Board of Directors & Government Liaison Representatives

As of June 2019

OFFICERS, BOARD MEMBERS

1. **Board Chair: Jolie Ditmore**, CEO, Bay Consultants
2. **Past-Chair: Ken Dalebout**, Chief Administrative Officer, Arroyo Grande Community Hospital
3. **Treasurer: Steven Harding, EVP** Chairman, Community Leadership Groups, Rabobank
4. **Secretary: Henry Dubroff**, Chairman & Editor, Pacific Coast Business Times
5. **At-large: Brad Brechwald**, CEO, Wallace Group
6. **At-large: Stacie Jacob**, Chief Strategist, Solterra Strategies
7. **Josh Bivin**, Chief Financial Officer, Coastal Community Builders
8. **Mark Corella**, Vice President & District Manager, Central Coast Market, WELLS FARGO
9. **Chuck Davison**, President & CEO, Visit SLO CAL
10. **Carl Dudley**, VP/ Sr. Account Manager for the Central Coast, Pacific Western Bank
11. **Gina Fitzpatrick**, CEO, Paso Robles Chamber of Commerce, SLO County Chamber Execs
12. **Gabe Garcia**, Chief Financial Officer, Morris & Garritano
13. **Maria Kelly**, Director of Community Affairs, Justin Vineyards & Winery
14. **John King**, Principal, King Ventures / Boutique Hotel Collection
15. **Tim Mahoney**, District Manager, Southern California Gas Company
16. **Ziyad Naccasha**, Managing Partner, Carmel & Naccasha
17. **Chris Richardson**, Managing Partner, Richardson Properties
18. **Bruce Ray**, Chief Financial Officer, Cannon
19. **Eric Schwefler, CPA**, Managing Partner, Caliber Accounting Group
20. **Darren Smith**, Chief Executive Officer, Compass Health
21. **Jill Stearns**, President, Cuesta College
22. **Tim Williams**, President, Digital West
23. **Ron Yukelson**, Chief Operations & Strategy Officer, Wilshire Health & Community Services

Government Liaison Representatives

24. **Dawn Addis**, City Council, Morro Bay
25. **Lynn Compton**, 4th District County Supervisor
26. **Adam Hill**, 3rd District County Supervisor
27. **Steve Martin**, Mayor, City of Paso Robles
28. **Heather Moreno**, Mayor, Atascadero
29. **Karen Bright**, City Council, Grover Beach
30. **Erica Stewart**, City Council, San Luis Obispo
31. **Ed Waage**, Mayor, City of Pismo Beach

Emeritus Members

32. **Michael Cannon**, CEO, CANNON
33. **Noreen Martin**, CEO, Martin Resorts
34. **Charley Senn**, Anderson Commercial
35. **Dave Juhnke**, McCormick Barstow, LLP



APPLICATION FOR COMMUNITY GRANT FUNDING

Project: Project/Program: Senior Nutrition
Program/Meals That Connect

Program Manager: Elias Nimeh

Agency: Name of Agency: Senior Nutrition
Program/Meals That Connect

Site Address: 2180 Johnson Avenue, San Luis Obispo, CA 93401

Telephone Number: 805-541-3312

Web Address: mealsthatconnect.org

Name of Executive Director: Elias Nimeh

*Note: You may attach additional pages if necessary

Project Description: Provide brief description of agency, agency goals, and agency services. Describe your program briefly, including who benefits from your program.

The Senior Nutrition Program/Meals That Connect is a charitable non-profit organization serving the county of San Luis Obispo, including the city of Morro Bay. Our mission is to enhance health, restore dignity, support independence, and reduce isolation for every San Luis Obispo County resident in need who is at least 60 years of age by providing meaningful connections and free, hot, noon-time meals delivered to community dining sites or at home. Senior Nutrition Program prepares food in our central kitchen in San Luis Obispo. Using the cook and chill system, food is sent cold to 11 different lunch sites throughout the county, where it is heated and served to seniors in congregate dining and delivered to homebound seniors through a network of over 350 volunteers. In Morro Bay, we serve congregate meals Monday through Friday at the Morro Bay Senior Citizens Center, and we also deliver meals to homebound seniors.

Our program has three goals: nutrition, socialization, and safety. Our program provides balanced meals which supply at least 1/3 of the Daily Required Intake, (DRI) for an average person. Both the congregate dining and the home delivery provide socialization and human contact to help break the cycle of isolation. Finally, the daily home deliveries by volunteers, along with regular assessments by site supervisors, provide a safety net from accidents or physical or financial abuse. All staff and volunteers are mandated to report any suspected abuse.



APPLICATION FOR COMMUNITY GRANT FUNDING

I. AGENCY INFORMATION

A. General Information

Grant Request Amount: \$ 5000

General Organization Information	
Organizations Name:	Senior Nutrition Program/Meals That Connect
Year Established:	1991
Board Roster	See attached document
Number of Paid Full-Time Employees	12
Number of Paid Part-Time Employees	19
Most recent financial statements (or copy of your last tax return (IRS 990)	See attached document

Mailing Information	
Street Address:	2180 Johnson Avenue
City:	San Luis Obispo
State:	CA
Zip:	93401

Contact Person	
Title:	Juliane McAdam, Public Relations Manager
Phone Number:	310-490-0310
E-mail:	juliane@mealsthatconnect.org



APPLICATION FOR COMMUNITY GRANT FUNDING

Insurance/Tax Information	
Federal Employer Tax Number	770279528
State Employer Tax Number	C1495178
Name of Program	Senior Nutrition Program/Meals That Connect
IRS Determination Letter (approval of 501(3)C Status	See attached document
Name of Executive or CEO	Elias Nimeh
Name of Board Chairperson or President	Anita Shower

Please answer the following questions:

1. Does the agency have a not-for-profit incorporation status in the State of California? **Yes. Our corporate number with the state is C1485178.**
2. How long has the agency been in operation? **We incorporated in 1991. However, we have been in operation since 1974.**

II. COMMUNITY NEED STATEMENT

A. Community Need: Describe briefly the demonstrated need in the Morro Bay community for the program. Cite data sources as appropriate.

Morro Bay has a large number of senior citizens, and many of these seniors live near or below the poverty level. For these seniors, our meals may serve as a lifeline, providing them with a hot, nutritious meal every day. For seniors who can attend the congregate meals in our dining center, our program also provides a chance to socialize with other seniors over food. And for the homebound, our program allows them to remain independent in their own homes longer. We will also provide meals for a spouse who is a caregiver for the homebound senior. In FY 2018-19, 199 seniors in Morro Bay participated in our program. We served 6,123 meals to 108 seniors in our dining room, 10,896 meals to 91 homebound seniors in the city of Morro Bay. These numbers demonstrate the need for our program in the city of Morro Bay.



APPLICATION FOR COMMUNITY GRANT FUNDING

B. Program Narrative: Please provide your agency's Mission Statement and Goals, brief history, programs and population(s) served, organizational structure and experience with proposed grant activities. If your organization provides programs countywide, indicate the percentate of Morro bay residents served.

The mission of Meals That Connect is to enhance health, restore dignity, support independence, and reduce isolation for every San Luis Obispo County resident in need who is at least 60 years of age by providing meaningful connections and free, hot, noon-time meals delivered to community dining sites or at home. Our program has three goals: nutrition, socialization, and safety. Our program provides balanced meals which supply at least 1/3 of the Daily Required Intake, (DRI) for an average person. Both the congregate dining and the home delivery provide socialization and human contact to help break the cycle of isolation. Finally, the daily home deliveries by volunteers, along with regular assessments by site supervisors, provide a safety net from accidents or physical or financial abuse. All staff and volunteers are mandated to report any suspected abuse.

As a result of the Older Americans Act of 1965, California began receiving funding for senior nutrition programs in 1974. In San Luis Obispo County, the Area Agency on Aging (AAA) managed the program until 1981. In that year, the Economic Opportunity Commission, now CAPSLO, took over for the next 10 years. In 1991, Senior Nutrition Program incorporated as a non-profit 501(c)(3) organization with a volunteer board of directors. In October 2016 we were the recipients of the Verdin Marketing Makeover, which changed our name to Meals That Connect.

Our program is managed by our executive director, Elias Nimeh. We employ a full-time kitchen manager, two cooks, and other support staff in the kitchen. We employ two office workers who maintain records and manage data. We employ a part-time registered dietitian to create our monthly menus and provide nutritional information through our monthly newsletter.

Senior Nutrition Program prepares food in our central kitchen in San Luis Obispo. Using the cook and chill system, food is sent cold to 11 different lunch sites throughout the county, where it is heated and served to seniors in congregate dining and delivered to homebound seniors through a network of over 350 volunteers. In Morro Bay, we serve congregate meals Monday through Friday at the Morro Bay Senior Citizens Center, and we also deliver meals to homebound seniors. Our program has operated successfully for many years (see history above), and we have lengthy experience with the proposed grant activities.

Our program provides meals for seniors countywide at 11 dining sites and through home delivery. In FY 2018-19, we served 157,239 meals to 1490 seniors through congregate dining in our dining rooms; we served 114,825 meals to 846 homebound seniors. In FY 2018-19, 199 seniors in Morro Bay participated in our program. We served 6,123 meals to 108 seniors in our dining room, 10,896 meals to 91 homebound seniors in the city of Morro Bay. While we serve a large number of seniors in Morro Bay, these clients are 8.5% of our total clients.



APPLICATION FOR COMMUNITY GRANT FUNDING

- C. Local Challenges:** What local challenge or need does this grant address? How will Morro Bay residents and residents of adjacent areas and or countywide benefit? How will all eligible participants have the opportunity to participate in the program?

This grant from the city of Morro Bay will help us continue to meet the demand for our program in the city of Morro Bay. It will help our program continue to provide free healthy, nutritious meals to Morro Bay's seniors, both in congregate dining and delivered to the homebound. These seniors, both in Morro Bay and countywide, will benefit from the nutritious meals, the socialization, the independence, and the security that our program delivers. Any senior can participate in our program by contacting our central office.

- D. Project Description:** Please provide project description, including explanation of project approach, identified strategies and anticipated outcomes. Please quantify the number of Morro Bay residents to be served. Include a list of planned activities, timeline and staff/volunteers responsible for the proposed program.

We are not applying for grant funding for a separate project, but rather for ongoing program support. Our program has been described in answers to the previous questions. The number of Morro Bay residents we serve has also been addressed in answers to previous questions. We will continue to serve congregate meals daily, Monday through Friday, at the Morro Bay Senior Citizens Center, and we will continue to deliver meals to the homebound, with frozen meals available for weekends. We rely on our two Morro Bay site managers and volunteers to carry out the program.

- E. Previous Funding:** If your organization has received previous funding from the City of Morro Bay for the proposed project (within the last year), please provide the outcomes in measureable terms and a case example of the grant impact.

Here are some of the outcomes for our program in FY 2018-19:

- 199 senior clients received 17,019 total meals in the city of Morro Bay in FY 2018-19
- 199 senior clients received 796 classes of nutritional education in FY 2018/19
- the Morro Bay dining room passed four detailed inspections during the year
- All 199 seniors received four assessments to insure their good health and safety throughout the fiscal year.
- All senior clients receiving daily hot nutritious meals are healthier, happier and more independent than other seniors who are not in our program.
- Due to assessments, referral services & nutrition education, seniors will be more likely to have a better chance of extended good health and less chance of depression or suicide.

- F. Collaborative Requests:** If a collaborative request, please provide a description of prior collaborative activities, and proposed responsibilities of collaborative members.



APPLICATION FOR COMMUNITY GRANT FUNDING

CERTIFICATION

The applicant hereby proposes to provide the services as listed in this proposal. If this proposal is approved and funded, it is agreed that relevant federal, state, and local regulations, including nondiscrimination laws and other assurances as required by the City of Morro Bay, will be adhered to. Furthermore, I certify that the applicant is fully capable of fulfilling its obligation under this proposal as stated herein.

Grantee agrees to provide immediate written notice to the City if significant changes or events occur during the term of this award which could potentially impact the progress or outcome of the grant, including without limitation, changes in Grantee management personnel or losses of funding.

This grant is made with the understanding that the City has not obligations to provide any, other or additional support or grants to the Grantee.

On behalf of the applicant agency, I understand and agree to the foregoing terms and conditions of the City's grant, and hereby certify and attest my authority to execute this agreement on Applicant's behalf.

This application and the information contained herein are true and correct and complete, to the best of my knowledge.

Date: 8/28/2019, 2019

Meals That Connect
Organization Name


Executive Director

ELIAS NIMEH
(Print Name)

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

MAR 18 1999

SENIOR NUTRITION PROGRAM OF SAN
LUIS OBISPO COUNTY
710 FIERO LANE STE 14
SAN LUIS OBISPO, CA 93401-7945

Employer Identification Number:
77-0279528
DLN:
17053053022009
Contact Person:
ZENIA LUK ID# 31522
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Form 990 Required:
Yes
Addendum Applies:
No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

Letter 947 (DO/CG)

SENIOR NUTRITION PROGRAM OF SAN

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so be sure your return is complete before you file it.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, any supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$20 per day for each day there is a failure to comply (up to a maximum of \$10,000 in the case of an annual return).

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Letter 947 (DO/CG)

SENIOR NUTRITION PROGRAM OF SAN

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "W. Carey Burtch", is written over a faint dotted line.

District Director

Letter 947 (DO/CG)

Project: Free Business Mentoring

Program Manager: Brad Spar

Agency: Name of Agency: SCORE

1228 Broad Street
San Luis Obispo, CA 93401
(805) 547-0779

WWW. sanluisobispo.score.org

Name of Executive Director: Scott Hillis, Chair

Project Description

The San Luis Obispo County Chapter of SCORE is a nonprofit that provides free and confidential business mentoring tailored to meet the needs of small business. The chapter also offers workshops for both start-up entrepreneurs and existing small business owners.

In the coming year we will support objectives of the Morro Bay Economic Development Roadmap by providing workshops and individual mentoring to small business owners and people who want to start new businesses in the Morro Bay community. We have presented 4 workshops between June 2018 and July 2019 as well as providing personal mentoring and coaching to numerous small business owners in the Morro Bay Community. The Chamber of Commerce has requested that we continue to provide this training and support through 2020.

I. AGENCY INFORMATION

A. General Information

Grant Request Amount: \$ 1000.00

General Organization Information	
Organizations Name:	SCORE
Year Established:	1964 Nationally, 1982 in SLO County
Board Roster	https://www.score.org/content/board-directors
Number of Paid Full-Time Employees	Zero
Number of Paid Part-Time Employees	Zero
Most recent financial statements (or copy of your last tax return (IRS 990))	See attached doc - Score 597 P and L - October 2018 through June 2019)

Mailing Information	
Street Address:	1228 Broad Street
City:	San Luis Obispo
State:	CA
Zip:	93401

Contact Person	
Title:	Brad Spahr
Phone Number:	310-345-6350
E-mail:	brad.spahr@scorevolunteer.org

Insurance/Tax Information	
Federal Employer Tax Number	52-1067290
State Employer Tax Number	Not applicable
Name of Program	Support for Morro Bay economic development objectives
IRS Determination Letter (approval of 501(3)C Status	See attached doc - IRS 501C3 Determination Letter 11-17-14
Name of Executive or CEO	Bridget Weston, Acting CEO
Name of Board Chairperson or President	Larry Tucker, Chairman of the Board

Please answer the following questions:

1. Does the agency have a not-for-profit incorporation status in the State of California? No.
2. How long has the agency been in operation? Since 1982

II. COMMUNITY NEED STATEMENT

A. Community Need: Describe briefly the demonstrated need in the Morro Bay community for the program. Cite data sources as appropriate.

Morro Bay experienced a significant economic impact with the closure in 2013 of the Morro Bay Power Plant. The Power Plant at its peak employed over 100 and near closure 40 high-paying jobs were lost. The economic impact of job loss alone to the region is estimated at \$18- \$20 million with an averaging annual regional household spending of \$3-\$4 million from direct and indirect job losses. The city took a direct financial loss of a reported \$750,000 in revenue in licenses and fees (\$500K to General Fund and \$250K to Harbor Fund) and an estimated \$100-\$120,000 in additional property taxes. Recovery from an economic hit like this closure is difficult enough to find something that can replace that contribution to the economy and the direct loss of revenue to the city for essential services but it is even more difficult to recover when the city itself has limited opportunities to attract new investment.

In 2017 the city issued an economic development roadmap with the objective of recovering jobs and stimulating economic growth. Fostering small business growth is a major factor in this renewal. Since 2018 SCORE has been working with the Morro Bay Chamber of Commerce to put on workshops and provide small business owners with face to face mentoring to ensure the success of their businesses and grow the Morro Bay economy.

B. Program Narrative: Please provide your agency's Mission Statement and Goals, brief history, programs and population(s) serviced, organizational structure and experience with proposed grant activities. If your organization provides programs countywide, indicate the percentate of Morro bay residents served.

SCORE's mission is to foster vibrant small business communities through mentoring and education We aim to give every person the support they need to thrive as a small business owner.

At SCORE, we hold that:

- **Clients matter** - Our clients' success is our success. The quality of their experience at SCORE is the truest measure of our success as an organization.
- **Small business matters** - Small business drives our national economy through business formation, job creation and wealth building. Small businesses are critical to vibrant communities in our society.
- **Giving back matters** - We are proud to enable volunteers, stakeholders and sponsors to give back to their communities.
- **Volunteers matter** - Volunteers give freely of their time, energy and knowledge to help others – and they are pivotal to the continued success of SCORE's mission. San Luis Obispo SCORE volunteers donate countless hours of their time each year in support of our local community.
- **Experience matters** - A volunteer's experience matters; their relevant knowledge, wisdom and experience serve our clients through mentorship and education.
- **Relationships matter** - In relationships, we act with integrity, respect, honesty, purpose and professionalism. We listen with an open mind, encourage and openly communicate with all people seeking business help from SCORE. Personal, long-term relationships – including those between mentors and business owners – are a driver of small business success.

- **Diversity matters** - We believe in the importance, value and power of diversity – diversity of people and diversity of thought. Diversity of race, gender, ethnicity, geography and experience among SCORE volunteers and clients enable SCORE to effectively execute its mission of helping all small business owners.
- **Lifelong learning matters** - We believe that small business owners who are lifetime learners adapt to change more readily and are more successful. Volunteers as lifelong learners remain relevant and achieve personal satisfaction and growth.

Our mentors are experts in such areas as accounting, finance, marketing, management and business plan preparation. Here are examples of our services:

Free and Confidential Mentoring

SCORE's mentors, comprised of active and retired business professionals, provide clients with free and confidential business counseling. Sessions can be conducted at the client's place of business, at our chapter offices, by video, telephone or email.

Workshops and Events

SCORE mentors and representatives from the local business community conduct a variety of regularly scheduled, free educational workshops that provide valuable information and techniques necessary for establishing and managing a successful business.

Templates and Tools

With access to a wide variety of documents, templates and tools to assist you in starting or growing your business, the information provided here covers a wide range of subjects including initial business planning, capital sources, government agencies, and much more.

Erica Crawford, of the Morro Bay Chamber of Commerce, has requested that we continue our workshops through 2019 and 2020. These workshops have been very popular with the small business community and have provided training on accounting and budgeting, marketing with social media, e-commerce and preparing a business plan, all aimed at helping the small business owner

C. Local Challenges: What local challenge or need does this grant address? How will Morro Bay residents and residents of adjacent areas and or countywide benefit? How will all eligible participants have the opportunity to participate in the program?

Morro Bay is a small town with little buildable space for expansion and economic growth. As such, the city's Economic Roadmap identified a number of challenges to economic growth including:

1. Poor/unfriendly regulatory climate – Specific items included parking, in lieu fees, business license vendor requirement and lack of response to specific business needs.
2. The need for placemaking –The city appears neglected, tired or rundown due to lack of investment and beautification.
3. Signage and wayfinding improvement for visitors to get to locations could be enhanced.
4. Tourism market – need for bringing higher income visitor.
5. Infrastructure Challenges – housing and labor pool (talent, which is a national challenge)

One of the major strategies to overcome these issues is to foster a thriving, growing small business community by helping existing businesses grow and encouraging the startup of new businesses. This is exactly SCORE's charter and reason for being. As we did in 2018 we will continue to advertise workshops through the Morro Bay Chamber of Commerce and our own SCORE marketing networks. The workshops are free and open to any attendees. At each workshop we also tell attendees about our face-to-face mentoring services and have attracted numerous new clients as a result.

D. Project Description: Please provide project description, including explanation of project approach, identified strategies and anticipated outcomes. Please quantify the number of Morro Bay residents to be served. Include a list of planned activities, timeline and staff/volunteers responsible for the proposed program.

In 2018 and the first half of 2019 SCORE presented four workshops covering the following subjects:

- How to Drive Traffic to your Web Site
- Writing a Business Plan
- Bookkeeping for Small Businesses
- Using the Business Model Canvas to focus Your Business Strategy

These workshops were attended by 73 small business owners at Morro Bay venues and drew over 1,000 views on YouTube. In Addition SCORE mentored 23 clients from the Morro Bay area in face to face meetings in the past year.

For the next 4 workshops we will focus on marketing, e-commerce and business strategy as these were the most requested topics. Topics will be presented by experienced SCORE subject matter experts and sessions will be staffed by SCORE volunteers. Workshops will be presented in October, 2019 and January, March and May, 2020.

E. Previous Funding: If your organization has received previous funding from the City of Morro Bay for the proposed project (within the last year), please provide the outcomes in measureable terms and a case example of the grant impact.

\$500.00 grant received from the City of Morro Bay in 2018. Results are summarized above in paragraph D.

F. Collaborative Requests: If a collaborative request, please provide a description of prior collaborative activities, and proposed responsibilities of collaborative members.

This is not a collaborative request.

III. PROGRAM FISCAL INFORMATION

A. Program Budget

Please complete the following summary tables to reflect the budget for your organization and program. All amounts should be rounded to the nearest dollar. Alternatively, please attach single page revenue/expense summary sheets for the program for which funds are requested and a separate summary for the organization.

CINCINNATI OH 45999-0038

In reply refer to: 0248222119
Nov. 17, 2014 LTR 4168C 0
52-1067290 000000 00
00031278
BODC: TE

SERVICE CORPS OF RETIRED EXECUTIVES
ASSOCIATION
1175 HERNDON PKWY STE 900
HERNDON VA 20170



022607

Employer Identification Number: 52-1067290
Person to Contact: Kaye Keyes
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Nov. 05, 2014, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in July, 1976.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

0248222119
Nov. 17, 2014 LTR 4168C 0
52-1067290 000000 00
00031279

SERVICE CORPS OF RETIRED EXECUTIVES
ASSOCIATION
1175 HERNDON PKWY STE 900
HERNDON VA 20170

If you have any questions, please call us at the telephone number
shown in the heading of this letter.

Sincerely yours,



Norma J. Brudwick, Field Director
Accounts Management



Creating housing solutions by connecting people and homes

August 28, 2019

Morro Bay City Council
Attn: City Manager Scott Collins
City of Morro Bay
595 Harbor St.
Morro Bay, CA 93442

RE: Grant Application for provision of housing services in Morro Bay

Dear Mr. Collins, Mayor Headding and Council Members Davis, McPherson, Addis & Heller:

The HomeShareSLO Program is grateful for past funding support from the City of Morro Bay and respectfully submits the attached Community Grant Application for fiscal year 2019/2020.

On behalf of our clients, including the matched homesharing clients in Morro Bay currently benefiting from the HomeShareSLO program, the housing seekers in Morro Bay who apply to our program in hopes of securing affordable, safe housing, and homeowners with extra rooms looking to leverage their assets so they can better afford their daily expenses and feel more connected to their community, our Board of Directors and staff, we thank you for the funding that Morro Bay has provided to our program.

With your support, we look forward to continued service to Morro Bay residents facing housing challenges that homesharing can address. Please let us know if there is more information we can provide, and our team looks forward to sharing information about some of our new programs in the upcoming year, which promise to provide new tools to assist Morro Bay residents with housing needs, particularly lower-income seniors.

Sincerely,

Anne R. Wyatt

Anne Wyatt, Executive Director
(805) 296-0013
annehomeslo@gmail.com



APPLICATION FOR COMMUNITY GRANT FUNDING

Project: Project/Program: HomeShare SLO Program

Program Manager: Anne R. Wyatt

Agency: Name of Agency: Smart Share Housing Solutions

Site Address: PO Box 15034, San Luis Obispo, CA 93406

Telephone Number: (805) 215-5474

Web Address: www.homeshareslo.org

Name of Executive Director: Anne R. Wyatt

*Note: You may attach additional pages if necessary

Project Description: Provide brief description of agency, agency goals, and agency services. Describe your program briefly, including who benefits from your program.

A program of SmartShare Housing Solutions, HomeShareSLO creates affordable housing by facilitating homeshare matches between persons with extra rooms and persons seeking housing. By providing training and outreach, a high level of security screening, introductions and ongoing monitoring and support, the program creates housing units out of existing extra rooms. HomeShareSLO was developed in response to critical county-wide need for affordable housing, need for wider diversity in housing options for a changing population, and need for support services, including: security and companionship for isolated seniors wanting to age in place.

Program services that help promote independence, stability, health and well-being are offered to all clients residing in San Luis Obispo County regardless of age, gender, race, religion, ethnic background, and mental and physical handicap.

The program, while not limited to seniors or low income individuals, is of special benefit to those demographics. To date 80% of clients are seniors and over 80% are low income (with approx. 70% low-income home providers and 95+% low income housing seekers).



APPLICATION FOR COMMUNITY GRANT FUNDING

I. AGENCY INFORMATION

A. General Information

Grant Request Amount: \$ 5,000

General Organization Information	
Organizations Name:	Smart Share Housing Solutions
Year Established:	2017
Board Roster	Chair: Marcia Alter, Co-Chair: Marianne Kennedy, Treasurer: Lisa Gonzales, Secy: Tim Waag, Grace Crittenden, Alan Prince, Joanna Balsamo-Lilien, Sharon Gottesfeld
Number of Paid Full-Time Employees	0
Number of Paid Part-Time Employees	3
Most recent financial statements (or copy of your last tax return (IRS 990)	

Mailing Information	
Street Address:	P.O. Box 15034
City:	San Luis Obispo
State:	CA
Zip:	93406

Contact Person	
Contact Person	Marcia Alter
Title:	Board Chair
Phone Number:	[REDACTED]
E-mail:	[REDACTED]



APPLICATION FOR COMMUNITY GRANT FUNDING

Insurance/Tax Information	
Federal Employer Tax Number	82-3151265
State Employer Tax Number	091-4457-7
Name of Program	HomeShare SLO
IRS Determination Letter (approval of 501(C) Status)	attached
Name of Executive or CEO	Anne R. Wyatt
Name of Board Chairperson or President	Marcia Alter

Please answer the following questions:

1. Does the agency have a not-for-profit incorporation status in the State of California? **Yes**
2. How long has the agency been in operation? **2.5 years**

II. COMMUNITY NEED STATEMENT

A. Community Need: Describe briefly the demonstrated need in the Morro Bay community for the program. Cite data sources as appropriate.

The need to increase the units of affordable housing in San Luis Obispo County and specifically Morro Bay is well documented. Morro Bay rental households experience a significant overburden of costs with approximately 54.44% paying more than 30% of income toward rent, according to census data.

An increasing number of single senior households struggle to meet the costs of housing and other living expenses with mostly limited fixed incomes. These single senior households number 783 in Morro Bay, according to current census data. County-wide, 9,000 households or approximately 8%, are comprised of single senior women, the average earning \$1,100 on social security income, not enough, even, to afford an average one bedroom apartment without assistance (Morro Bay one bdrm \$1300/mo avg 8/19). An increasing number of single person households mean residents will have different types of need for different types of housing than conventional larger single-family homes, the bulk of the County housing stock. Overhoused singles also have excessive cost burdens to maintain homes. Housing insecurity spans the income and age range but disproportionately affects seniors, as does isolation and its attendant health risks.

The mismatch of housing stock and existing demographic means long multi-year wait lists for the few affordable single units. HomeShareSLO's program addresses the need for affordable housing for housing seekers without slow and costly construction, while providing the opportunity for increased income and social connections for persons struggling to maintain their housing.



APPLICATION FOR COMMUNITY GRANT FUNDING

- B. Program Narrative:** Please provide your agency's Mission Statement and Goals, brief history, programs and population(s) served, organizational structure and experience with proposed grant activities. If your organization provides programs countywide, indicate the percentage of Morro Bay residents served.

SmartShare Housing Solutions' mission: "Creating Housing Solutions by Connecting People and Homes" guides the HomeShareSLO program. The organization operates under direction of an 8 member volunteer board and employs three part-time staff: Executive Director (50% FTE); Operations Director (80% FTE), and Outreach Director (50% FTE). Community volunteers assist with outreach and provision of services. Modeled after more than 60 homesharing programs nationwide, the HomeShareSLO program was developed in response to critical county-wide need for affordable housing, need for wider diversity in housing options for a changing population, and need for support services, including: security and companionship for isolated seniors wanting to age in place.

HomeShareSLO, a county-wide program designed to creatively address need for affordable housing and community connections, started operating in January of 2017. In its 2.5 years of operations, the program has created 59 housing units; matched 76 clients together in safe, affordable housing, while assisting seniors to live at home; enrolled more than 200 clients; and provided housing information and training to 2,207 County residents at events, helping with individual housing needs. The program, while not limited to seniors or low income individuals, is of special benefit to those demographics. To date 80% of clients are seniors and over 80% are low income (with approx. 70% low-income home providers and 95+% low income housing seekers).

- C. Local Challenges:** What local challenge or need does this grant address? How will Morro Bay residents and residents of adjacent areas and or countywide benefit? How will all eligible participants have the opportunity to participate in the program?

Specific ways the HomeShareSLO program benefits its Morro Bay and SLO County clients:

- Income to the home provider--over 80% of whom are senior women and 70% are lower income. An average rent per month in 2019 of \$750 (including utilities) means homeshare income to a provider of approx. \$8,000/yr.
- Security to home provider and ability to age in place: A majority of seniors want to age in place. Homesharing can provide the necessary income, security and companionship.
- Reduced Isolation: Limited mobility often associated with the inability to drive can lead to social isolation for older seniors. The negative health consequences of isolation have been compared to smoking a pack of cigarettes a day. Homesharing can provide security and companionship.
- Safe, affordable place to stay for home seeker, including rent savings of approx. \$400-900/month compared to renting a solo studio or one-bedroom apartment.
- Community benefit: diversity of affordable places for seniors and working people to live in their communities; minimize vehicle miles traveled; less resources and environmental impacts than building new, larger housing; lower healthcare and emergency service calls with extended network.

The program serves all of SLO County. Housing provision does not respect city boundaries, as Morro Bay residents seeking affordable housing may seek housing in other communities; similarly, Morro Bay home providers may provide housing for housing seekers from other communities. Thus, program efficiently serves a regional housing need. Regular monthly outreach events countywide invite all interested persons to learn about the program and receive housing training/mentoring. 844 County residents (Morro Bay: 263) attended safer living through homeshare training presentations in the past year, with 53 public presentations, 34 coffee chats plus individual client meetings. Website visitors average 4,000/mo.



APPLICATION FOR COMMUNITY GRANT FUNDING

D. Project Description: Please provide project description, including explanation of project approach, identified strategies and anticipated outcomes. Please quantify the number of Morro Bay residents to be served. Include a list of planned activities, timeline and staff/volunteers responsible for the proposed program.

HomeShareSLO's program assists residents priced out of traditional studio or one-bedroom rentals to find safe affordable housing through homesharing, provides increased income and social connections to those with an extra room to share, and adds housing units to our existing stock at much lower cost than construction.

Program will continue outreach strategy (conducted by staff, assisted by volunteers and board members) to reach vulnerable residents who could benefit from housing training/homesharing through regular presentations, coffee chat gatherings, social media outreach, and home visits. Project strategy to efficiently create housing through opening up rooms in homes has created 59 housing units since inception (9 in Morro Bay). Anticipated Morro Bay clients served by program in 2019/20: Housing training, outreach and mentoring services: 100 and housing provision: 8-10.

Staff conducts phone mentoring, client qualifying, intake meetings, background screens. Board members, staff and volunteers conduct home visits, community outreach and housing option education. Staff and board members maintain and establish relationships with other agencies in the senior-serving and affordable housing community for efficiency and to avoid duplication.

E. Previous Funding: If your organization has received previous funding from the City of Morro Bay for the proposed project (within the last year), please provide the outcomes in measureable terms and a case example of the grant impact.

A grant of \$5,000 received in late 2018 provided funds for HomeShareSLO program activities serving Morro Bay residents through 12 monthly outreach/housing training public events in Morro Bay, 14 client home visits (incl. provider homes and assisted living centers), processing of 12 applications from Morro Bay clients, 8 Morro Bay housing seeker meetings, 11 Morro Bay clients accepted in program, 5 Morro Bay housing training seminars/presentations (incl MB senior center, women's group, transportation/housing training). Enrolled Morro Bay matched clients 2018-2019 received benefit of 48 total months of homesharing match duration, providing approx. \$38,750 in income to Morro Bay home providers (all 65+ yrs) and \$23,650 in savings vs. traditional rentals (87% 65+ yrs), for a total of \$62,400 direct financial benefit to Morro Bay residents from MB grant investment of \$5000.

Case examples: Diann--single senior renter in MB 2/1 cottage, rent raised \$400/mo, afraid to find her own renter due to bad experience, now shares with Diana, paying \$700 rent, helping both with housing costs. Dennis, extremely low income senior renter, had an extra bedroom and mobility/transportation challenges. He now shares with Bill, a disabled vet who still drives. They've saved emergency room visits by helping each other when they fall, provided companionship and security.

F. Collaborative Requests: If a collaborative request, please provide a description of prior collaborative activities, and proposed responsibilities of collaborative members.

n/a



CITY OF MORRO BAY ❖ FY 2019/20

APPLICATION FOR COMMUNITY GRANT FUNDING

Organization Contracts--Has your organization ever had funds withdrawn or a contract terminated for cause, unsatisfactory performance, or questionable costs on any financial statements or audit? If so, please describe.

No.

B. Travel Expense Disclosure--If Community Grant funds are to be used for staff travel expenses, please describe.

n/a



APPLICATION FOR COMMUNITY GRANT FUNDING

CERTIFICATION

The applicant hereby proposes to provide the services as listed in this proposal. If this proposal is approved and funded, it is agreed that relevant federal, state, and local regulations, including nondiscrimination laws and other assurances as required by the City of Morro Bay, will be adhered to. Furthermore, I certify that the applicant is fully capable of fulfilling its obligation under this proposal as stated herein.

Grantee agrees to provide immediate written notice to the City if significant changes or events occur during the term of this award which could potentially impact the progress or outcome of the grant, including without limitation, changes in Grantee management personnel or losses of funding.

This grant is requested with the understanding that the City has no obligations to provide any, other or additional support or grants to the Grantee.

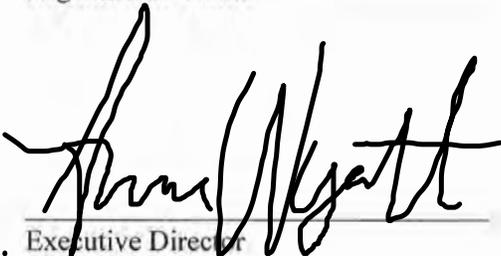
On behalf of the applicant organization, I understand and agree to the foregoing terms and conditions of the City's grant, and I hereby certify and attest to my authority to execute this agreement on Applicant's behalf.

This application and the information contained herein are true and correct and complete, to the best of my knowledge.

Date: August 28, 2019

SmartShare Housing Solutions, dba HomeShareSLO

Organization Name


Executive Director

Anne R. Wyatt

(Print Name)

Key Program Personnel:

Anne Wyatt, Executive Director: 50% FTE

Wyatt is a housing policy planner with a Masters in City and Regional Planning from Cal Poly; writes on housing and policy for the national magazine of the American Planning Association, *Planning*; and has planning/management experience in the private, nonprofit and government sectors. She serves as Vice Chair of the San Luis Obispo County Commission on Aging, on the Homeless Services Oversight Council's Housing Committee, formerly chaired the San Luis Obispo County Planning Commission, the North Coast Advisory Council and has served on non-profit boards including: Camp Ocean Pines, the Cambria Historical Society, Bike SLO County and Hostelling International's Sustainability Committee & Affiliate Advisory.

Stephanie Teaford, Outreach Director: 50% FTE

Teaford has worked in community relations in San Luis Obispo County for the past 10 years with specific involvement in community health and neighborhood wellbeing. As a Community Liaison for STRIDE, a health education and research center at Cal Poly, she established partnerships and connections throughout the county to further various fields of research and community health. Stephanie draws on 20 years of active participation as a county resident, serving on both the YMCA and the Food Bank Coalition of San Luis Obispo County Boards. She currently chairs the Healthy Communities Workgroup, a referral group offering a health perspective to County Building and Planning, and is on the Coordinating Committee for HEALSLO, a county-wide coalition with a mission of creating healthy environments that help individuals and families make good choices where they live, learn, work and play.

Celeste Goyer, Operations Director: 80% FTE

Goyer's background in marketing, graphic design and administrative organization for multi-family property management provides a broad range of operational oversight. Her resume of skills includes commercial writing, editing, website design, PR, video scripts and storyboarding, package design, digital and print ad production, photography, image editing, branding, and interior design.



Board of Directors:

Marcia Alter, Chair Marciahomeshareslo@gmail.com; Retired; Owner-Laugh and Feel Good:
Affiliations: SLO Chamber of Commerce; 1268 Royal Oak Place, Arroyo Grande, CA 93420

Marianne Kennedy, Vice-Chair mkennedyauthor@gmail.com
Retired Executive Director of SLO Women's Shelter (now Stand Strong); Affiliations: Member of
Housing Trust Fund (Secretary, B of D); Homeless Services Coordinating Council; SLO Supportive
Housing Consortium; 1787 Fearn Ave., Los Osos, CA 93402

Lisa Gonzalez, Treasurer lgonzo@fix.net
Enrolled Agent, Bookkeeper & Notary Public; Owner- *Controller-on-Call*;
Affiliations: St. Benedict's; Los Osos Cares; 1297 15th Street, Los Osos, CA 93402

Tim Waag, Secretary timwaag@gmail.com
Manager: *Light-Gabler Employment Law*; Affiliations: Showers of Hope; Homeless Service Oversight
Council (HSOC); HSOC Housing Committee; 1757 Frambuesa Drive, SLO, CA 93405

Joanna Balsamo-Lilien balsamo_lilien@yahoo.com
Housing Specialist; Family Care Network Inc.; 4345 Logos Ave. , Atascadero, CA 93422

Grace Crittenden gcrittenden1@gmail.com
Internist; *Pacific Central Coast Health Centers*; 1665 Tanglewood, SLO, CA 93401

Sharon Gottesfeld sharongottesfeld@gmail.com
Attorney, retired; PO Box 14003 SLO 93406

Alan Prince aprince@rebuildforlife.com
Occupational Therapist; Owner -*Rebuild for Life*; 1233 Santo Tomas Ct., Grover Beach CA 93433

Advisors:

Mariam Shah, Grover Beach City Council
Sky Bergman, San Luis Obispo
Barbara Nicolls, Grover Beach City Council
Jo Oliver, RN
Scott Smith-Cooke, Cal Poly, retired
Pavlo Rudakevych, iRobot, retired
Janice Fong Wolf, Community Foundation, retired
Jim Patterson, Atascadero
Marcy Adams, San Luis Obispo
Hildy Gall

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **NOV 15 2017**

SMART SHARE HOUSING SOLUTIONS INC
P O BOX 15034
SAN LUIS OBISPO, CA 93406-0000

Employer Identification Number:
82-3151265
DLN:
26053696004927
Contact Person:
CUSTOMER SERVICE ID# 31954
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
509(a)(2)
Form 990/990-EZ/990-N Required:
Yes
Effective Date of Exemption:
September 25, 2017
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Letter 947

SMART SHARE HOUSING SOLUTIONS INC

Sincerely,

Stephen a. martin

Director, Exempt Organizations
Rulings and Agreements

Letter 947



8/30/19

Jennifer Callaway
Finance Director
City of Morro Bay

Re: Community Grant Application

Dear Ms. Callaway,

Attached is our Bythe Sea Productions' application for a Community Grant for the 2019-2020 year.
Please let me know if more information or documentation is needed.

Thank you for your consideration.

Very truly yours,

A handwritten signature in black ink, appearing to read "Janice Peters", is written over a light blue circular stamp. The signature is fluid and cursive.

Janice Peters
Secretary



APPLICATION FOR COMMUNITY GRANT FUNDING

Project: Project/Program: By the Sea
Productions

Program Manager: Rhonda
Crowfoot, Board President

Agency: Name of Agency: By the Sea
Productions

Site Address: [REDACTED] Morro Bay 93442

Mailing address: PO Box 2032, Morro Bay 93443

Telephone Number: [REDACTED]

Web Address: bytheseaproductions.org

Name of Executive Director: Rhonda Crowfoot, Board President

*Note: You may attach additional pages if necessary

Project Description: Provide brief description of agency, agency goals, and agency services. Describe your program briefly, including who benefits from your program.

By the Sea Productions, Inc. is a non-profit live theater company, the only such organization in Morro Bay. We moved to Morro Bay in January 2017 after producing shows in Cambria as the Pewter Plough Players for 14 years. We stage our shows in the community room at St. Peter's by the Sea Episcopal Church, 545 Shasta Ave., where we build a full set for each production.

We produce five full shows of 4-weekend, 12-performance runs and three Readers Theatre shows of 1-weekend, 3-performance runs, for a total of sixty-nine performances per year. Our maximum audience is 60 people and we often have a full house. While the majority of our audience is from within SLO County, we also attract many out of town visitors looking for something to do in the evening after dinner. We've had a number of out of state and foreign visitors as well.

Our board, crews and performers are all volunteers. We have no paid staff, although we do offer our show directors a \$300 stipend and we pay a small mileage stipend to out of town performers.

We have a Morro Bay business license, are members of the Chamber of Commerce, support Morro Bay businesses with our purchases, and donate tickets to numerous local fundraisers and other non-profits. We also provide an annual scholarship to a Morro Bay High School student pursuing a degree in the arts.



APPLICATION FOR COMMUNITY GRANT FUNDING

I. AGENCY INFORMATION

A. General Information

Grant Request Amount: \$2,000

General Organization Information	
Organizations Name:	Pewter Plough Players, Inc. dba By the Sea Productions, Inc.
Year Established:	Est. 2001; Non-profit status March 17, 2004
Board Roster	<u>President:</u> Rhonda Crowfoot (Morro Bay) <u>Vice President:</u> Anita Schwaber (Cayucos) <u>Treasurer:</u> Kelli M. Poward (Atascadero) <u>Secretary:</u> Janice Peters (Morro Bay) <u>Directors:</u> John Geever (Morro Bay) Tim Linzey (Cambria) Sarah Smith (Grover Beach)
Number of Paid Full-Time Employees	None
Number of Paid Part-Time Employees	None
Most recent financial statements (or copy of your last tax return (IRS 990))	Attached

Mailing Information	
Street Address:	PO Box 2032
City:	Morro Bay
State:	CA
Zip:	93443

Contact Person	
President Rhonda Crowfoot	Secretary Janice Peters
310-962-1431	██████████
rhondabts@gmail.com	████████████████████



APPLICATION FOR COMMUNITY GRANT FUNDING

Insurance/Tax Information	
Federal Employer Tax Number	770508727
State Employer Tax Number	same
Name of Program	Pewter Plough Players, Inc. dba By the Sea Productions, Inc.
IRS Determination Letter (approval of 501(3)C Status)	Attached
Name of Executive or CEO	N/A
Name of Board Chairperson or President	Rhonda Crowfoot

Please answer the following questions:

1. Does the agency have a not-for-profit incorporation status in the State of California? Yes.
2. How long has the agency been in operation? 15 years as non-profit.

II. COMMUNITY NEED STATEMENT

A. Community Need: Describe briefly the demonstrated need in the Morro Bay community for the program. Cite data sources as appropriate.

Several times over the past 30 years, there have been attempts to operate a live theater company in Morro Bay. Individual productions were mounted, but no sustained company was ever established.

Since our first production in January of 2017, the response from the community has been enthusiastic and supportive. Now well into our 3rd year, we are often playing to full houses, comprised of both residents and visitors. Our main shows range from well-known comedies (Calendar Girls) to classic dramas (Of Mice & Men) to family shows (Anne of Green Gables) to newer works (Silent Sky), while our readers shows offer more controversial pieces (Seven.)

As the only live theater venue in Morro Bay, we are providing a unique cultural and artistic asset to our community.



APPLICATION FOR COMMUNITY GRANT FUNDING

B. Program Narrative: Please provide your agency's Mission Statement and Goals, brief history, programs and population(s) serviced, organizational structure and experience with proposed grant activities. If your organization provides programs countywide, indicate the percentage of Morro Bay residents served.

Mission Statement: The purpose of By the Sea Productions is to conduct a community drama and recreational organization, on a nonprofit basis, dedicated to the study, practice, and production of dramatics, music and other fine arts, for educational, recreational, civic, and benevolent purposes in the public interest.

History: The Pewter Plough Players had been staging shows at the Pewter Plough Playhouse in Cambria for many years, but when that facility changed hands in 2016, we lost our lease. One of our board members, Janice Peters, is a former Morro Bay Mayor, and was aware of the long held desire for live theater in Morro Bay, so she started looking for potential venues in town. St. Peter's By the Sea Episcopal Church welcomed the idea and offered their Erickson Hall for our productions.

A list of our productions is attached to this application.

C. Local Challenges: What local challenge or need does this grant address? How will Morro Bay residents and residents of adjacent areas and or countywide benefit? How will all eligible participants have the opportunity to participate in the program?

In an effort to include as many of our residents and visitors as possible, we deliberately keep our ticket prices low at \$20 for full shows and \$10 for readers, while other county live theaters are charging \$25-40 for full shows and \$15-20 for readers.

However, producing live theater is expensive. We pay \$4,800 annually for our venue space plus 18% of our ticket sales. Because there is minimal on-site storage space, we rent storage for our sets, furniture and costumes at an annual cost of \$6,540. Performance rights are typically \$125 per night, or \$8,625 for our annual season. Print ads cost \$7,500 per year. Additional costs accrue for printing, construction, costumes, props, equipment, lighting, sound, etc.

D. Project Description: Please provide project description, including explanation of project approach, identified strategies and anticipated outcomes. Please quantify the number of Morro Bay residents to be served. Include a list of planned activities, timeline and staff/volunteers responsible for the proposed program.

Our specific request of \$2,000 will fund our 2020 summer show, Agatha Christie's "Murder on the Orient Express," paying for the performance rights and a \$500 show budget. This grant amount would be a sponsorship of this production, and we would include The Community Fund on our advertising and in our program for this show. This show will rehearse through May and June and perform on weekends from June 26-July 19, 2020.



APPLICATION FOR COMMUNITY GRANT FUNDING

E. Previous Funding: If your organization has received previous funding from the City of Morro Bay for the proposed project (within the last year), please provide the outcomes in measureable terms and a case example of the grant impact.

N/A

F. Collaborative Requests: If a collaborative request, please provide a description of prior collaborative activities, and proposed responsibilities of collaborative members.

N/A

III. PROGRAM FISCAL INFORMATION

A. Program Budget

Please complete the following summary tables to reflect the budget for your organization and program. All amounts should be rounded to the nearest dollar. Alternatively, please attach single page revenue/expense summary sheets for the program for which funds are requested and a separate summary for the organization.

Budget Summary

Budget Data	FY 2019/20	FY 2018/19
Morro Bay grant funding	Requested: \$2,000	Received: N/A
Total Program budget	\$ 2,000	\$
Total Organization budget	\$ 2,000	\$

Funding Summary

Revenue Source	FY 2019/20 Program Budget
Morro Bay grant:	\$
Other municipal funding (please specify:)	\$ None.
County funding (please specify:)	\$ None.



CITY OF MORRO BAY ❖ FY 2019/20

APPLICATION FOR COMMUNITY GRANT FUNDING

State funding (please specify:)	\$ None
Federal funding (please specify:)	\$ None
Fees for services (Ticket sales)	\$ 20/ticket
Donations	\$ Unknown
Reserve contingency fund	\$ Bank Bal.
All other sources (please specify:)	\$ None
Total	\$

Organization Contracts--Has your organization ever had funds withdrawn or a contract terminated for cause, unsatisfactory performance, or questionable costs on any financial statements or audit? If so, please describe.

No.

B. Travel Expense Disclosure--If Community Grant funds are to be used for staff travel expenses, please describe.

N/A



APPLICATION FOR COMMUNITY GRANT FUNDING

CERTIFICATION

The applicant hereby proposes to provide the services as listed in this proposal. If this proposal is approved and funded, it is agreed that relevant federal, state, and local regulations, including nondiscrimination laws and other assurances as required by the City of Morro Bay, will be adhered to. Furthermore, I certify that the applicant is fully capable of fulfilling its obligation under this proposal as stated herein.

Grantee agrees to provide immediate written notice to the City if significant changes or events occur during the term of this award which could potentially impact the progress or outcome of the grant, including without limitation, changes in Grantee management personnel or losses of funding.

This grant is made with the understanding that the City has not obligations to provide any, other or additional support or grants to the Grantee.

On behalf of the applicant agency, I understand and agree to the foregoing terms and conditions of the City's grant, and hereby certify and attest my authority to execute this agreement on Applicant's behalf.

This application and the information contained herein are true and correct and complete, to the best of my knowledge.

Date: August 29, 2019

By the Sea Productions, Inc.

Organization Name

Executive Director

Rhonda Crowfoot

(Print Name)

501(c)(3)

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: MAR 17 2004

Employer Identification Number:
77-0508727
DLN:
17053045821024
Contact Person:
GERRY R McLAUGHLIN ID# 31115
Contact Telephone Number:
(877) 829-5500
Public Charity Status:
509(a)(2)

PEWTER PLOUGH PLAYERS
PO BOX 1776
CAMBRIA, CA 93428-0000

Dear Applicant:

Our letter dated October 1999, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity during an advance ruling period.

Based on our records and on the information you submitted, we are pleased to confirm that you are exempt under section 501(c)(3) of the Code, and you are classified as a public charity under the Code section listed in the heading of this letter.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at www.irs.gov.

If you have general questions about exempt organizations, please call our toll-free number shown in the heading between 8:00 a.m. - 6:30 p.m. Eastern time.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Letter 1050 (DO/CG)

Tommy Gong
San Luis Obispo - County Clerk-Recorder

20162645

DBA

11/14/2016
FBN
Pages: 1
Fee: \$ 52.00
Exp: 11/14/2021
By aboutista, Deputy



PLEASE RETURN FILED COPIES TO:
BY THE SEA PRODUCTIONS
NAME
P.O.BOX 494
MAILING ADDRESS
CAMBRIA CA 93428
CITY STATE ZIP
PHONE NUMBER: 805-459-9379

FICTITIOUS BUSINESS NAME STATEMENT

TYPE OF FILING: NEW RENEWAL (ONLY ALLOWED IF FILED WITHIN 40 DAYS OF THE EXPIRATION DATE AND THERE ARE NO CHANGES IN THE FACTS ON THE ORIGINAL FILING.)

* THE FOLLOWING PERSON (PERSONS) IS (ARE) DOING BUSINESS AS:

BY THE SEA PRODUCTIONS

** STREET ADDRESS, CITY, STATE AND ZIP OF PRINCIPAL PLACE OF BUSINESS: (NO PO BOXES/POSTAL FACILITIES/PMB); COUNTY OF PRINCIPAL PLACE OF BUSINESS:
545 SHASTA AVENUE, MORRO BAY, CA 93442 SAN LUIS OBISPO

*** NAME AND ADDRESS OF REGISTRANT(S): (NO P.O. BOXES, POSTAL FACILITIES, PMB)

1) NAME OF REGISTRANT PEWTER PLOUGH PLAYERS INC. RESIDENCE/LLC/CORP ADDRESS 545 SHASTA AVENUE CITY, STATE, ZIP MORRO BAY CA 93442 IF CORPORATION OR LLC - PRINT STATE OF INCORPORATION/ORGANIZATION CA	2) NAME OF REGISTRANT RESIDENCE/LLC/CORP ADDRESS CITY, STATE, ZIP IF CORPORATION OR LLC - PRINT STATE OF INCORPORATION/ORGANIZATION
3) NAME OF REGISTRANT RESIDENCE/LLC/CORP ADDRESS CITY, STATE, ZIP IF CORPORATION OR LLC - PRINT STATE OF INCORPORATION/ORGANIZATION	4) NAME OF REGISTRANT RESIDENCE/LLC/CORP ADDRESS CITY, STATE, ZIP IF CORPORATION OR LLC - PRINT STATE OF INCORPORATION/ORGANIZATION

**** THIS BUSINESS IS CONDUCTED BY:

- AN INDIVIDUAL A MARRIED COUPLE A LIMITED LIABILITY COMPANY
 A CORPORATION JOINT VENTURE A LIMITED LIABILITY PARTNERSHIP
 A TRUST A GENERAL PARTNERSHIP STATE OR LOCAL REGISTERED DOMESTIC PARTNERSHIP
 COPARTNERHIP A LIMITED PARTNERSHIP AN UNINCORPORATED ASSOCIATION OTHER THAN A PARTNERSHIP

***** THE REGISTRANT COMMENCED TO TRANACT BUSINESS UNDER THE FICTITIOUS BUSINESS NAME OR NAMES LISTED ABOVE ON:

Not Applicable
MONTH / DAY / YEAR

"I DECLARE THAT ALL THE INFORMATION IN THIS STATEMENT IS TRUE AND CORRECT."(A REGISTRANT WHO DECLARES AS TRUE ANY MATERIAL MATTER PURSUANT SECTION 17913 OF THE BUSINESS & PROFESSIONS CODE THAT THE REGISTRANT KNOWS TO BE FALSE IS GUILTY OF A MISDEMEANOR PUNISHABLE BY A FINE NOT TO EXCEED ONE THOUSAND DOLLARS (\$1,000)).

PEWTER PLOUGH PLAYERS INC.

ANITA SCHWABER- PRESIDENT

PRINT NAME OF REGISTRANT, CORPORATION OR LLC

IF CORPORATION, NAME & CORPORATE TITLE OF OFFICER.
IF LLC, NAME & TITLE OF OFFICER OR MANAGER

Anita Schwaber
SIGNATURE OF REGISTRANT. IF CORPORATION, SIGNATURE OF CORPORATE OFFICER. IF LLC, SIGNATURE OF OFFICER OR MANAGER

THIS STATEMENT WAS FILED WITH THE COUNTY CLERK OF SAN LUIS OBISPO ON THE DATE INDICATED IN THE UPPER RIGHT CORNER OF THIS STATEMENT

NOTICE - IN ACCORDANCE WITH SUBDIVISION (A) OF SECTION 17920, A FICTITIOUS NAME STATEMENT GENERALLY EXPIRES AT THE END OF FIVE YEARS FROM THE DATE ON WHICH IT WAS FILED IN THE OFFICE OF THE COUNTY CLERK, EXCEPT, AS PROVIDED IN SUBDIVISION (B) OF SECTION 17920, WHERE IT EXPIRES 40 DAYS AFTER ANY CHANGE IN THE FACTS SET FORTH IN THE STATEMENT PURSUANT TO SECTION 17913 OTHER THAN A CHANGE IN THE RESIDENCE ADDRESS OF A REGISTERED OWNER. A NEW FICTITIOUS BUSINESS NAME STATEMENT MUST BE FILED BEFORE THE EXPIRATION.

THE FILING OF THIS STATEMENT DOES NOT OF ITSELF AUTHORIZE THE USE IN THIS STATE OF A FICTITIOUS BUSINESS NAME IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER FEDERAL, STATE, OR COMMON LAW (SEE SECTION 14411 ET SEQ., BUSINESS AND PROFESSIONS CODE).

CERTIFICATION

I HEREBY CERTIFY THAT THIS COPY IS A CORRECT COPY OF THE ORIGINAL STATEMENT ON FILE IN MY OFFICE

TOMMY GONG
COUNTY CLERK RECORDER

BY: *aboutista*
DEPUTY CLERK

ID CHECKED RECEIVED BY MAIL

Baw

2017



2017 Season

February 17 - March 5

On Golden Pond
By Ernest Thompson
Directed by Gene Strohl

July 29 - August 14
AND THEN THERE WERE NONE
By Agatha Christie
Directed by Kelli Howard

October 20 - November 5
A Member Of The Wedding
By Carson McCullers
Directed by Anita Schwaber

READERS THEATRE
Seven - May 26 - 28
An Evening of Short Plays - June 16 - 18

The Lottery & Sorry, Wrong Number - Sept. 1 - 3
The Shop Around the Corner - December 15 - 17

545 Shasta Ave., Morro Bay, CA
305-776-3287 bytheseaproductions.org

2018



545 Shasta Ave., Morro Bay, CA
805-776-3287 bytheseaproductions.org

February 9 - March 4
Exit Laughing
By Paul Elliott
Directed by Lisa Woske

May 11 - June 3
Love Alone
By Debora Salem Smith
Directed by Kelli M. Poward

June 22 - July 15
The Murder Room
By Jack Sharkey
Directed by Chrys Barnes

August 24 - Sept. 16
Of Mice And Men
By John Steinbeck
Directed by Kelli M. Poward

Nov. 30 - Dec. 16
Anne of Green Gables
By Alice Chadwicke
Directed by John Battalino

READERS THEATRE
March 29-25 **Daily With The Devil**
By Victor L. Cahn ~ Directed by Janice Peters

April 20-22 **Kalamazoo** Directed by John Mackey
By Michelle Kholos Brooks & Kelly Younger
October 5-7 **The Devil & Daniel Webster**

2019

Live Theatre in Morro Bay!



805-776-3287 - bytheseaproductions.org
PO Box 2032 Morro Bay CA 93443

January 25-
February 17
Calendar Girls by Tim Firth

CONSEQUENTIAL March 22-31
CONVERSATIONS
Readers Theatre
Some very short plays about life and love...

SILENT SKY
May 3-26
by Lauren Gunderson

The Liar
July 5-28
by Pierre Corneille

Veronica's Position
September 6-29
by Rich Orloff

War of the Worlds
October 18-20
by H.G. Wells
Readers Theatre

My Three Angels
November 22 -
December 15
by Samuel & Bella Spewack



APPLICATION FOR COMMUNITY GRANT FUNDING

City of Morro Bay

AUG 26 2019

Rec'd City Hall

Project: Project/Program: Morro Bay Art Association, Summer Art for Kids
Program Manager: Cynthia Bunting

Agency: Name of Agency: Morro Bay Art Association
Site Address: Art Center Morro Bay, 835 Main St., Morro Bay, CA 93442
Telephone Number: (805) 772-2504
Web Address: <https://www.artcentermorrobay.org>
Name of Executive Director: Patricia Newton, President

*Note: You may attach additional pages if necessary

Project Description: Provide brief description of agency, agency goals, and agency services. Describe your program briefly, including who benefits from your program.

Founded in 1951, Art Center Morro Bay (MBAA), is a non-profit, community based organization, dedicated to the promotion and enrichment of art education. This 501(3)C, board driven, membership supported organization, is run by an all volunteer staff.

MBAA is one of the largest contemporary galleries located on the Central Coast of California. The Art Center has two galleries that feature approximately nine (9) changing exhibits throughout the year. There are several programs for our member artists to join including the Business Art Program, which connects artists and their artwork with local businesses. Art events include Creativity Day, ZenDoodle, Watercolor Wet and Wild, Old World Oil Painting with Jason Mayr, photography classes with Brady Cabe, craft classes with Joan Fee, Youth Summer Art Classes, free art demonstrations and a multitude of art workshops. Exhibits, artist receptions, Creativity and ZenDoodle are free to the public. Art Center Morro Bay is open 12pm – 4pm daily.

Summer Youth Art Classes include use of watercolor, mixed media, acrylic, clay, mosaic and other creative mediums. These classes are designed to be fun and educational. Classes such as "Meet the Masters" is focused on learning about famous artists who are historically important to more current and mainstream artists who have influenced art culture and why.

I. AGENCY INFORMATION

Art Center Morro Bay (MBAA), is a non-profit, community based organization, dedicated to the promotion and enrichment of art education. This 501(3)C, board driven, membership supported organization, is run by an all volunteer staff.



APPLICATION FOR COMMUNITY GRANT FUNDING

A. General Information

Grant Request Amount: \$ 5,000.

General Organization Information	
Organizations Name:	Morro Bay Art Association
Year Established:	1951
Board Roster	Attached
Number of Paid Full-Time Employees	Full time positions are volunteer
Number of Paid Part-Time Employees	Two art teachers for children's summer art program
Most recent financial statements (or copy of your last tax return (IRS 990)	attached

Mailing Information	
Street Address:	835 Main Street
City:	Morro Bay
State:	CA
Zip:	93442

Contact Person	
Title:	Patricia Newton
Phone Number:	[REDACTED]
E-mail:	[REDACTED]

Insurance/Tax Information	
Federal Employer Tax Number	23-7136223
State Employer Tax Number	0321560



APPLICATION FOR COMMUNITY GRANT FUNDING



Name of Program	Summer Art for Kids
IRS Determination Letter (approval of 501(3)C Status)	attached
Name of Executive or CEO	Patricia Newton, President
Name of Board Chairperson or President	Patricia Newton

Please answer the following questions:

1. Does the agency have a not-for-profit incorporation status in the State of California? **Yes**
2. How long has the agency been in operation?

Morro Bay Art Association was established in 1951, incorporated in 1956 and granted 501(3)C non-profit status in 1986.

II. COMMUNITY NEED STATEMENT

A. Community Need: Describe briefly the demonstrated need in the Morro Bay community for the program. Cite data sources as appropriate.

As kids manipulate a paintbrush, their fine motor skills improve. By counting pieces and colors, they learn the basics of math. When children experiment with materials, they dabble in science and creating art helps boost self-confidence. Educational and community-based art programs play a vital role in the health and well being of young students. Due to financial cuts to art programming in local community schools, MBAA offers art education classes at an affordable rate that will help open doors to creativity and life long skills for Morro Bay youths. Annual and summer art programs for young people provide a constructive outlet and hone improved academic performance.

The income inequality in Morro Bay, CA (measured using the Gini index) is 0.5 which is higher than the national average. In Morro Bay, 3.0% of children live below the poverty level. It is these underserved children and adults that the MBAA seeks to serve the most by offering low priced classes and scholarships. Between June and August, the Del Mar Kids Club, along with the Morro Bay Library provide breakfast and lunch for hungry children when school is out.

B. Program Narrative: Please provide your agency’s Mission Statement and Goals, brief history, programs and population(s) served, organizational structure and experience with proposed grant activities. If your organization provides programs countywide, indicate the percentate of Morro bay residents served.

The mission statement of the Morro Bay Art Association is to champion art as essential to life and give our community a creative voice. MBAA is dedicated to the promotion and enrichment of art education and to ensuring the local community has an outlet to creativity and access to artists and art-related events.



APPLICATION FOR COMMUNITY GRANT FUNDING

In September 1951 a group of Morro Bay area residents met to discuss the formation of an art group and along with the assistance of the California Art Association worked to formalize the organization. In 1955 the Association launched an Art Festival for Morro Bay. Seasonal festivals were conducted through 1958 when the city of Morro Bay took over the enterprise for a few years before handing it back to Morro Bay Art Association (MBAA). This Art in the Park festival still takes place three (3) times a year bringing tourist monies into Morro Bay.

The MBAA was incorporated in 1956 and acquired its current home in 1971. For additional exhibit and activity space, a deck was soon added. This building is a gathering place for artists and through exhibitions, invitational shows, festivals and art education, is the hub for extension of the arts into the wider community. MBAA gained its current non-profit status in 1986 and continues to be a valuable asset to the life, aspirations and vision of the community. The MBAA is a board-driven, membership based, all volunteer organization. There are a total of thirteen positions on the Board of Directors available. See attached board roster.

Committed to artistic awareness, MBAA, features inspirational art exhibits that are periodically of historical interest for adults and youth alike. Exhibitions are rotated every six (6) weeks. MBAA is pleased to exhibit local works from active groups within our community such as Central Coast Watercolor Society, The Painters Group and The Central Coast Sculpture Group. We are proud to offer inspirational and professional, International art events such as Pastels USA, by Pastels of the West Coast and International Encaustic Artists.

Each year, sponsorships are given to local high school students for matting and framing of their artworks, which are typically exhibited at the Gallery or a local venue such as the local library. As a community service, summer art programs are provided for children at reduced rates.

Twenty-five percent (25%) of the MBAA membership is from Morro Bay, proving that the services MBAA provides reaches far beyond just our immediate area.

This would be the first grant for which MBAA has applied.

C. Local Challenges: What local challenge or need does this grant address? How will Morro Bay residents and residents of adjacent areas and or countywide benefit? How will all eligible participants have the opportunity to participate in the program?

MBAA is the only local organization offering affordable art classes in Morro Bay. Parents would otherwise need to drive to either San Luis Obispo or Paso Robles to find professionally taught art classes. Children receive three (3) hours of supervised art instruction taught by certified teachers providing a creative, thought-provoking outlet for young minds, and offering parents a safe, educational environment for their children during non-school hours.

Classes and workshops presented by MBAA are offered at reasonable rates and are open to everyone. Scholarships are also available. MBAA saw an attendance increase of 32% for our summer youth art classes from 2018 to 2019, showing a need for this type of program in our community.

Twenty-five percent (25%) of the MBAA membership is from Morro Bay, proving that the services MBAA provides reaches far beyond just our immediate area.

D. Project Description: Please provide project description, including explanation of project approach, identified strategies and anticipated outcomes. Please quantify the number of Morro Bay residents to be served. Include a list of planned activities, timeline and staff/volunteers responsible for the proposed program.

At the beginning of each year, MBAA hires a qualified, skilled art teacher for the Youth Summer Art Program. Teachers are asked to provide an outline of their class descriptions accompanied with a list of materials needed. In keeping these classes fresh and interesting, the class descriptions are changed from year to year. Classes include use of watercolor, mixed media, acrylic, clay, mosaic and other creative mediums.



APPLICATION FOR COMMUNITY GRANT FUNDING

These classes are designed to be fun and educational. Classes such as "Meet the Masters" is focused on learning about famous artists who are historically important to more current and mainstream artists who have influenced art culture and why. Children's summer art classes begin Tuesday, June 9, 2020 ending on August 13, 2021, for a total of 20 full days of art classes throughout the summer. Classes are in session every Tuesday and Thursday, 9am -12pm for children ages 6 through 8 and 1pm - 4pm for kids 9 through teen.

All classes are held in the Art Center Morro Bay Activity room or out on the fenced patio. During classes that depict Countries of the World, for example, Japan, children learn about that countries' geography by watching a short film. They learn about the culture by enjoying a small snack of rice using their very own chopsticks, and then children make fun artwork such as paper kimonos, masks or paintings of cherry trees. All art class focus on self-esteem, decision making skills and working well with others in a fun environment. Clay pinch pot creatures and clay coil designs were perfect for all children. Class skill levels are appropriate for beginner to the more advanced. One goal of these art lessons is to learn the basic elements of art employing traditional painting (acrylic), drawing, printmaking, clay and mixed media techniques. Another goal is to build creativity by using the imagination and expressing oneself in art forms and, to learn to use art as a way of connecting with others. With each lesson, children will concentrate on the idea of personal development and art as individual expression. By providing choice within each lesson students will use their strengths and personal interests to create. Due to the progressive success of this summer art program for kids in Morro Bay, one (1) additional skilled art teacher and/or an assistant are needed to improve the quality of learning and individual attention each student needs.

Qualified teachers are background checked and asked to provide a full class description to include images of past work. A contract is signed to include a budget set for art supplies. Lessons are subject to change based on a student's interest and energy levels, utilizing the same materials.

- E. **Previous Funding:** If your organization has received previous funding from the City of Morro Bay for the proposed project (within the last year), please provide the outcomes in measureable terms and a case example of the grant impact.

Morro Bay Art Association has not applied for previous funding during the last year.

- F. **Collaborative Requests:** If a collaborative request, please provide a description of prior collaborative activities, and proposed responsibilities of collaborative members.

This grant would not be a collaborative effort with any other business.

III. PROGRAM FISCAL INFORMATION

A. Program Budget

One qualified teacher working throughout the summer, (8) hours per day, two days per week for a total of 14 weeks is budgeted at approximately \$7,000. One additional qualified teacher or aide at the same rate of pay, \$31.25 per hour, would add an additional \$7,000. to the budget. Additional costs for this program include approx. \$300. for art supplies and \$100. for light snacks for younger children.



APPLICATION FOR COMMUNITY GRANT FUNDING

Please complete the following summary tables to reflect the budget for your organization and program. All amounts should be rounded to the nearest dollar. Alternatively, please attach single page revenue/expense summary sheets for the program for which funds are requested and a separate summary for the organization.

Budget Summary

Budget Data	FY 2019/20	FY 2018/19
Morro Bay grant funding	Requested:	Received:
Total Program budget	\$ 10,400.	\$ 5,400.
Total Organization budget	\$ 5,400.	\$ 5,400

Funding Summary

Revenue Source	FY 2019/20 Program Budget
Morro Bay grant:	\$ 5,000.
Other municipal funding (please specify:)	\$ 0
County funding (please specify:)	\$ 0
State funding (please specify:)	\$ 0
Federal funding (please specify:)	\$ 0
Fees for services	\$
Donations	\$ 0
Reserve contingency fund	\$ 5,400.
All other sources (please specify:)	\$ 0
Total	\$ 10,400.

Organization Contracts--Has your organization ever had funds withdrawn or a contract terminated for cause, unsatisfactory performance, or questionable costs on any financial statements or audit? If so, please describe. **NO**



APPLICATION FOR COMMUNITY GRANT FUNDING



B. Travel Expense Disclosure--If Community Grant funds are to be used for staff travel expenses, please describe. Funds will not be used for travel expenses.

CERTIFICATION

The applicant hereby proposes to provide the services as listed in this proposal. If this proposal is approved and funded, it is agreed that relevant federal, state, and local regulations, including nondiscrimination laws and other assurances as required by the City of Morro Bay, will be adhered to. Furthermore, I certify that the applicant is fully capable of fulfilling its obligation under this proposal as stated herein.

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

▷ Morro Bay Art Association
835 Main Street
Morro Bay, CA. 93442

Person to Contact:

Telephone Number:

Refer Reply to:

OP:E:EO:R:1

Date: **APR 16 1986**

Employer Identification Number: 23-7136223
Key District: San Francisco
Accounting Period Ending: December
Foundation Status Classification: 509(a)(2)

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

We have further determined that you are not a private foundation within the meaning of Code section 509(a), because you are an organization described in the sections of the Code shown above.

If your sources of support, or your purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on your exempt status and foundation status. Also, you should inform your key District Director of all changes in your name or address.

Unless specifically excepted, beginning January 1, 1984, you must pay taxes under the Federal Insurance Contributions Act (social security taxes) for each employee who is paid \$100 or more in a calendar year. You are not required to pay tax under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other federal excise taxes. If you have questions about excise, employment, or other federal taxes, contact your key District Director.

Donors may deduct contributions to you as provided in Code section 170. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522.

Morro Bay Art Association

You are required to file Form 990, Return of Organization Exempt from Income Tax, only if your gross receipts each year are normally more than \$25,000. If your gross receipts are not normally more than \$25,000 we ask that you establish that you are not required to file Form 990 by completing Part I of that Form for your first tax years. Thereafter, you will not be required to file a return until your gross receipts normally exceed the \$25,000 minimum. For guidance in determining if your gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the Form 990. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. There is a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late unless you establish, as required by section 6652(d) (1), that the failure to file timely was due to reasonable cause.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under Code section 511. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513.

This determination letter supersedes our letter dated April 2, 1986.

Please show your employer identification number on all returns you file and in all correspondence with the Internal Revenue Service.

We are informing your key District Director of this ruling. Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely yours,



Milton Cerny
Chief, Exempt Organizations
Rulings Branch

Staff Report

TO: Honorable Mayor & City Council **DATE:** November 1, 2019

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

SUBJECT: Approval of Amendment No. 2 to the Water Reclamation Facility Program Management Contract and Authorization for the Public Works Director to Sign the Agreement

RECOMMENDATION

Staff recommends the City Council approve, and authorize the Public Works Director to sign, Amendment No. 2 (Attachment 1) to the existing agreement with Carollo Engineers, Inc., (Carollo) dated April 11, 2018, for continued program management of the Water Reclamation Facility (WRF) Project in an increased amount of \$2,381,968.

Water Reclamation Facility Citizen Advisory Committee (WRFAC) Review. On September 3, 2019 the WRFAC, along with the amendment to WaterWorks Engineers contract already approved by Council, reviewed the proposed amendment to the Carollo contract. The WRFAC was generally supportive but asked clarifying questions regarding impact to rates and overall budget, tasks related to the internal management of Carollo staff and subconsultants and the differences between phases and amendments. Staff provided answers to the WRFAC and incorporated that discussion into this staff report.

PROGRAM MANAGEMENT STRUCTURE

At the April 10, 2018, City Council meeting, Carollo was awarded a contract for program management services. When initially hired in April 2018, Carollo provided a detailed scope and budget for \$292,000 for work to be performed between April 11, 2018, and December 31, 2018 and constituted the total Phase 1 program management effort. As outlined in the April 10, 2018, staff report (Attachment 2), for each year of the WRF Project, 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 WRF Project moves through each phase and new information and WRF Project definition becomes available. Phase 1 (Project Confirmation) of the program management effort was focused on making sure the WRF Project was structured appropriately and included the following elements:

- Conducting an overall assessment of the WRF Project
- Conducting an evaluation of the current WRF technical approach
- Conducting comprehensive review of the design-build proposals for the WRF Project
- Supporting negotiations for the WRF Project design-build contract
- Developing a program controls framework including the development of the Program Management Information System (PMIS)
- Providing regular WRF Project updates to the City Manager, City Council, and community

Carollo helped the City achieve several key milestones during Phase 1 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 Project design-build team
- Award of a contract to the selected WRF Project design-build team

At the November 27, 2018 City Council meeting, Amendment No. 1 to Carollo's original contract was approved, which initiated Phase 2 (Project Implementation) of the program management effort. Since that time, Carollo has performed the following activities:

- Continual oversight of the WRF Project budget and schedule
- Reviewed major deliverables from the WRF design-build team
- Reviewed major deliverables from the Conveyance Facilities design engineer
- Developed the final Clean Water State Revolving Fund (CWSRF) application for the State Water Board
- Led the permitting activities for potable reuse California State Water Resources Control Board Division of Drinking Water
- Coordinated with EPA staff to facilitate review of the City's WIFIA application to finalize a loan agreement
- Coordinated with State Water Board staff regarding the City's CWSRF application
- Led the Coastal Development Plan permitting effort with California Coastal Commission staff
- Began developing key documents including the Title 22 Engineering Report and Report of Waste Discharge to advance the potable reuse permit process
- Developed a public outreach plan and provided public outreach services focused on the July 2019 rate increase
- Led the development of an addendum to the FEIR to reflect changes to the WRF Project since August 2018

Between November 28, 2018, and August 2019, Carollo has helped the City reach several key milestones for the WRF Project including:

- Approval of a Coastal Development Permit (CDP) from the California Coastal Commission
- Placement on the FY 19/20 CWSRF Fundable List for a total of \$105 million (including \$5 million in grant funding)
- Completion of the FEIR Addendum

As FY 19/20 progresses, Carollo will continue to work on Phase 2 activities, but will also transition into Phase 3 (Project Oversight) of the program management effort with construction oversight of the WRF Project. A summary of the activities yet to be completed in Amendment No. 2 include:

- Continual oversight of the WRF Project budget and schedule
- Communication of WRF Project status to the City Council and other stakeholders including WRFCAC and the Citizens Finance Advisory Committee
- Produce monthly and quarterly reports detailing the WRF Project performance against key performance indicators
- Completion of key potable reuse permitting documents including the Title 22 Engineering Report and Report of Waste Discharge
- Development of the City's Enhanced Source Control Program
- Construction outreach for businesses that could be impacted by the construction of the Conveyance Facilities
- Bidding support for the Conveyance Facilities
- Development of an Outfall Management Plan that will evaluate the capacity and condition of

- the City's existing outfall and identify costs for a future rehabilitation project
- Preliminary design of the Recycled Water Facilities based on information from ongoing hydrogeological work
- Field construction oversight services for the WRF

City staff will return to City Council during the budgeting process in spring 2020 to present an amendment that will cover the scope of work for Carollo for FY 20/21.

Carollo has developed a Scope of Services (Amendment No. 2) with a total cost of \$2,381,968. The detailed Scope of Services is included as Exhibit A to Amendment No. 2 and the detailed fee is included in Exhibit B to Amendment No. 2. A summary of the original contract, Amendment No. 1, and Amendment No. 2 is included in the table below.

Contract Element	Total
Original Agreement	\$292,000
Amendment No. 1	\$1,606,948
Amendment No. 2	\$2,381,968
Total	\$4,280,916

The program management team consists of a number of subconsultants who do not work for Carollo. For example, in 2018 when MKN's role on the WRF Project ended, John Rickenbach became a subconsultant to Carollo to continue to support the environmental and permitting components of the WRF Project. A summary of the breakdown of Carollo's efforts and those of its subconsultants through the completion of Amendment No. 2 is provided below.

Task	Description	Carollo	Subconsultants	Total
1	Program Assessment	\$35,235	\$-	\$35,235
2	Technical Evaluation	\$47,748	\$-	\$47,748
3	Design-Build Procurement Support	\$95,181	\$-	\$95,181
4	Program Controls Plan	\$54,316	\$-	\$54,316
5	Program Team Integration Plan	\$27,561	\$-	\$27,561
6	Routine Project Update Meetings	\$440,189	\$9,240	\$449,429
7	Program Management Oversight	\$52,189	\$-	\$52,189
8	Project Controls	\$402,836	\$-	\$402,836
9	Funding Support	\$165,984	\$-	\$165,984
10	Permitting Support	\$456,342	\$152,900	\$609,242
11	Public Outreach	\$117,746	\$307,560	\$425,306
12	Conveyance Facilities Design Oversight	\$160,110	\$-	\$160,110
13	WRF Onsite Design-Build Support	\$434,160	\$-	\$434,160
14	Outfall Management Plan	\$143,432	\$160,402	\$303,834
15	Coastal Development Permit Compliance	\$54,228	\$-	\$54,228
16	Operations Support	\$21,132	\$-	\$21,132
17	Recycled Water Facilities Preliminary Design	\$153,472	\$-	\$153,472
18	WRF Construction Support	\$356,124	\$432,828	\$788,952
Total		\$3,217,986	\$1,062,930	\$4,280,916

A list of the individual subconsultants on the Carollo team, and under which amendment they joined/will join the team, is presented in the table below.

Subconsultant	Amendment No. 1	Amendment No. 2	Role
John F Rickenbach	X		Land Use Permitting
Katz & Associates	X	X	Public Outreach
Doug Coats		X	Outfall Assessment (Background)
Dr. Phillip Roberts		X	Outfall Assessment (Dilution Modeling)
Kevin Merk Associates		X	Environmental (Biologist)
Mimiaga Engineering Group		X	WRF Construction Oversight
Rincon		X	Outfall Assessment (Mammal Observation)
URI		X	Outfall Assessment (Condition Assessment)
Yeh & Associates		X	WRF Construction Oversight (Geotechnical)

FISCAL IMPACT

When initially hired in April 2018, Carollo provided a detailed scope and budget for \$292,000 for work to be performed between April 11, 2018, and December 31, 2018 and constituted the total Phase 1 program management effort. 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) for Carollo and their known sub-consultants and scope at that time, of \$7.64 Million.

As outlined in the April 10, 2018, staff report, for each year of the WRF Project, 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 WRF Project moves through each phase and new information and project definition becomes available.

In June 2018, Carollo developed a new \$126 Million budget for the WRF Project. The budget was reviewed by the Blue-Ribbon Commission appointed by the City Manager and became the basis of the rate study developed by Bartle Wells. Between development of Carollo's agreement and the development of the \$126 Million budget, several changes occurred to the WRF Project that resulted in a change to Carollo's program management scope. When Carollo's original agreement was developed, it was intended that MKN would remain onboard and continue to support construction oversight and management of all components of the WRF Project. MKN's primary subconsultant, John F Rickenbach, was also intended to stay engaged and continue to support the environmental and permitting activities for the WRF Project. Soon after taking over as the program manager, the decision was made to discontinue MKN's role in the WRF Project. The decision was also made to retain John F Rickenbach but make him a subconsultant to Carollo. The effort budgeted for MKN and John F Rickenbach in the \$126 Million budget was approximately \$940,000. That effort was moved to Carollo's projected level of effort.

A summary of the differences between the \$7.64 Million estimate in Carollo's agreement and the June 2018 budget is provided below:

Description	Total
Routine Project Update Meetings, General Oversight, and Controls	\$-
Funding Support/Coordination	\$-
Permitting Support	\$310,000

Public Outreach	\$62,500
Technical Oversight	\$150,000
Construction Management/ Construction Oversight	\$630,000
Total	\$1,152,500

Since the development of the baseline budget in June 2018, elements of the WRF Project have evolved. As a result of those modifications, the level of effort for Program Management has increased. A summary of those increases is presented in the table below:

Description	Total
Routine Project Update Meetings, General Oversight, and Controls	\$(197,643)
Funding Support/Coordination	\$(204,016)
Permitting Support	\$(758)
Public Outreach	\$576,628
Technical Oversight	\$457,843
Construction Management/Construction Oversight	\$525,840
Total	\$1,157,894

The reason for those changes can be grouped into three main categories:

1. **Additional public outreach effort needed to inform the community during construction of the Conveyance Facilities.** When Carollo's original agreement was developed, minimal effort was allocated for public outreach. However, following development of the June 2018 \$126 Million budget, the west alignment was officially identified as the preferred alignment for the Conveyance Facilities component of the WRF Project. The west alignment includes a significant amount of construction on Main Street and Quintana Road, which will result in traffic impacts in the area. The certified, Final Environmental Impact Report (FEIR) includes mitigation measure TRAF-1: Traffic Control Plan. Specially, the mitigation measure requires:
 - Written notification at least two weeks prior to the start of construction to owners/occupants along streets to be affected during construction
 - Written notification to the owner or occupant of the closure of the driveway at least five working days prior to the closure
 - Avoid interference with mail delivery, school buses, and municipal waste services
 - Written notification of emergency responders

Additional public outreach effort has been added to the WRF Project budget to comply with the mitigation measure in the FEIR and make every effort to minimize the impacts of construction activities on businesses in the Quintana business corridor. The public outreach effort will be performed by Carollo and Katz and Associates (Katz) staff. Katz is a subconsultant to Carollo and is a nationally recognized public outreach firm specializing in large infrastructure projects, and more specifically those projects that include a recycled water component. Katz has been supporting the WRF Project since the City Council approved Amendment No. 1 in November 2018.

2. **Inclusion of out-of-scope items to the program management effort not anticipated when the initial \$7.64 Million estimate was developed.** Several items are being added by Amendment No. 2 that were not anticipated during the development of the original agreement, Amendment No. 1 and the original \$126 Million budget. Those items include the development of the plans necessary to comply with the special conditions in the Coastal

Development Permit Notice of Intent (NOI) necessary for the City to receive the CDP and begin construction at the WRF site (Task 15 - Coastal Development Permit Compliance). After coming onboard, Carollo identified the need for an assessment of the City's jointly owned outfall with the Cayucos Sanitary District (CSD) (Task 14 - Outfall Management Plan). Since the City is making a major investment in the rest of their wastewater infrastructure, it is prudent to complete a condition assessment of this critical asset. The last assessment of the outfall was completed back in 2009. The nature of the discharge is also changing significantly as a result of the WRF Project and the potential for the CSD to pursue an alternative outfall as part of their wastewater treatment plant project. The dilution study component of the Outfall Management Plan could result in the City receiving a higher dilution ratio and improving the discharge limits for the future National Pollution Elimination System permit.

The cost for those elements was identified during development of the Q1 FY 19/20 budget that was presented to the City Council in October 2019.

3. Additional construction management effort associated with changes to the WRF Project schedule. When the level of effort for construction management was originally developed, there was a significant overlap between the construction of the Conveyance Facilities and Recycled Facilities (approximately 6 months). That was based on the WRF Project schedule that was developed by the previous program manager. The construction schedule for those components of the WRF Project were as noted below:

- Conveyance Facilities (November 2019 - October 2021)
- Recycled Water Facilities (December 2020 - November 2021)

Based on modifications to the Conveyance Facilities design engineer's scope of services (i.e., inclusion of the potable reuse pipeline), delays to the Conveyance Facilities design and the hydrogeological work needed to support the design of the Recycled Water Facilities, and changes made by Carollo to the overall Project schedule, the current schedule is noted below:

- Conveyance Facilities (July 2020 - February 2022)
- Recycled Water Facilities (May 2022 - May 2023)

The original schedule included the construction for the Recycled Water Facilities only extending a month past completion of the Conveyance Facilities. That construction extension has now increased to approximately 9 months. The assumption is the same construction management team (i.e., resident engineer, inspectors, and labor compliance staff) would have supported both project components simultaneously. The resulting extension will require approximately 2,500 additional staff hours to support construction of the Recycled Water Facilities.

It should be noted additional construction management effort is only being identified as a projected budget component at this time. The City and Carollo are making every effort to expedite the design schedule for the Conveyance Facilities and Recycled Water Facilities with the goal of having the construction activities happen simultaneously. If the Recycled Water Facilities schedule can be expedited, then the additional \$525,000 for construction management will not be needed.

The table below summarizes the changes to the projected program management effort since Carollo originally developed the initial agreement estimate.

Program Management Phase	Original Estimate	Basis of \$126 million Budget	FY 19/20 Re-Baselined Budget
Total	\$7,642,000	\$8,794,500	\$9,778,561

The \$9.7 Million projection included in the table above is included in the FY 19/20 WRF Project budget of \$126 Million and does not impact the current WRF Project construction contingency of \$7.1 Million. The figures in the above table are projections that were used to develop the latest FY 19/20 budget. Approval of Amendment No. 2 will increase Carollo's total allocated budget to \$4,280,812. That total is well within the \$7,642,000 estimate included in Carollo's original agreement. Like Amendment No. 2, all future amendments will be developed with staff and brought to the City Council for review and approval.

Based on the overall Project budget presented to the City Council in the June Quarterly Report and at the August 13, 2019 City Council meeting, it is anticipated Carollo will expend \$2,053,587 in FY 19/20.

Description	Value
Contract Amount (including Original Agreement and Amendment No. 1)	\$1,898,948
Expended to Date (through September 2019) ⁽¹⁾	\$1,488,141
Remaining Contract (as of September 2019)	\$410,807
Contract Amount (Amendment No. 2)	\$2,381,968
Total Contract Remaining after Amendment No. 2	\$2,792,775
Projected Expenditures for Remainder FY 19/20 ⁽²⁾	\$2,340,115
Budget to Carry-Over to FY 20/21⁽³⁾	\$452,660
Notes:	
<ol style="list-style-type: none"> 1. Cost does not include charges that have been held by Carollo for work associated with Amendment No. 2, but started prior to approval of Amendment No. 2 (work performed at Carollo's risk for Task 15 – Coastal Development Permit Compliance), which would be billed following approval of Amendment No. 2. 2. Anticipated expenditures represent the last budget and cash flow analysis developed at the end of Q1 FY 19/20. 3. Some tasks are not tied to the fiscal year and have been funded by either Amendment No. 1 or No. 2 that will extend through FY 19/20 (i.e., Recycled Water Facilities Preliminary Design, Outfall Management Plan). 	

Through September 2019, a total of \$410,807 has been expended in FY 19/20 for program management activities. When combined with the remaining anticipated expenditures for FY 19/20, the total cost for program management for FY 19/20 is \$2,767,555. The City has budgeted a total of \$3,460,000 for program management for FY 19/20.

Incentivizing the Program Management Contract. This issue was initiated by one of the members of the Citizens Finance Advisory Committee, as a method to reduce overall program costs. Staff brainstormed and analyzed three possible incentive techniques that might be used. Those three incentivization techniques were: 1) Fixed Fee Contract, 2) Cost Savings Sharing from the Design Build and other construction contracts, 3) Task Item based payment.

- 1) A Fixed Fee Contract defines the scope of work to be provided and then sets a single price for the project, regardless of how much time and expense the consulting company incurs.

Fixed fee contracts are very predictable for the City, but based on experience of staff, they often result in an over estimation of cost by the consultant or an argument over what is in the scope and the requisite change orders.

- 2) Cost Sharing of construction savings would give the Program Manager a share of what is saved by the contractor during the construction phase of the project. This incentive is built into the Design Build contract and most construction contracts as value-engineering. This would require the City to share its portion of any cost savings with the program manager.
- 3) Task Item base payment, while not an incentivization technique, would hold the program manager to a not-to-exceed fee for each discrete task item as defined by agreement.

Each of the three incentivization techniques listed require additional significant administrative burden by City forces to more closely scrutinize the program manager, *i.e.* a dedicated City program manager to supervise the program manager. Thus far the City has successfully used a time and materials, not-to-exceed contract for program management and the consultant has delivered the identified tasks at or under the established not to exceed fee. That is in keeping with the City's rules for procurement of professional services to be performed and at a fair and reasonable price. Additionally, with the time and materials based contract has allowed the program manager to nimbly shift resources from a task that does not require the estimated level of effort to other tasks requiring additional effort, based on the ever shifting dynamics of this project. Therefore, staff does not recommend a change to its consultant contracting procedures for Program Management of the WRF Project.

CONCLUSION

To help ensure the WRF Project stays on schedule and within budget, staff recommends the City Council approve Amendment No. 2 and authorize the Public Works Director to sign it.

ATTACHMENT

1. Amendment No. 2, including Exhibits A (Scope of Services) and B (Fees)
2. [Link to Council Agenda April 10, 2018 Item C-1](#)

CITY OF MORRO BAY

AMENDMENT NO. 2 TO THE AGREEMENT
FOR CONSULTANT SERVICES
BETWEEN THE CITY OF MORRO BAY
AND CAROLLO ENGINEERS, INC.

This Amendment No. 2 is entered by and between the City of Morro Bay, a municipal corporation ("City") and Carollo Engineers, Inc., a Delaware corporation ("Consultant"). (City and Consultant are sometimes collectively referred to as the "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 total 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); and

WHEREAS, the Parties amended the Agreement on November 27, 2018, to include additional services for a portion of the Project Implementation phase of the WRF Project (Phase 2) and establish a total not-to-exceed amount of \$1,898,948.00 for the Agreement; and

WHEREAS, the Agreement and the November 27, 2018, amendment are hereinafter referred to as the "Amended Agreement"; and

WHEREAS, the Parties now agree it is time again to amend the Amended Agreement to provide for Consultant's continued Program Management services through the end of Fiscal Year 2019/2020 for completion of Phase 2 and the beginning of Phase 3; and

WHEREAS, Consultant continues to have specific knowledge and experience to provide Program Management services needed to accomplish necessary tasks to meet the City Council's goals for the WRF Project; and

WHEREAS, City and Consultant will be amending the Amended Agreement annually to align with the City's Fiscal Year budget as the need for additional services occurs, as expected by the Parties; and

WHEREAS, due to the expansion of tasks to be provided for the completion of Phase 2 and commencement of Phase 3, the compensation payable pursuant to the Amended Agreement must be increased.

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

1. The additional services to be provided by Consultant, pursuant to the Amended Agreement, as hereby amended, shall include the Scope of Work, as set forth in Exhibit A,

attached hereto and incorporated herein by this reference (the "Additional Work"). The Additional Work shall be satisfactorily completed no later than June 30, 2020, unless the Amended Agreement is further amended.

2. The compensation to be paid for the Additional Work that is satisfactorily completed shall (i) be paid in accordance with Exhibit B, attached hereto and incorporated herein by this reference and the rates established by the Amended Agreement on a time and materials basis, and (ii) not exceed \$2,381,968, for a total not-to-exceed amount of \$4,280,916.00 for the Amended Agreement.

3. Approximately \$452,660 of the total not to exceed amount of \$4,280,916.00 is projected to be carried over to FY 2020/21 since some tasks are not tied to the fiscal year and have been funded by either Amendment No. 1 or No. 2 that will extend through FY 2019/20 (i.e., Recycled Water Facilities Preliminary Design, Outfall Management Plan).

4. Except as expressly stated herein, all terms and conditions in the Amended Agreement shall remain in full force and effect.

5. The effective date of this Amendment No. 2 shall be deemed to be November 7, 2019 (the "Effective Date").

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 2 to be executed by their duly authorized representatives as of the Effective Date first written above.

CITY OF MORRO BAY

CONSULTANT (2 signatures required)

By: _____
Rob Livick, PE/PLS
Public Works Director

By: _____
_____,
Its _____

Attest:

Dana Swanson, City Clerk

By: _____
_____,
Its _____

Approved As To Form:

Chris Neumeyer, City Attorney

EXHIBIT A

SCOPE OF SERVICES

This Scope of Services is the second amendment (Amendment No. 2) 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 Project (PROJECT). The major components of the PROJECT include:

- New Water Reclamation Facility (WRF);
- Offsite facilities including injection wells to facilitate potable reuse via groundwater injection (RECYCLED WATER 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, potable reuse line to the groundwater injection wells, and treated effluent brine line from the WRF to the existing ocean outfall (CONVEYANCE FACILITIES).

The design and construction of the new WRF is being completed through a design-build process, while the other components of the PROJECT are being delivered via a traditional design-bid-build procurement. The CITY has selected a joint-venture between Filanc and Black & Veatch (DB TEAM) for the new WRF and design of the CONVEYANCE FACILITIES is currently being completed by the CITY'S design consultant (Water Works Engineers). Procurement of a design engineer for the RECYCLED WATER FACILITIES has not yet been initiated.

One of the reasons the CITY selected Carollo to provide Program Management Services for the PROJECT 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 PROJECT.

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 PROJECT (Completed)
- PROJECT implementation (Completed)
- PROJECT controls (Ongoing)
- Permitting support (Ongoing)
- Funding support (Ongoing)
- Public outreach (Ongoing)
- Coordination with other PROJECT 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 (Included in this and other Subsequent Amendments)
- Start-up and operational support services for the WRF (Future Contract Amendment).
- CONVEYANCE FACILITIES technical support services (Ongoing).
- Construction management for the CONVEYANCE FACILITIES (Future Contract Amendment)

- Development of a request for proposals (RFP) for design of the RECYCLED WATER FACILITIES (Future Contract Amendment)
- Procurement of the designer for the RECYCLED WATER FACILITIES (Included in this Amendment)
- Bidding services for the RECYCLED WATER FACILITIES (Future Contract Amendment)
- Construction management for the RECYCLED WATER FACILITIES (Future Contract Amendment)

The PROJECT 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 PROJECT currently being led or may in the future be led by other CITY's consultants.

The PROGRAM MANAGER was the lead advisor to the CITY for the DB TEAM. The PROGRAM MANAGER will continue to provide key advice and coordinate the procurement of the CONVEYANCE FACILITIES contractor, whereas the CITY's CONVEYANCE FACILITIES 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 RECYCLED WATER FACILITIES design engineer and the primary contact with those proposing on that project on behalf of the CITY.

Phase 1 (Project Confirmation) - Phase 1 for PROGRAM MANAGEMENT was included as part of the previous Scope of Services in the original Agreement. Phase 1 was completed on December 31, 2018. The goal of Phase 1 was to establish a roadmap for the next four years of the PROJECT and successfully bring on-board the DB TEAM for the WRF.

Phase 2 (Project Implementation) - The second portion of Phase 2 of PROGRAM MANAGEMENT is included in this Scope of Services. Phase 2 will continue through June 31, 2021. This Scope of Service is intended to cover the period between July 01, 2019 and June 31, 2020. The remaining portion of Phase 2 will be included in a latter Scope of Services (i.e., Amendment No. 3). These services will include:

- Procurement of the RECYCLED WATER FACILITIES designer
- Bidding services for the RECYCLED WATER FACILITIES

Phase 3 (Project Oversight) - The first component of Phase 3 for PROGRAM MANAGEMENT is included in this Scope of Services. Phase 3 will continue through June 30, 2023. Phase 3 will focus on program controls, funding support, permitting support, construction oversight for the WRF, construction management for the CONVEYANCE FACILITIES, and construction management for the RECYCLED WATER FACILITIES. The remaining portion of Phase 3 will be included in latter Scopes of Service (i.e., Amendment No. 3 and 4). These services will include:

- Amendment No. 3
 - Construction support for the WRF from July 01, 2020 to June 31, 2021
 - Construction management for CONVEYANCE FACILITIES from July 01, 2020 to June 31, 2021
- Amendment No. 4
 - Construction support for the WRF from July 01, 2021 to June 31, 2022
 - Construction management for CONVEYANCE FACILITIES from July 01, 2021 to June 30, 2022
 - Construction management for RECYCLED WATER FACILITIES from July 01, 2021 to June 30, 2023

It is anticipated amendments to the Scope of Services will be developed for each fiscal year of the PROJECT.

Tasks for Phase 1 Project Confirmation

Task 1 - Project Assessment (Complete)

No additional effort will be assigned to this task.

Task 2 - Technical Evaluation (Complete)

No additional effort will be assigned to this task.

Task 3 - Design-Build Procurement Support (Complete)

No additional effort will be assigned to this task.

Task 4 - Project Controls Plan (Complete)

No additional effort will be assigned to this task.

Task 5 - Project Team Integration Plan (Complete)

No additional effort will be assigned to this task.

Tasks for Phase 2 Project Confirmation

Task 6 - Routine Project Update Meetings (July 01, 2019 to June 31, 2020)

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

Subtask 6.1 - Project Update Meetings

PROGRAM MANAGER will continue to hold bi-weekly project update meetings for the core CITY team including members of the WRF Subcommittee. 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 twenty (20) one-hour meetings have been estimated under this task.

Subtask 6.2 - Internal Project Status Meetings

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

Up to forty (40) 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 PROJECT to communicate the PROJECT 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. PROGRAM MANAGER will also attend Citizen's Finance Advisory Committee (CFAC) and Water Reclamation Facility Citizen Advisory Committee (WRFCAC) meetings as needed.

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 PROJECT.

Subtask 6.5 - WRF Onsite Design-Build Pre-Construction Meeting

With the goal of facilitating collaboration between the WRF DB 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 the second in a series of partnering workshops. The first workshop (i.e., kick-off workshop) was held on December 19, 2018. The second meeting (i.e., pre-construction workshop) is included in this Scope of Services. Additional workshops may be conducted and will be included in subsequent Scopes of Services.

The pre-construction workshop may include individuals from the following PROJECT stakeholder groups:

- Facilitator Leonard Steinberg
- CITY staff
- DB TEAM design team key members
- DB TEAM construction team key members
- 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.

Task 6 Deliverables:

- Project Update Meetings (bi-weekly up to twenty [20])
- Internal PROJECT Status Meetings (weekly up to forty [40])
- CITY Council, CFAC and WRFCAC Meetings (monthly up to eighteen [18])
- Monthly Invoices and Progress Reports (monthly up to ten [10])

Task 6 Assumptions:

- The need for future partnering workshops will be determined prior to the beginning of FY 20/21 and would be included in future Scopes of Services.

Task 7 - Program Management Oversight (July 01, 2019 to June 31, 2020)

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

Task 8 - Project Controls

The PROGRAM MANAGER will provide overall program management, administration, and controls for the PROJECT. The PROGRAM MANAGER will manage the following PROJECT components:

- WRF
- CONVEYANCE FACILITIES
- RECYCLED WATER FACILITIES

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

- Scope, budget, and schedule management.
- Interface with the established PMIS.

- Management and coordination of subconsultants.
- Monthly invoicing and schedule updates.
- Monthly progress report preparation.

Subtask 8.1 - Project Management Information System (PMIS) Development

No additional effort will be assigned to this task.

Subtask 8.2 - Project Monitoring and Reporting

Using the previously developed PMIS, the PROGRAM MANAGER will monitor and report on the status of the PROJECT. PROGRAM MANAGER will monitor the scope, budget, schedule, and risks for both the PROJECT as a whole as well as the three (3) individual PROJECT components described above. The status for each PROJECT component and the aggregate of the projects will be measured against the PROJECT targets for schedule, budget, quality, and other key performance indicators (KPIs). PROGRAM MANAGER will coordinate with PROJECT team members (i.e., subconsultants, contractors, CITY staff, etc.) to obtain status information and report on the PROJECT activities. Scope, budget, schedule, and risk management updates for each PROJECT component will be provided to the PROGRAM MANAGER by the Project Manager for the three (3) projects. PROGRAM MANAGER will report on the PROJECT status as part of monthly CITY Council update meetings, quarterly CFAC meetings, quarterly WRFCAC 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 PROJECT. This includes assistance with development of the overall PROJECT scope as a rollup of individual PROJECT component scopes, management of PROJECT scope changes in the context of the overall PROJECT, and monitoring of progress towards the established contract scope targets.

Subtask 8.2.2 - Schedule Management

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

Subtask 8.2.3 - Budget Management/Cost Control

PROGRAM MANAGER will manage the PROJECT Baseline Budget, including the budget for each of the PROJECT components, and monitor the financial performance of the PROJECT in relation to the baseline budget for the duration of the PROJECT. The PROGRAM MANAGER will use information from individual Project Managers and CITY internal costs to compare current financial performance against the baseline budget and schedule. A monthly earned value analysis for the PROGRAM MANAGER's activities will also be performed. 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 PROJECT 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 component. 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 PROJECT that identifies risks that could impact the ability to meet the established PROJECT goals and objectives as the PROJECT moves into construction. 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 PROJECT. PROGRAM MANAGER will update and manage the risk register for the duration of the PROJECT. 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 Project Monitoring and Reporting task and at monthly CITY Council meetings.

Subtask 8.2.5 - Document Management

PROGRAM MANAGER will follow the formal document management approach established for the PROJECT, including use of standard file structures, document naming conventions, and forms/templates for technical memoranda, meeting agendas, minutes, and monthly progress reports established in Phase 1. PROGRAM MANAGER will utilize the PMIS, established under a previous Scope of Services, to support these document management standards, enforce compliance by all PROJECT team members, and provide that PROJECT information is appropriately documented.

Subtask 8.2.6 - Project Reporting

PROGRAM MANAGER will support timely and effective communications of the PROJECT to CITY stakeholders including, but not limited to, the CITY Council, CFAC, and WRFCAC through the development of the Monthly and Quarterly PROJECT Report. Under this task, PROGRAM MANAGER will prepare Monthly and Quarterly Reports and present the findings in these reports to the CITY Council, CFAC, and WRFCAC on a quarterly basis. These meetings are detailed in Task 6.

External PROJECT communications to the general public and other non-CITY stakeholders, will be provided as documented in the Public Outreach task (Task 11).

Task 8 Deliverables:

- Risk register and risk management updates (monthly up to ten [10]).
- Project Monthly and Quarterly Reports (monthly up to ten [10]).

Task 9 - Funding Support (July 01, 2019 to June 31, 2020)

Subtask 9.1 - Master Water Reclamation Plan Completion Support

No additional effort will be assigned to this task.

Subtask 9.2 - Title XVI Crosswalk Document

No additional effort will be assigned to this task.

Subtask 9.3 - WIFIA Funding Support

PROGRAM MANAGER will provide general support to facilitate an EPA WIFIA loan agreement and provide general coordination with WIFIA staff throughout the remainder of the fiscal year. Services include:

- Participation in monthly coordination calls with WIFIA staff;
- Answering questions and providing clarification regarding the CITY's WIFIA application; and
- General support for finalizing a funding agreement with WIFIA.

Subtask 9.4 - CWSRF Funding Support

PROGRAM MANAGER will provide general support to facilitate a CWSRF loan agreement and provide general coordination with CWSRF staff throughout the remainder of the fiscal year. Services include:

- Participation in regular, weekly coordination calls with CWSRF staff;
- Answering questions and providing clarification regarding the CITY's CWSRF application; and
- General support for finalizing a funding agreement with CWSRF.

Task 9 Deliverables:

- Agenda and meeting minutes for the monthly WIFIA coordination calls.
- Agenda and meeting minutes for the weekly CWSRF coordination calls.

Task 9 Assumptions:

- A total of two (2) monthly coordination calls will be held with WIFIA staff.
- A total of twenty four (24) weekly coordination calls will be held with CWSRF staff.

Task 10 - Permitting Support (July 01, 2019 to June 31, 2020)

Subtask 10.1 - Land Use Permitting

This task includes all resource regulatory agency permitting for the PROJECT, as well as any other land use permitting that may be needed. PROGRAM MANAGER will coordinate these efforts, and work with members of the PROJECT technical team, and CITY staff to prepare these permit applications.

Subtask 10.1.1 - Resource Regulatory Agency Permitting

The PROJECT will require a variety of permits from State and federal resource regulatory agencies. At this time, it has been determined that the PROJECT will not require a Section 404 permit pursuant to the Clean Water Act from the U.S. Army Corps of Engineers (USACE), a Section 401 certification from the Regional Water Quality Control Board (RWQCB), or a Streambed Alteration Agreement from the State Department of Fish and Wildlife. The RWQCB will likely require a Report of Waste Discharge as an application to enroll and comply with Resolution No. R3-2014-0041 (General Waiver).

These regulatory agencies will use the FEIR and the FEIR Addendum to assist in the permitting processes. If any permitting agency determines the existing environmental documentation is not sufficient for their

permitting purposes, PROGRAM MANAGER will work with the CITY to develop a plan to address specific agency requirements. The plan may include additional services that would require an amendment to this Scope of Services.

The additional effort needed to secure the permits identified above is included in this Scope of Services.

[Subtask 10.1.2 - Land Use Permitting](#)

The PROJECT will require a variety of permits from State and federal land use permitting agencies.

Key land-use permitting agencies for the PROJECT will include:

- California Coastal Commission (CCC) Coastal Development Permit (CDP)
- California Department of Transportation (Caltrans) Encroachment Permit

The PROJECT has pursued a consolidated CDP from the CCC. On July 11, 2019, the CCC approved a CDP for the PROJECT. The Caltrans encroachment permit will be needed since pipelines will be located within the Caltrans right-of-way (i.e., Highway 1 and potentially Atascadero Road/Highway 41).

As is the case for resource regulatory permitting, these land use agencies will use the FEIR and the FEIR Addendum to assist in the permitting processes. If any permitting agency determines the existing environmental documentation 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.

The additional effort needed to secure the permits identified above is included in this Scope of Services.

[Subtask 10.1.3 - Annexation](#)

No additional effort will be assigned to this task.

Subtask 10.2 - Potable Reuse

[Subtask 10.2.1 - Title 22 Engineer's Report](#)

PROGRAM MANAGER has been developing the Draft Engineer's Report for indirect potable reuse (IPR). Work includes compilation of existing material in accordance with Division of Drinking Water (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.

Per Title 22 of the California Code of Regulations (22 CCR §60320.206), potable water reuse systems, regardless of size or the amount of industry in a community, must administer and maintain an industrial pretreatment and pollutant source control program. For potable water reuse projects, the combined effort is referred to as an Enhanced Source Control Program (ESCP). The purpose of an ESCP is to control the discharge of constituents of concern (COCs) to a publicly owned treatment works (POTW) that might impact the production of purified water from an advanced water purification facility (AWPF).

Based on an evaluation of alternatives completed in a previous Scope of Services, the PROGRAM MANAGER recommends the CITY pursue development of an informal but sufficiently developed pretreatment program and ESCP without submitting the pretreatment program to the State Water Resources Control Board (State Water Board) for formal approval. The previous Scope of Services included development of the ESCP.

The additional effort identified in this Scope of Services includes development of the other stand-alone pretreatment program documents including an updated Sewer Use Ordinance (SUO), Industrial Waste Survey (IWS), Enforcement Response Plan (ERP), permit templates, and Local Limits (LL).

Subtask 10.2.2 - Report of Waste Discharge

No additional effort will be assigned to this task.

Subtask 10.2.3 - Brine Analysis and Management

No additional effort will be assigned to this task.

Subtask 10.2.4 - Permitting Guidance and Regulatory Meetings

No additional effort will be assigned to this task.

Subtask 10.3 - Potable Reuse

No additional effort will be assigned to this task.

Task 10 Assumptions:

- 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 and the FEIR Addendum (if required).

Task 10 Deliverables:

- NA

Task 11 - Public Outreach (July 01, 2019 to June 31, 2020)

The PROJECT 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 PROJECT. The public outreach effort for the PROJECT is based on a two-phase approach.

Subtask 11.1 - Public Outreach Plan

The overall approach for strategic communications during the second phase of to the PROJECT consists of the following components:

- Strategic Counsel
- Communication Plan Updates
- Stakeholder Database Refinement
- Key Messages
- Media Relations

Subtask 11.1.1 – Strategic Counsel

Strategic counsel will be available for initiatives or issues requiring in-depth communication planning and rapid response. The hours allocated may be used for meetings, calls or writing assignments, at the CITY's discretion.

Subtask 11.1.2 – Communication Plan Update

During FY 18/19, a Communication Plan was prepared to inform the community about the purpose and need for the Project, and to provide additional information on the many benefits of potable reuse. The

Communication Plan was developed in the first phase and included a situational analysis, PROJECT challenges and opportunities, communication goals and objectives, messages, audiences, strategies, tactics and evaluation activities.

During FY 19/20, the Communication Plan will be reviewed and updated for timeliness, and revised to address near-term issues associated with PROJECT construction and construction outreach.

Subtask 11.1.3 – Stakeholder Database

Segments of the Stakeholder Database were developed during FY 18/19, but primarily for purposes of outreach about rates and initial gathering of contacts for specific geographic areas near the PROJECT areas. Additional contact information will be gathered and organized during the FY 19/20, with the primary objective of reaching the right stakeholders before and throughout construction. As the PROJECT proceeds, the PROGRAM MANAGER will update and expand the list with new contacts to ensure all interested stakeholders are included. This database will be used to keep stakeholders informed about project progress (i.e., newsletters, phone, email contact, etc.).

Subtask 11.1.4 – Key Messages

The key message platform developed during the first phase may be updated and refined to address changes in the PROJECT. There also may be specific topics requiring subsets of key messages specific to construction, project cost and financing or other issues, and those can be developed, as needed.

Subtask 11.1.5 – Media Relations

Using the media list and templates developed in the first phase, the PROGRAM MANAGER will identify opportunities for proactive media relations. This may include distributing materials like maps or photos to reporters, or developing news releases about project milestones. This task also includes tracking and sharing of media coverage related to the PROJECT for the CITY's and PROGRAM MANAGER's situational awareness. Relevant media clips will be logged on the PMIS SharePoint.

Subtask 11.2 - Public Outreach (FY 18/19)

No additional effort will be assigned to this task.

Subtask 11.3 - Monthly Coordination Meetings

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

Subtask 11.4 - Public Outreach (FY 19/20)

Subtask 11.4 includes the anticipated notifications and materials to be developed and used during FY 19/20 and will include the following components:

- Informational Materials
- Notifications
- Phone Line and Community Inquiries
- Website Update and Management

Subtask 11.4.1 – Informational Materials

Once the PROJECT branding is approved by the City Council for public use, informational materials will be developed that clearly explain the PROJECT purpose and need. The materials will include a fact sheet for distribution in hard copy and electronically, a general Frequently Asked Questions document, a pocket card, a project map and a PowerPoint presentation template that can be used in community meetings and presentations.

During FY 18/19, a brand, logo, and letterhead were developed for use in all informational materials.

Subtask 11.4.2 – Notifications

Quarterly utility bill newsletter inserts will keep the PROJECT 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. As was done during the first phase, content for these CITY-wide bill inserts will be provided by the PROGRAM MANAGER in English and Spanish.

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 PROJECT website. It is estimated that up to four email newsletters will be developed.

A flier template and a door hanger template will also be developed for use during construction outreach. These will be able to be modified with dates, times and specific activities to be completed by the contractor.

Subtask 11.4.3 – Phone Line and Community Inquiries

An information line has been established and will continue to be used and monitored by the PROGRAM MANAGER for public inquiries. All inquiries will be logged and organized by topic, and responded to in a timely manner. The information line developed in FY 18/19 is 877-MORROBAYH2O.

The information line tracking log will be saved on the PMIS in SharePoint for internal access.

Subtask 11.4.4 – Website Update and Management

The website is currently the online hub for PROJECT updates and materials, and should continue to serve as the go-to source of information about the PROJECT. Pending approval of the branding, the home page design of the website will be refreshed with the new logo. A designated page will also be developed on the website for construction notices and schedule information.

Quarterly content updates will continue to be made to the website to ensure accuracy with more regular uploads of documents during construction.

Subtask 11.4.5 – Meetings and Events

As the PROJECT nears construction, an emphasis will be placed on in-person meetings and events in an effort to speak directly with stakeholders and build relationships. Meetings and events will include:

- Outreach Meetings
- Presentations and Speakers Bureau
- Field Outreach
- Groundbreaking Event

Up to two (2) outreach meetings will be held for the PROJECT in an open house format where stakeholders can learn about the PROJECT 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.

Public speaking engagements with community organizations will be employed to inform the community about and build the profile of the PROJECT. Select presentations will be scheduled based on the CITY's interest and availability. The outreach team will support speaking engagement selection, presentation scheduling and materials development. CITY spokespeople will deliver presentations and will be trained in speaking skills if necessary. PROGRAM MANAGER will support presentations, as needed.

Field outreach to stakeholders near the PROJECT areas will be a priority during FY 19/20. Field outreach may include one-on-one meetings, small group meetings, business pop-in meetings, or door-to-door outreach. PROGRAM MANAGER will schedule and conduct the field outreach based on PROJECT schedules. This assumes at least one (1) round of outreach to impacted businesses before construction begins (WRF) and one (1) round of outreach to impacted businesses during construction (CONVEYANCE FACILITIES).

In fall 2019, a groundbreaking event will be held at the WRF site for the CITY, PROJECT partners, regulatory agencies, PROJECT participants, and stakeholders to kick-off construction and celebrate the largest infrastructure PROJECT in the CITY's history that will help improve the sustainability of the CITY's potable water supply. An event logistics plan will be developed as a roadmap for event planning and implementation. PROGRAM MANAGER will manage RSVPs, notifications, materials, vendors, logistics and speakers for the event, as well as staffing. The CITY will provide a foundational invitation list and support staffing. Consultant and contractor sponsorships will be utilized to cover all event hard costs.

Task 11 Deliverables:

- Outreach Meeting Notifications.
- Outreach Meeting Displays.
- As-Needed Bill Insert Newsletters.
- Monthly Email Notifications.
- As-Needed Social Media Content.
- Website Map and Content Plan.
- Fact Sheet Updates.
- Frequently Asked Questions.
- Template Community Presentation.
- Public Inquiry Log.
- Monthly Activities Summaries.

Task 11 Assumptions:

- CITY to print all materials and provide postage for any mailings.
- CITY to host PROJECT website.
- CITY to pay monthly subscription fees for the information line.

Task 12 - Conveyance Facilities Design Oversight (July 01, 2019 to June 31, 2020)

Subtask 12.1 - General Design Oversight Services

PROGRAM MANAGER will provide engineering support services for the design and procurement of the CONVEYANCE FACILITIES component of the PROJECT. The PROGRAM MANAGER will continue to provide project management, design review, and other ancillary engineering support services for the two (2) lift stations and approximately 2.75 miles of pipelines that comprise the CONVEYANCE FACILITIES. 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:

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

Subtask 12.2 - Subsurface Utility Investigations

No additional effort will be assigned to this task.

Subtask 12.3 - Bidding Support Services

PROGRAM MANAGER will provide support for bidding of the CONVEYANCE FACILITIES component of the PROJECT. PROGRAM MANAGER will lead and facilitate the pre-bid meeting, lead and facilitate the bid opening, manage the receipt of requests for information (RFI), and prepare and distribute addenda to prospective bidders. The design engineer for the CONVEYANCE FACILITIES will provide the PROGRAM MANAGER responses to technical RFIs received from bidders.

Task 12 Deliverables:

- Consolidated comment forms for the 60-Percent Design Submittal and 90-Percent Design Submittal.
- Agenda and meeting minutes for pre-bid meeting.
- Addenda (up to three [3])
- Consolidated comment forms for the 60 and 90-Percent Design Submittals.

Task 12 Assumptions:

- Agendas, presentation materials, and meeting minutes will be provided by the designer for the 60-percent and 90-percent design workshops.

Task 13 - WRF Onsite DB Support (July 01, 2019 to June 31, 2020)

Subtask 13.1 - Design Build Kick-Off Meeting

No additional effort will be assigned to this task.

Subtask 13.2 - Design-Build Team Meetings

PROGRAM MANAGER and WRF DB TEAM will continue to hold regular meetings and/or conference calls to be held during the design-phase of the WRF through the end of the 2019 calendar year:

- Monthly conference calls.
 - 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.
 - 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 continue to provide engineering support services for the design and procurement for the WRF. PROGRAM MANAGER will provide project management, design support, and other ancillary engineering support services for the WRF for the following submittals:

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

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

Subtask 13.4 - Major Equipment Procurement Support

No additional effort will be assigned to this task.

Subtask 13.5 - Major Subconsultant Procurement Support

No additional effort will be assigned to this task.

Subtask 13.6 - Process Site Visits

No additional effort will be assigned to this task.

Task 13 Deliverables:

- Consolidated comment forms for the 60 and 90-Percent Design Submittals.

Task 13 Assumptions:

- NA

Task 14 - Outfall Management Plan

The CITY's existing outfall was constructed in 1981. It replaced the original 1,760 linear foot (LF), 18-inch diameter outfall constructed in 1953 with 5,160 LF of 27-inch diameter pipeline consisting of 708 LF of reinforced concrete pipe (RCP) and 4,452 LF of mortar lined and coated welded steel cylinder pipe (WSP). The most downstream portion of the WSP has a 170 LF section that contains 34 diffuser ports spaced 5-feet on center with alternating orientations at the 10:00 and 2:00 o'clock positions. The CITY conducted an outfall inspection in 2011 that identified that there was approximately 30 cubic yards of sediment that had accumulated in the outfall since it was placed into service.

The purpose of this task is to develop an Outfall Management Plan (OMP), which is a requirement of the CDP issued by the CCC. The OMP will need to address long-term management of the outfall and identify any modifications that will be needed to accommodate the change in the quantity and quality of effluent produced by the WRF and discharged through the outfall. It will also identify any capital improvements needed to preserve and extend the outfall's service life.

This task includes the following subtasks:

- Condition Assessment.
- Hydraulic Analysis.
- Dilution Modeling.

Subtask 14.1 – Outfall Assessment Plan

While a CDP has been approved by the CCC for the PROJECT, it has been granted subject to a number of special conditions. Specifically, the permit includes requirements that must be met prior to the commencement of any marine development, including any offshore development on the ocean outfall. The plan must specify the procedures for undertaking a complete inspection of the existing outfall line as well as any additional activities that may be associated with the outfall (i.e., cleaning and/or replacement of the diffusers). The plan must also identify construction best practices to avoid adverse impacts to coastal water quality to the maximum extent feasible. The Notice of Intent (NOI) identifies specific coastal water quality and marine habitat protection elements.

The PROGRAM MANAGER will complete a Draft Outfall Assessment Plan for review by the CITY. Following review by CITY staff, the PROGRAM MANAGER will incorporate the CITY's comments and produce the Final Outfall Assessment Plan. PROGRAM MANAGER will also deliver the Final Outfall Assessment Plan to the CCC.

Subtask 14.2 – Condition Assessment

The purpose of this subtask is to assess the physical condition of the outfall, focusing primarily on the welded steel portion of the outfall and specifically on the integrity of the cement mortar lining and coating system. It will also be used to estimate the quantity and characteristics of the accumulated sediment and provide recommendations for improvements to the diffusers. The PROGRAM MANAGER will perform the following activities to complete this subtask:

- Conduct a visual inspection of approximately 3,000 LF of the exterior of the outfall using a dive team experienced in outfall condition assessment and maintenance, to identify any obvious defects in the cement mortar coating system and diffusers. The level of effort estimated for the exterior inspection assumes that the dive team will operate from a boat anchored near the end of the outfall, approximately 4,000 feet off shore, and that one mobilization will be made to conduct the inspection.
- Prepare a draft technical memorandum that documents the results of the inspection, recommendations for correcting any defects or deficiencies noted, and estimated rehabilitation costs. PROGRAM MANAGER will conduct a workshop with the CITY to discuss the results of the inspection, review the draft report and any recommended improvements, and receive CITY comments.

Subtask 14.3 – Hydraulic Assessment

The purpose of this subtask is to assess outfall hydraulics and to support the dilution modeling described in Subtask 14.3. The PROGRAM MANAGER will perform the following activities to complete this subtask:

- Develop a Storm Water Management Model (SWMM)-based hydraulic model of the outfall to evaluate its hydraulic capacity and ability to convey existing and future flows from the WRF. The model will be developed using the CITY's record drawings, and the configuration will be confirmed by CITY staff and verified by the physical inspection of the outfall conducted in Subtask 14.2. The outfall model will use output from Waterworks Engineers' hydraulic model of the 16-inch brine pipeline currently being designed under a separate contract, and it will extend from the existing air relief structure at Station 10+00 on the WRF Offsite Pipelines drawings. Average dry and wet weather flow hydrographs will be developed using the hydraulic model developed by CAROLLO for the OneWater Morro Bay Plan. Maximum, minimum, and future projected tidal data will be used to set the downstream boundary conditions.
- Use the SWMM-based hydraulic model to evaluate up to four (4) scenarios to simulate hydraulic conditions during a range of flows, for three (3) different tidal conditions (for a total of 12 different scenarios), to calculate hydraulic capacity based on projected average and peak flows, and to identify any operational concerns during low flows.
- Prepare a draft technical memorandum that documents the results of the hydraulic assessment. Conduct a workshop with the CITY to review the technical memorandum and to receive CITY comments. Prepare a final technical memorandum and submit it to the CITY.

Subtask 14.4 – Dilution Modeling

The purpose of this task is to conduct dilution modeling of the CITY's ocean discharge to calculate the dilution factor that will be used for the CITY's NPDES permit. The PROGRAM MANAGER will perform the following activities to complete this subtask:

- Obtain and assess oceanographic data on density stratification and currents, combined with diffuser and effluent modeling results from the hydraulic assessment, for modeling dilution from the existing outfall and diffusers. Assess worst case and typical conditions, specifically focusing on density stratification, and taking currents into account if data on currents are available.
- Take measurements of density stratification and currents if no data is available.
- Perform dilution simulations for average and peak dry weather flows.
- Perform hydraulic analyses for up to three (3) alternate diffuser configurations using the hydraulic model developed in Subtask 14.3.
- Perform up to three (3) dilution simulations for each alternate diffuser configuration.
- Recommend diffuser configuration modifications (i.e., number of ports, orientation, spacing, etc.) to meet dilution and environmental criteria.
- Prepare a draft technical memorandum that documents the results of the hydraulic assessment. Conduct a workshop with the CITY to review the technical memorandum and to receive CITY comments. Prepare a final technical memorandum and submit it to the CITY.

Subtask 14.5 – Outfall Management Plan Report

The purpose of this subtask is to summarize the findings from the condition assessment, hydraulic analysis, and dilution modeling. This report will provide recommendations for improvements correct any defects for the pipeline, diffusers, or any hydraulic deficiencies. The final report will incorporate any comments from the previous technical memoranda and will be submitted to the CITY.

Task 14 Deliverables:

- Draft and Final Outfall Assessment Plan
- Draft and Final Outfall Management Plan
- Agenda and meeting minutes for the Condition Assessment Workshop

Task 14 Assumptions:

- NA

Task 15 – Coastal Development Permit Compliance

While a CDP has been approved by the CCC for the PROJECT, it has been granted subject to a number of special conditions. Specifically, the permit includes requirements that must be met before the CDP can be issued, before construction can be started, and prior to operation of the new WRF. This task includes completion of the plans identified in the special conditions that must be completed before issuance of the CDP and before construction can be started.

Subtask 15.1 – Revised Final Plans

Prior to the issuance of the CDP, the CITY is required to prepare and submit the Revised Final Plans to the CCC for review. As defined in the NOI for Permit No. 3-19-0463, the Revised Final Plans must show the following required changes and clarifications to the PROJECT:

- WRF Approved Development Envelope
- WRF Design
- Pump Stations and Related Development Design
- Landscaping
- Lighting Minimized
- Windows and Other Surfaces
- Utilities
- Storm Water and Drainage

PROGRAM MANAGER will complete a Draft Revised Final Plans package for review by the CITY. Following review by CITY staff, the PROGRAM MANAGER will incorporate the CITY's comments and produce the Final Revised Final Plans package. The PROGRAM MANAGER will also deliver the Final Revised Design Plans package to the CCC.

Subtask 15.2 – Construction Plan

Prior to the issuance of the CDP, the CITY is required to prepare and submit the Construction Plan to the CCC for review. As defined in the NOI for Permit No. 3-19-0463, the Construction Plan must include, at a minimum, the following components:

- Grading
- Construction Areas
- Construction Methods and Timing
- Traffic Control Plan
- Property Owner Consent
- Best Management Practices
- Post-Construction
- Construction Site Documents
- Construction Manager
- Construction Specifications
- Notifications

PROGRAM MANAGER will complete a Draft Construction for review by the CITY. Following review by CITY staff, the PROGRAM MANAGER will incorporate the CITY's comments and produce the Final Construction Plan. The PROGRAM MANAGER will also deliver the Final Construction Plan to the CCC.

Subtask 15.3 – Recycled Water Management Plan

Prior to the construction of the WRF, the CITY is required to prepare and submit the Recycled Water Management Plan to the CCC for review. As defined in the NOI for Permit No. 3-19-0463, the objective of the Recycled Water Management Plan is to ensure the maximum amount of recycled water is produced and used for beneficial reuse purposes, including injected underground in locations that will maximize its ability for groundwater replenishment and IPR.

PROGRAM MANAGER will complete a Draft Recycled Water Management Plan for review by the CITY. Following review by CITY staff, PROGRAM MANAGER will incorporate the CITY's comments and produce the Final Recycled Water Management Plan. The PROGRAM MANAGER will also deliver the Final Recycled Water Management Plan to the CCC.

Task 16 - Operations Support

It is critical that the CITY work closely with DDW and demonstrate continual compliance during the duration of the PROJECT implementation as DDW is the entity that will ultimately permit the advanced treatment facility for IPR. At this time, the CITY is in need of a California certified Grade III or higher potable water distribution operator to perform the following as-needed functions:

- Act as and be listed with the State as the chief distribution system operator (i.e., designated operator)
- Participate in a weekly conference call with the CITY's Utilities Manager and operations staff to discuss distribution system activities, performance, polices, etc.
- Perform a monthly site visit to review the distribution system activities and the monthly report.
- As-needed telephone consultation in the event of a system failure or operational challenge
- Review design information and provide comments regarding the PROJECT as it relates to the potable water distribution system

Task 17 - Recycled Water Facilities Preliminary Design

For the RECYCLED WATER FACILITIES, the CITY will construct up to four (4) new injection wells at either the West or East injection area. Based on the information obtained from the PROJECT hydrogeologist, the PROGRAM MANAGER will prepare the preliminary design for the preliminary design of the RECYCLED WATER FACILITIES. Preliminary design will include defining project components required to meet specific project objectives; determining the basis of design; verifying site conditions to understand opportunities and constraints that may be imposed upon the project and its design; preparing schematic drawings to determine general scope, preliminary design, scale, and relationships among project components; preparing an opinion of probable construction cost; and preparing the Preliminary Design Report (PDR). This task does not currently include surveying of either of the proposed well sites or the geotechnical investigation that will ultimately be required for final design of these facilities. Rather for the PDR, existing information will be used to develop the civil, structural, mechanical, electrical, and instrumentation design criteria.

Task 17 Deliverables:

- Draft and Final RECYCLED WATER FACILITIES PDR

Task 18 - WRF Construction Support

PROGRAM MANAGER's role during Phase 3 of the WRF component of the PROJECT will shift from an engineering-focus to a construction and commissioning oversight, auditing, and support focus. All field and office-related activities during Phase 3 will be coordinated by the PROGRAM MANAGER. Core design oversight team members will continue to provide engineering office support and commissioning support accordingly.

PROGRAM MANAGER's level of effort defined for the various tasks herein is based on the time between the Construction Notice-to-Proceed (anticipated to be September 15, 2019) to the DB TEAM for the start of construction through commissioning. The level of effort for this Scope of Services is for the first approximately ten (10) months of construction. Efforts by the PROGRAM MANAGER after June 30, 2020 will be covered by a future Scope of Services amendment (July 01, 2020 to June 30, 2021). A final Scope of Services amendment will cover the final period (July 01, 2021 to June 30, 2022) of construction, commissioning, punch list, and contract close-out support.

Task 18.1 - Pre-Construction Conference

PROGRAM MANAGER will schedule, coordinate, and conduct one (1) pre-construction conference. The PROGRAM MANAGER will prepare an agenda in advance to notify attendees of key items for discussion, and will prepare and distribute meeting notes to attendees.

Subtask 18.2 - Construction Oversight Services

PROGRAM MANAGER will provide a CONSTRUCTION MANAGER (i.e., Subconsultant: Mimiaga Engineering Group) to oversee all field activities for the PROGRAM MANAGER. The CONSTRUCTION MANAGER will be the central liaison for communication between the PROGRAM MANAGER/CITY and the DB TEAM's Construction Manager. The CONSTRUCTION MANAGER will be provided on-site full-time starting with the Construction Notice to Proceed as required by the CITY's CDP Special Condition No. 2 (Construction Plan). PROGRAM MANAGER's CONSTRUCTION MANAGER's level of effort for this task assumes the following:

- 24 hours per week during the first month (September 2019)
- 40 hours per week during heavy construction (October 2019 through June 2020)

CONSTRUCTION MANAGER will provide contract administration as an agent of the CITY, and will assist in establishing and implementing coordination and communication procedures among the PROGRAM MANAGER, CITY, and DB TEAM.

PROGRAM MANAGER will work with CITY and DB TEAM to identify potential changes, mitigate if possible, determine appropriate change procedure, evaluate DB TEAM's basis for proposed price and schedule adjustment, negotiate changes to Exhibit B of the DB TEAM's agreement, and recommend change action to the CITY. CONSTRUCTION MANAGER will maintain regular communication with the DB TEAM to identify and manage potential changes early.

PROGRAM MANAGER will attempt to resolve any dispute with the DB TEAM in an effort to avoid claims. An escalation matrix will be developed identifying appropriate levels of authority and time allowed for resolution at each level prior to escalation.

PROGRAM MANAGER will receive and evaluate the DB TEAM's claims, including claims of differing site conditions or extra work. PROGRAM MANAGER will respond to notification of claims in accordance with the DB TEAM's agreement, and inform the CITY on a timely basis.

PROGRAM MANAGER will be familiar with all Contract Documents for the WRF component of the PROJECT. PROGRAM MANAGER will have responsibility for enforcing the requirements of the Contract Documents by use of the tools available in Article 8 of the Contract Documents. The CONSTRUCTION MANAGER will provide interpretations and clarifications of Contract Documents.

PROGRAM MANAGER will utilize its own staff for general administrative support in the field (e.g., clerical and word processing support). PROGRAM MANAGER's CONSTRUCTION MANAGER will coordinate with the DB TEAM to assist with establishing the CITY/PROGRAM MANAGER's field office facilities, maintain office supplies, manage supply contracts, verify invoices, coordinate correspondence, and provide customer service to visitors.

PROGRAM MANAGER's CONSTRUCTION MANAGER will manage construction records for the CITY electronically using the SharePoint PMIS, including files for correspondence, reports, Contract Documents, Change Documents, clarifications, and interpretations of the Contract Documents, progress reports, and other PROJECT-related documents. PROGRAM MANAGER and CITY will provide chain-of-authority to release

documents for construction; review DB TEAM management of documents and record drawings; review DB TEAM management of shop drawing reviews, material delivery inspections, etc.; and provide PROJECT record documents to CITY for filing in accordance with CITY procedures.

Subtask 18.3 - Construction Inspection Services

PROGRAM MANAGER will provide as-needed construction inspection services as needed to supplement the inspections being completed by the DB TEAM during construction of the WRF.

Subtask 18.4 - Geotechnical Construction Support

PROGRAM MANAGER will provided as-needed geotechnical construction support during the construction of the WRF. Services will include the following:

- Review of geotechnical report
- Review of grading, foundations, retaining structures, excavations, and shoring
- Providing responses questions and RFIs
- Attendance at up to ten (10) progress meetings
- Periodic site visits that may include the following activities:
 - Observation of grading
 - Review of cuts and fills
 - Observation of over-excavations
 - General overview
- Review daily reports, results of compaction testing, and grading
- Summary reports for field visits

Subtask 18.5 – Biological Mitigation Support

The FEIR includes several mitigation measures for the WRF in regards to biological resources. The PROGRAM MANAGER has included an allowance of \$50,000 to provide services of the lead biologist to perform the following subtasks.

Subtask 18.5.1 – Education

Mitigation measure BIO-1: Construction Worker Environmental Awareness Training and Education Program requires that prior to commencement, and for the duration of proposed construction activities, all construction workers must attend an Environmental Awareness Training and Education Program, developed and presented by the lead biologist (Kevin Merk Associates). The training and education includes information on San Luis Obispo owl's clover and the life history of steelhead, California Red-Legged Frog, Morro Shoulderband Snail, and other raptors; nesting birds; as well as other wildlife and plant species that may be encountered during construction activities. The program will also include descriptions of sensitive habitats (drainages, riparian habitat, and wetlands) and discuss the legal protection status of each species and sensitive habitat, the definition of "take" under the Federal Endangered Species Act and California Endangered Species Act, measures the project proponent is implementing to protect each species and sensitive habitat, reporting requirements, specific measures that each worker shall employ to avoid take of wildlife species and sensitive habitats, and penalties for violation of the Federal Endangered Species Act or California Endangered Species Act.

Subtask 18.5.2 – Nesting Bird Survey

Mitigation measure BIO-5: Nesting Birds requires that if any removal of trees and disturbance of annual grassland habitat will occur between September 1 and February 14, a qualified biologist must conduct pre-construction surveys for active bird nests within the limits of the project. The lead biologist will conduct the pre-construction survey and provide a memorandum summarizing the findings.

Subtask 18.5.3 – Monitoring

The PROGRAM MANAGER is currently working with United States Fish and Wildlife (USFW) regarding the California Red-Legged Frog. The outcome of the informal consultation may result in the need for additional monitoring during construction of the WRF. The monitoring requirements have not been finalized at this time. The PROGRAM MANAGER will therefore utilize the \$50,000 allowance described earlier to complete Subtask 18.5.1 and 18.5.2. The PROGRAM MANAGER will use the remaining portion of the allowance after completion of Subtasks 18.5.1 and 18.5.2 to provide necessary monitoring through FY 19/20. If the combined effort for Subtask 18.5 exceeds the \$50,000 allowance, the PROGRAM MANAGER may need to discuss an amendment with the CITY prior to the start of FY 20/21.

Subtask 18.6 - Construction Progress Reporting

PROGRAM MANAGER will review and comment on the DB TEAM's monthly status reports that summarize the previous month's construction activities, and include a schedule of the planned versus actual work completed, summaries of change orders and claims, and a cost summary of budgets and expenditures for construction. The report shall include Change Orders (COs) issued, potential changes orders (PCOs), and PCO and CO amounts. This information will be incorporated into the progress reports developed as part of Task 8.2.

On a quarterly basis, PROGRAM MANAGER will prepare a report to the CWSRF program that summarizes the following information (at a minimum):

- Summary of progress to date including a description of progress since the last report, percent construction complete, percent contractor invoiced, and percent schedule elapsed
- Description of compliance with environmental requirements
- Listing of COs including amount, description of work, and change in contract amount and schedule
- Any problems encountered, proposed resolution, schedule for resolution, and status of previous problem resolutions

Subtask 18.7 - Construction Progress Meetings

CONSTRUCTION MANAGER will attend weekly construction meetings conducted by the DB TEAM. CONSTRUCTION MANAGER will review the DB TEAM's meeting minutes and provide comments back to the DB TEAM. The PROGRAM MANAGER will attend meetings monthly.

Subtask 18.8 - Project Signage

PROGRAM MANAGER will prepare and procure project signage that meets the requirements of the CWSRF and WIFIA programs and any CITY requirements. An allowance of \$5,000 has been budgeted for this task to cover the cost of signage at the WRF site.

Subtask 18.9 - Construction Control Plan Review

PROGRAM MANAGER will assist CITY with review of various construction control plan documents that are developed and submitted by the DB TEAM to ensure conformance with the conditions of the DB TEAM's

agreement. PROGRAM MANAGER will provide written comments, compile CITY'S comments, and develop a Comments and Response Log for all relevant deliverables for distribution back to the DB TEAM. Where necessary, CONSTRUCTION MANAGER will retain the services of a subconsultant (ESA) to assist with developing and reviewing the environmental control documents.

The following construction control plan submittals are included in the DB TEAM's agreement:

- Health and Safety Plan
- Data and Document Management Plan
- Environmental Management Plan
- Construction QA/QC Plan
- Design Builders Construction Management Plan
- Stormwater Pollution Prevention Plan (SWPPP)

Subtask 18.10 - Monthly Progress Payment Review

PROGRAM MANAGER will evaluate the DB TEAM's monthly progress payment requests and recommend payment by the CITY if requirements are met. PROGRAM MANAGER will compare requested quantities to the actual quantities completed and negotiate the appropriate progress payment request with the DB TEAM.

Task 18.11 - Certified Payroll Review

PROGRAM MANAGER will review the DB TEAM's certified payroll for compliance with prevailing wage requirements. Any discrepancies will be identified and returned to the DB TEAM for immediate correction. Violations will be addressed in accordance with the State Labor Code. PROGRAM MANAGER will also conduct interviews with select DB TEAM field personnel to confirm payroll conditions. The certified payroll findings will be included in the monthly project progress reporting described in Tasks 8.2 and 18.3. Efforts from this task will ensure the DB TEAM is meeting the SRF Davis-Bacon requirements. PROGRAM MANAGER will require the DB TEAM to maintain records on site and periodically check records for completeness and accuracy.

Task 18.12 - SRF and WIFIA Payment Reimbursement Requests Preparation

Upon completion of certified payroll checks and progress payment processing, PROGRAM MANAGER will prepare a monthly reimbursement request in a form acceptable to the CWSRF and WIFIA programs to the CITY for approval and signature. PROGRAM MANAGER will also submit the reimbursement request to CWSRF and WIFIA on behalf of the CITY.

Task 18 Assumptions:

- DB TEAM will arrange, prepare for, and lead weekly progress meetings attended by the CONSTRUCTION MANAGER.

Task 18 Deliverables:

- Development and maintenance of a Dispute Escalation and Resolution Matrix on the PMIS.
- Orderly maintenance of files for correspondence, reports, Contract Documents, Change Documents, clarifications, and interpretations of the Contract Documents, progress reports, and other PROJECT-related documents on the SharePoint PMIS.
- Review of ten (10) of the DB TEAM's monthly status reports.
- Processing of ten (10) Applications for Payment, which includes review, verification, and process of the application.
- Meeting agenda and minutes for the Pre-Construction Conference.
- CONSTRUCTION MANAGER will record minutes for the weekly progress meetings and distribute electronic copies within seven (7) calendar days after meeting to participants and others affected by decisions made within the meeting.
- CONSTRUCTION MANAGER will provide written comments, compile CITY'S comments, and develop a Comments and Response Log for the various construction control plans for distribution back to the DB team.

**CITY OF MORRO BAY
WATER RECLAMATION FACILITY PROJECT
PROGRAM MANAGEMENT - AMENDMENT NO. 2
October 29, 2019**

Tasks	Task and Sub-Task Description	KEY STAFF						SUPPORT STAFF														Total Labor Hours	Total Labor Cost	PECE	Other Direct Costs Reimbursables (ODCR)	Subconsultants (KMA)	Subconsultants (Dr. Roberts)	Subconsultants (Deng Coats)	Subconsultants (Rincon)	Subconsultants (US)	Subconsultants (Yeh)	Subconsultants (Minniga)	Subconsultants (Katz)	Subconsultants	TOTAL PROJECT COSTS		
		PM	Procurement Finance	Technical	Controls	Permitting	CM	Controls	Technical	Technical	Technical	Technical	Technical	Inspector	Assistant CM	Technical	Technical	Permitting	Funding	Controls	Assistant CM															Technical/Permitting/Funding	WFL Labor Compliance
PHASE 3 - PROJECT OVERSIGHT																																					
Task 6	Routine Project Update Meetings	368	48	48	8	0	24	40	48	0	0	48	0	0	0	0	0	0	40	0	0	64	736	\$191,392	\$8,632	\$28,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$229,024	
6.1	Project Update Meetings	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40	40	\$10,840	\$480	\$7,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,920	
6.2	Internal Project Status Meetings	40	40	40	0	0	16	40	40	0	0	40	0	0	0	0	0	0	40	0	0	0	296	\$80,552	\$3,552	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$84,104
6.3	City Council Meetings	240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24	264	\$68,016	\$3,168	\$11,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$82,984	
6.4	Project Monitoring and Reporting	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40	80	\$15,800	\$960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,760	
6.5	WRF Onsite Design-Build Pre-Construction Meeting	8	8	8	8	8	8	0	8	0	0	8	0	0	0	0	0	0	0	0	0	0	56	\$16,184	\$672	\$9,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,256	
Task 7	Program Management Oversight	80	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120	33,360	\$1,440	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,800		
	Program Management Oversight	80	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120	33,360	\$1,440	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,800		
Task 8	Project Controls	160	80	0	120	0	0	240	0	0	0	0	0	0	0	0	0	0	160	0	120	80	960	\$225,720	\$11,520	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$240,240	
8.1	PMIS Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
8.2	Project Monitoring and Reporting	160	80	0	120	0	0	240	0	0	0	0	0	0	0	0	0	0	160	0	120	80	960	\$225,720	\$11,520	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$240,240	
Task 17	Recycled Water Facilities Preliminary Design	24	0	16	0	24	0	0	0	0	40	160	0	0	120	0	0	80	0	0	180	40	684	\$143,964	\$8,208	\$1,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$153,472		
	Recycled Water Facilities Preliminary Design	24	0	16	0	24	0	0	0	0	40	160	0	0	120	0	0	80	0	0	180	40	684	\$143,964	\$8,208	\$1,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$153,472		
Task 18	WRF Construction Support	60	40	0	0	0	84	0	0	0	0	0	304	152	0	0	0	0	244	0	0	508	1,392	\$305,420	\$16,704	\$34,000	\$50,000	\$0	\$0	\$0	\$0	\$0	\$46,000	\$297,480	\$0	\$432,828	\$788,952
18.1	Pre-Construction Conference	4	0	0	0	0	4	0	0	0	0	0	4	8	0	0	0	0	4	0	0	24	\$6,164	\$288	\$800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,480	\$0	\$1,628	\$8,880	
18.2	Construction Oversight Services	0	0	0	0	0	24	0	0	0	0	0	0	120	0	0	0	0	200	0	0	344	\$89,048	\$4,128	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$164,280	\$0	\$180,708	\$293,884	
18.3	Construction Inspection Services	0	0	0	0	0	0	0	0	0	0	0	0	260	0	0	0	0	0	0	0	260	\$75,920	\$3,120	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,985	\$0	\$16,484	\$95,524	
18.4	Geotechnical Construction Support	8	0	0	0	0	0	0	0	0	0	0	40	0	0	0	0	0	0	0	0	48	\$13,848	\$576	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,000	\$14,985	\$0	\$67,084	\$81,508	
18.5	Biological Mitigation Support	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	\$2,168	\$96	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$55,000	\$57,264	
18.6	Construction Progress Reporting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40	0	0	40	\$11,680	\$480	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,985	\$0	\$16,484	\$33,644	
18.7	Construction Progress Meetings	40	0	0	0	0	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	80	\$22,520	\$960	\$3,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,970	\$0	\$32,967	\$59,647	
18.8	Project Signage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	\$992	\$96	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,960	\$0	\$3,256	\$9,344	
18.9	Construction Control Plan Review	0	0	0	0	0	16	0	0	0	0	0	0	24	0	0	0	0	0	0	0	40	\$9,400	\$480	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,880	\$0	\$9,768	\$19,648	
18.10	Monthly Progress Payment Review	0	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40	\$11,680	\$480	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,985	\$0	\$16,484	\$28,644	
18.11	Certified Payroll Review	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	460	\$57,040	\$5,520	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,985	\$0	\$16,484	\$79,044	
18.12	SRF and WIFIA Payment Reimbursement Requests Preparation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40	\$4,960	\$480	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,985	\$0	\$16,484	\$21,924	
Subtotal (Phase 3)		692	208	64	128	24	108	280	48	0	0	88	160	304	152	120	0	0	80	200	244	300	692	\$ 899,856	\$ 46,704	\$ 67,100	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 46,000	\$ 297,480	\$ -	\$ 432,828	\$ 1,446,488	
PHASE 4 - ADDITIONAL SERVICES																																					
Task 14	Outfall Management Plan	72	0	0	0	0	0	0	0	0	200	0	0	0	0	40	0	0	0	0	224	40	576	\$133,920	\$6,912	\$2,600	\$0	\$31,200	\$10,120	\$21,500	\$83,000	\$0	\$0	\$0	\$160,402	\$303,834	
14.1	Condition Assessment	16	0	0	0	0	0	0	0	0	40	0	0	0	0	0	0	0	0	0	80	0	136	\$30,976	\$1,632	\$1,600	\$0	\$0	\$0	\$21,500	\$83,000	\$0	\$0	\$0	\$114,950	\$149,158	
14.2	Hydraulic Assessment	16	0	0	0	0	0	0	0	0	40	0	0	0	0	24	0	0	0	0	40	0	120	\$28,992	\$1,440	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,432
14.3	Dilution Modeling	16	0	0	0	0	0	0	0	0	40	0	0	0	0	0	0	0	0	0	24	0	80	\$20,504	\$960	\$0	\$0	\$31,200	\$10,120	\$0	\$0	\$0	\$0	\$0	\$0	\$45,452	\$66,916
14.4	Outfall Management Recommendations Report	24	0	0	0	0	0	0	0	0	80	0	0	0	0	16	0	0	0	0	80	40	240	\$53,448	\$2,880	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$57,328
Task 15	Coastal Development Permit Compliance	40	0	0	0	0	0	0	0	0	104	0	0	0	0	0	0	0	0	0	0	72	216	\$50,136	\$2,592	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$54,228	
15.1	Revised Final Plans	16	0	0	0	0	0	0	0	0	40	0	0	0	0	0	0	0	0	0	0	24	80	\$18,992	\$960	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,452	
15.2	Construction Plan	16	0	0	0	0	0	0	0	0	40	0	0	0	0	0	0	0	0	0	0	24	80	\$18,992	\$960	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,452	
15.3	Recycled Water Management Plan	8	0	0	0	0	0	0	0	0	24	0	0	0	0	0	0	0	0	0	0	24	56	\$12,152	\$672	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,324	
Task 16	Operations Support	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	4	\$1,084	\$48	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,132	
	Operations Support	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	4	\$1,084	\$48	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,132	
Subtotal (Phase 4)		116	0	0	0	0	0	0	0	0	304	0	0	0	0	40	0	0	0	0	224	112	796	\$ 185,140	\$ 9,552	\$ 24,100	\$ -	\$ 31,200	\$ 10,120	\$ 21,500	\$ 83,000	\$ -	\$ -	\$ -	\$ 160,402	\$ 379,194	

Item II Amendment to Contract with Carollo for Water Reclamation Project Program Management

November 6, 2019



1

Recommendations



- Staff recommends the City Council approve, and authorize the Public Works Director to sign, Amendment No. 2 (Attachment 1) to the existing agreement with Carollo Engineers, Inc., (Carollo) dated April 11, 2018, for continued program management of the Water Reclamation Facility (WRF) Project in an increased amount of \$2,381,968.

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2

Services for FY 19/20



- Construction support for the WRF
- Development of the Outfall Management Plan
- Routine updates to City Council, WRFCAC, and CFAC
- Overall budget and schedule management
- Preliminary design for Recycled Water Facilities
- Design support for Conveyance Facilities and WRF
- Public outreach
- Land use and potable reuse permitting
- Funding support (WIFIA, SRF, and Title XVI)
- Internal management of the PM team

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3

Contract structure



- Originally estimated total contract value of \$7.7 million
 - Original - \$292,000
 - Amendment No. 1 – \$1,606,948
 - Amendment No. 2 - \$2,381,968
- Future amendments
 - FY 20/21
 - FY 21/22
 - FY 22/23 (as needed)

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4

Budget Expenditures expected through FY 21/22



- Expenditures through July 31, 2019 = \$1.3 million
- Remaining budget through FY 19/20 (after amendment) = \$2.8 million
- Anticipated need for FY 19/20 = \$2.4 million
- Carry Over of FY 19/20 to FY 20/21 = \$0.4 million

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5

Scope Changes Responsible for Program Management Fee Increase



- Additional public outreach effort needed to inform the community during construction of the Conveyance Facilities
- Inclusion of out-of-scope items to the program management effort not anticipated when the initial \$7.64 Million estimate was developed
- Additional construction management effort associated with changes to the WRF Project schedule

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6

Revisions to Program Management Budget



Program Management Phase	Original Estimate	Basis of \$126 million Budget	FY 19/20 Re-Baselined Budget
Total	\$7,642,000	\$8,794,500	\$9,778,561

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7



Questions



8



AGENDA NO: III
MEETING DATE: November 6, 2019

Staff Report

TO: Honorable Mayor and City Council **DATE:** October 31, 2019
FROM: Scott Collins, City Manager
SUBJECT: Approval of Memorandum of Agreement (MOA) with San Luis Obispo County for Animal Shelter Project

RECOMMENDATION

Staff recommends the City Council review and approve the MOA with the County of San Luis Obispo for the City's share of the Animal Services project.

ALTERNATIVES

No alternatives are recommended at this time.

FISCAL IMPACT

For Fiscal Year (FY) 2019/2020, approval of this recommendation will result in an overall impact of \$9,877. The approved FY 2019/20 Budget includes \$22,225 for the debt payment to the County to cover the City's share of the proposed Animal Shelter project. With the total cost of the project exceeding the original estimate, participating cities and the County will see an increase in their contribution to the debt payment for the project. The City of Morro Bay's proposed new annual contribution to the County for the debt service on the Animal Shelter project will be \$32,102. The City will continue to make that annual payment to the County for an anticipated 25 years.

City staff will account for this increase in the FY 2019/20 mid-year budget adjustment.

BACKGROUND

As Council is aware, San Luis Obispo County provides animal services to each of the cities and the unincorporated areas of the County. This regional approach reduces the overall cost of the service for residents and leads to operational consistencies and efficiencies across the County. A key component of the service offerings provided by the County is the Animal Shelter. The Animal Shelter, however, is in great need of replacement given its condition and inability to meet the size requirements and needs of a modern animal service operation.

With City Council approval, the City originally entered into an MOA with the County for a new Animal Shelter project in 2017 (along with the other cities in SLO County), wherein an initial budget of up to \$14.5M to fund the project and cost sharing between agencies was established.

DISCUSSION

In 2018, the County and all Cities approved Amendment No. 1 to the MOA after three Cities (Atascadero, Arroyo Grande and Paso Robles) exercised an early termination clause in the original MOA. Amendment No. 1 approved by all parties, including the three cities that previously opted out,

introduced language to help reduce costs to cities by outlining operational goals and by requiring that the County pick up the project's first \$1M in cost. With approval of Amendment No. 1, the project continued to move forward and completed the two-step Design-Build (D-B) selection process. First, by releasing a Request for Statements of Qualifications and then by issuing the Request for Proposal (RFP) to the three top ranking Design-Build Entities (D-BE or D-BEs) of the seven D-BEs that submitted qualification packets. The three top-ranking D-BE firms were:

Diani Building Corporation	Santa Maria, CA
F&H Construction	Lodi, CA
Specialty Construction	San Luis Obispo, CA

The proposal period was a collaborative effort where each D-BE met with the County individually to share their vision for improving the preliminary design provided to them by the County and for their delivery of the project. As part of this process, all D-BEs expressed concern with the \$10.1M D-B contract budget noted in the RFP. D-BEs referenced the current boom in the building market, shortage of labor, tariffs on materials, and State-mandated skilled labor requirements as primary reasons why it would be difficult for them to deliver the project within the RFP budget. One D-BE, Specialty Construction, ultimately withdrew from the RFP process due to its concern of not being able to secure the required skilled labor for the project at a reasonable cost.

Upon confirming the state of the current building market and prior to issuing the RFP, the County with the help of its consultant, Kitchell, worked to trim the project program to only what is critically necessary for operations. When issued, the RFP identified various components of the project as Deductive Scopes, Additives or Enhancements and required the D-BEs to provide itemized pricing for these components to allow the County to remove or add them as needed to arrive at an acceptable D-B contract cost to all parties while maintaining the project objective.

The selection committee comprised of County and city representatives reviewed the two proposals using criteria to determine the proposal that would provide the best value, in accordance with Public Contract Code section 22164(f)(4). Upon conclusion of review of proposals from Diani Corporation and F&H Construction, the selection committee unanimously recommended that the County enter into contract negotiations with F&H Construction.

Since expected project total costs exceed the amount noted in the original MOA, approval of Amendment No. 2 to the MOA by all agency partners is needed to establish \$20,348,740 as the new total project cost and \$18,999,773 as the amount to be shared by the parties. Of note is that other agencies in the Central Coast and throughout the State have experienced similar cost differences between project budgets and proposals on current projects.

Other Agency Involvement

A project Steering Committee meets regularly to help guide the project's delivery and to provide oversight. The Steering Committee includes representatives from County Administration, Finance, Public Works, as the project manager, and the Health Agency, as the operator. The Steering Committee also includes representatives from partner cities of Atascadero, Grover Beach, Paso Robles and San Luis Obispo.

CONCLUSION

Staff recommends that City Council approve the amendment #2 with SLO County for the Animal Shelter project.

ATTACHMENTS

1. Project Renderings
2. MOA Amendment #2
3. Original MOA and Amendment #1

ATTACHMENT #1



AMENDMENT NUMBER 2 TO THE
AGREEMENT FOR ALLOCATION OF CONSTRUCTION AND FINANCING COSTS FOR AN
ANIMAL SERVICES SHELTER AT 865 OKLAHOMA AVENUE IN SAN LUIS OBISPO,
CALIFORNIA, BETWEEN THE CITIES OF ATASCADERO, ARROYO GRANDE, GROVER
BEACH, MORRO BAY, PASO ROBLES, PISMO BEACH, AND SAN LUIS OBISPO AND THE
COUNTY OF SAN LUIS OBISPO

THIS AMENDMENT No. 2 (“Amendment No. 2”), dated for reference as of December 10, 2019, to the Agreement (defined below), is entered into by and between the COUNTY OF SAN LUIS OBISPO (the “County”), and the cities of ATASCADERO, ARROYO GRANDE, GROVER BEACH, MORRO BAY, PASO ROBLES, PISMO BEACH, AND SAN LUIS OBISPO (each, a “City,” and collectively, the “Cities,” and, together with the County, the “Parties”, or individually “Party”).

RECITALS

The County and each of the Cities previously entered into an Agreement (“Agreement”) for allocation of construction and financing costs for a new Animal Service Shelter at 865 Oklahoma Avenue in San Luis Obispo, California (“Shelter” or “Project”). The Agreement is dated as of February 1, 2017.

The Parties entered into Amendment No. 1 to the Agreement, dated June 5, 2018.

The County provided written notice of increased estimated construction costs to the Cities on July 18, 2019, pursuant to Section 3(a)(ii) of the Agreement.

The Cities approved the additional construction costs in writing, pursuant to Section 3(a)(ii) of the Agreement.

The Parties acknowledge the benefit of collaborative and joint efforts in constructing, financing, and managing the Shelter.

The Parties now enter into this Amendment No. 2 to memorialize the increased estimated construction costs for the Shelter. The Agreement, Amendment No. 1 and this Amendment No. 2 represent the entire agreement between the Parties.

NOW, THEREFORE, the Parties agree as follows:

1. Recitals.

The above Recitals are true and correct.

2. Capital and Financing Costs

- a) The Project construction costs to be shared by the Parties were estimated at the time the Agreement was signed to be Thirteen Million One Hundred Seventy-Six Thousand Five Hundred Dollars (\$13,176,500). Pursuant to Amendment No. 1, the County agreed to reduce the costs allocated to the Cities by \$1 Million, thereby lowering the estimated shared constructions costs to Twelve Million One Hundred Seventy-Six Thousand Five Hundred Dollars (\$12,176,500). Pursuant to this Amendment No. 2, and in consideration of the Design-Build contract amount for the Project, the Project construction costs to be shared by the Parties shall not exceed Eighteen Million Nine Hundred Ninety-Nine Thousand Seven Hundred Seventy-Three Dollars (\$18,999,773).
- b) Estimated financing costs are shown in Attachment A to this Amendment No. 2 and may vary depending on the applicable interest rate and whether there are out of pocket costs to obtain

financing (collectively "Estimated Project Financing Costs"). If the actual interest rate is higher or lower than that estimated on Attachment A, the actual financing costs will vary.

3. In the event of a conflict between the terms of the Agreement, Amendment No. 1 and this Amendment No. 2, the terms of this Amendment No. 2 shall prevail.

IN WITNESS WHEREOF, by their execution below, the Parties agree to be bound by the provisions of this Amendment, and the Board of Supervisors of the COUNTY OF SAN LUIS OBISPO has authorized and directed the Chairperson of the Board of Supervisors to execute this Agreement for and on behalf of the County, and the Cities of ATASCADERO, ARROYO GRANDE, GROVER BEACH, MORRO BAY, PASO ROBLES, PISMO BEACH, AND SAN LUIS OBISPO have caused this Agreement to be subscribed by each of their duly authorized officers and attested by their Clerks.

Dated: _____ COUNTY OF SAN LUIS OBISPO

Clerk of the Board

Dated: _____ CITY OF ATASCADERO

City Clerk By:

Dated: _____ CITY OF ARROYO GRANDE

City Clerk By:

Dated: _____ CITY OF GROVER BEACH

City Clerk By:

Dated: _____ CITY OF MORRO BAY

City Clerk By:

Dated: _____ CITY OF PASO ROBLES

City Clerk By:

Dated: _____

CITY OF PISMO BEACH

City Clerk

By:

Dated: _____

CITY OF SAN LUIS OBISPO

City Clerk

By:

Exhibit A

to MOA Amendment No. 2

**SLO County Animal Services Facility
Financing cost estimates at proposal costs
July 25, 2019 market update**

MOU (low end)		Estimated Annual Debt Service at July 25th market update			
Project cost	\$ 13,176,500	Scope Cost	\$ 20,348,740		
<i>County Contribution</i>	\$ (1,000,000)	less: County-only Road Costs	\$ (348,967)		
Shared debt	\$ 12,176,500	less: County Contribution	\$ (1,000,000)		
		Amount Financed	\$ 18,999,773		
25yr - 3.5%		Additional Annual Debt Service vs. MOU 25yr - 3.24%			
Agency	Share	<i>low-end</i>			
Arroyo Grande	5.94%	\$ 45,523	\$ 20,231	\$ 65,753	
Atascadero	15.03%	115,186	51,190	166,376	
Grover Beach	3.12%	23,911	10,626	34,537	
Morro Bay	2.90%	22,225	9,877	32,102	
Paso Robles	18.15%	139,097	61,816	200,913	
Pismo Beach	1.19%	9,120	4,053	13,173	
San Luis Obispo	10.03%	76,868	34,160	111,028	
Unincorporated	43.64%	334,447	148,630	483,077	
Avg Annual Payment	100.00%	\$ 766,377	\$ 340,582	\$ 1,106,959	

AMENDMENT NUMBER 1 TO THE
AGREEMENT FOR ALLOCATION OF CONSTRUCTION AND FINANCING COSTS FOR AN
ANIMAL SERVICES SHELTER AT 865 OKLAHOMA AVENUE IN SAN LUIS OBISPO,
CALIFORNIA, BETWEEN THE CITIES OF ATASCADERO, ARROYO GRANDE, GROVER
BEACH, MORRO BAY, PASO ROBLES, PISMO BEACH, AND SAN LUIS OBISPO AND THE
COUNTY OF SAN LUIS OBISPO

THIS AMENDMENT (“Amendment”), dated for reference as of June 5, 2018, to the Agreement (defined below), is entered into by and between the COUNTY OF SAN LUIS OBISPO (the “County”), and the cities of ATASCADERO, ARROYO GRANDE, GROVER BEACH, MORRO BAY, PASO ROBLES, PISMO BEACH, AND SAN LUIS OBISPO (each, a “City,” and collectively, the “Cities,” and, together with the County, the “Parties”, or individually “Party”).

RECITALS

The County and each of the Cities previously entered into an Agreement (“Agreement”) for allocation of construction and financing costs for a new Animal Service Shelter at 865 Oklahoma Avenue in San Luis Obispo, California (“Shelter” or “Project”). The Agreement was dated as of February 1, 2017.

The Parties acknowledge the benefit of collaborative and joint efforts in constructing, financing, and managing the Shelter.

The Parties enter into this Amendment to memorialize changes regarding the Parties’ participation and corresponding obligations with regard to the management and allocation of construction and financing costs for the Shelter.

This Amendment memorializes the Parties’ joint commitment to collaboratively address and resolve the issue of rising costs for animal services. The Parties recognize that the operating philosophy and operating model by which the shelter has been operated is not the model that will best serve the Parties going forward.

The model going forward views all parties as partners, and is based on the needs of all Parties, with all Parties being incentivized to find creative ways to reduce the costs of those services. The model going forward also demonstrates the County’s commitment to seeking opportunities to be more nimble, and open to change.

The Agreement and this Amendment represent the entire agreement between the Parties.

NOW, THEREFORE, the Parties agree as follows:

1. Recitals.

The above Recitals are true and correct.

2. Capital and Financing Costs

a) The Project construction costs to be shared by the Parties were estimated at the time the Agreement was signed to be Thirteen Million One Hundred Seventy Six Thousand Five Hundred Dollars (\$13,176,500). Pursuant to this Amendment, the County shall reduce the costs allocated to the Cities as follows:

i. The County will solely pay the first one million dollars (\$1,000,000) of the project, moving \$1,000,000 in shared Estimated Project Construction Costs in Exhibit D to County-Only Costs.

- ii. The shared Estimated Project Construction Costs will thereby be reduced to Twelve Million One Hundred Seventy Six Thousand Five Hundred Dollars (\$12,176,500).
 - b) The County further agrees to pass through any financing costs to the Cities with no additional points, administrative fees, or charges.
 - c) After all construction and related financing costs are retired, the Parties then participating in the Shelter program may continue their joint use of the Shelter for the life of the building, at no additional capital or financing costs.
- 3. Animal Shelter Operations
 - a) Shared Governance. The Parties agree that further clarification of the intended shared governance model is appropriate. The intent of the Operations Committee and the Executive Board created by the Agreement is to ensure all Shelter policies and operations reflect the needs of all Parties and equitably benefit all Parties. The Operations Committee and the Executive Board are authorized to ensure the policies and operations of field services policies and operations also reflect the needs of all Parties and equitably benefit all Parties. Any conflicts that cannot be successfully resolved by the Operations Committee or the Executive Board will be addressed by a 5-person ad hoc committee, comprised of County Supervisors and City Mayors.
 - b) Targeted Reductions in Operation Costs. The County agrees to adopt goals and take action steps to reduce animal intakes and total animal nights by an average of five percent (5%) per year for the next five (5) years. The resulting cost savings will be shared by all parties in accordance with the Animal Care and Control Services contract in place at the time. The targeted reductions are to be accomplished primarily by reducing the need for services and the costs of those services, not by reducing or denying needed services. Steps undertaken may include, but are not limited to:
 - i. Targeted education campaigns
 - ii. Pro-active and targeted programs such as catch, spay/neuter, and release programs
 - iii. Pro-active licensing and licensing enforcement
 - iv. Community-based approaches that involve the community in activities and donations
 - v. Active pursuit of grants and donations
 - vi. User fees set at a strategic level to minimize subsidy from general taxes.
 - c) Cost Benefit Analysis. The County agrees to undertake a cost/benefit analysis related to services and operations of the Shelter and present the findings to the Operations Committee. The County will also propose needed actions to the Operations Committee and, as necessary, the Executive Board, and implement changes identified and agreed to by the Parties to achieve reductions in operating costs.
- 4. Client Services Approach
 - a) Working collaboratively with the Operations Committee and Executive Board, the County agrees to adopt a client-oriented services approach for Shelter operations. Elements of this approach may include, but are not limited to:
 - i. Mobile spay/neuter programs
 - ii. Pet owner education programs
 - iii. Outreach to constituents
 - iv. Offering micro-chipping
- 5. Kennel Permits
 - a) The County will not issue kennel permits inside city limits without written approval of that city.
- 6. In the event of a conflict between the terms of the Agreement and the Amendment, the terms of this Amendment shall prevail.

IN WITNESS WHEREOF, by their execution below, the Parties agree to be bound by the provisions of this Amendment, and the Board of Supervisors of the COUNTY OF SAN LUIS OBISPO has authorized and directed the Chairperson of the Board of Supervisors to execute this Agreement for and on behalf of the County, and the Cities of ATASCADERO, ARROYO GRANDE, GROVER BEACH, MORRO BAY, PASO ROBLES, PISMO BEACH, AND SAN LUIS OBISPO have caused this Agreement to be subscribed by each of their duly authorized officers and attested by their Clerks.

Dated: _____

COUNTY OF SAN LUIS OBISPO

Clerk of the Board

Dated: _____

CITY OF ATASCADERO

City Clerk

By:

Dated: _____

CITY OF ARROYO GRANDE

City Clerk

By:

Dated: _____

CITY OF GROVER BEACH

City Clerk

By:

Dated: Aug 21, 2018

CITY OF MORRO BAY

Donna Swanson
City Clerk

[Signature]
By: Scott Collins

Dated: _____

CITY OF PASO ROBLES

City Clerk

By:

Dated: _____

CITY OF PISMO BEACH

City Clerk

By:

AGREEMENT FOR ALLOCATION OF CONSTRUCTION AND FINANCING COSTS FOR AN
ANIMAL SERVICES SHELTER AT 865 OKLAHOMA AVENUE IN SAN LUIS OBISPO,
CALIFORNIA, BETWEEN THE CITIES OF ATASCADERO, ARROYO GRANDE, GROVER
BEACH, MORRO BAY, PASO ROBLES, PISMO BEACH, AND SAN LUIS OBISPO AND THE
COUNTY OF SAN LUIS OBISPO

THIS AGREEMENT, dated for reference as of February 1, 2017 (the "Agreement"), is entered into by and between the COUNTY OF SAN LUIS OBISPO (the "County"), and the cities of ATASCADERO, ARROYO GRANDE, GROVER BEACH, MORRO BAY, PASO ROBLES, PISMO BEACH, AND SAN LUIS OBISPO (each, a "City," and collectively, the "Cities," and, together with the County, the "Parties", or individually "Party").

RECITALS

The County and each of the Cities are parties to a separate but similar Contract for Animal Care and Control Services ("Services Contract") effective as of July 1, 2016 and expiring, unless sooner terminated, on June 30, 2019, pursuant to which the County provides animal control services throughout San Luis Obispo County, including within the jurisdictional boundaries of each of the Cities.

In conjunction with and pursuant to the Services Contract, the County operates an existing Animal Services Shelter located at 885 Oklahoma Avenue in San Luis Obispo, California. Owing to the obsolescence of the existing shelter, it is necessary to construct a new Animal Services Shelter ("Shelter" or "Project") as generally described in Exhibit A, at an address preliminarily identified as 865 Oklahoma Avenue, and as generally depicted in Exhibit B ("Shelter Property").

The Parties acknowledge the benefit of collaborative and joint efforts in constructing the Shelter.

The Parties enter into this Agreement to memorialize their participation and corresponding obligations with regards to the allocation and repayment of the construction and financing costs for the Shelter.

NOW, THEREFORE, the Parties agree as follows:

1. Recitals.
The above Recitals are true and correct.
2. Estimated Project Construction Costs.
 - a) The Project construction costs, excluding the portion of the Oklahoma Ave./Utility Extension costs to be borne solely by the County, and excluding the County-only costs of the remaining depreciation value of the existing facility, demolition of the existing facility, and land costs, and excluding costs to be shared proportionally only by the Cities, for the Shelter are estimated at this time to be Thirteen Million One Hundred Seventy Six Thousand Five Hundred Dollars (\$13,176,500) as shown in Exhibit D (the "Estimated Project Construction Costs"). The Estimated Project Construction Costs include expenses for soft costs, such as architectural and engineering services; County costs for administration, project management service, environmental review, planning and building fees, and inspections; and hard costs, such as actual construction costs.
 - b) The Estimated Project Construction Costs shall only include those expenses and costs generally described above, which are incurred by the County specifically for the Shelter construction project. Notwithstanding anything to the contrary below, the total Project Costs, as defined in Paragraph 5(a) below shall not exceed Fourteen Million Five Hundred Thousand Dollars (\$14,500,000) without a written amendment to this agreement signed by all Parties.

- c) The Project will be managed as a “Design / Build” project, as approved by the County of San Luis Obispo Board of Supervisors on April 12, 2016.

3. Excess Construction Costs

- a) Prior to Authorization for Construction to Begin (“Construction Contract”).

- (i) If the County receives information in the design or bidding process indicating that the Estimated Project Construction Costs for the Shelter will exceed \$13,176,500 by less than ten percent (10%), the County shall provide written notice to each member of the Executive Board (as defined in Section 9(b) below) of the revised estimated construction costs within a reasonable period of time before such additional construction costs are incurred. The Executive Board shall either approve or disapprove the additional construction costs, if any, by written notice to the County, delivered within ninety (90) days after receipt of the County’s notice of the revised construction costs. If any Executive Board member fails to timely approve in writing, the Executive Board shall be deemed to have not approved and the County shall promptly confer with all Cities regarding the additional construction costs and any means by which such additional construction costs may be minimized.

- (ii) If the County receives information as part of the design or bidding process indicating that the Estimated Project Construction Costs for the Shelter will exceed \$14,500,000, the County shall immediately provide written notice to each City of the revised estimated construction costs (“Excess Construction Costs”) and confer with the Cities as to whether to authorize the Construction Contract or reject all bids. Each City shall either approve or disapprove the Excess Construction Costs resulting in Estimated Project Construction Costs exceeding \$14,500,000 by written amendment delivered to the County within ninety (90) days after receipt of the County’s written amendment. If the decision is to authorize the contract, the County shall prepare and deliver to the Cities a written amendment to this Agreement amending Section 2(b) to increase the not-to-exceed amount. If any City fails to timely approve in writing, the City shall be deemed to have disapproved. Should a City(ies) disapprove the Excess Construction Costs, the County will immediately confer with all Cities in an attempt to reconcile the disagreement. Should the Parties be unable to reach agreement, the measures shall be taken to reduce the costs below \$14,500,000 and in no such event shall the Parties be liable for Excess Construction Costs absent a written amendment to this agreement.

- (iii) If a City chooses to not participate in the shelter construction at that time, the City is allowed to withdraw from this agreement and pay its proportionate share of all costs incurred as of the date of withdrawal. The date of withdrawal shall be defined as the date that written notice is received by the County of the City's desire to withdraw due to Excess Construction Costs beyond amounts previously agreed. The County will recalculate future payments of the remaining Parties using revised percentages of shelter use with the methodology in Section 6(a).

- b) Authorization for Construction to Begin

- (i) Upon County’s authorization for Construction to begin, total costs for the Project including any incurred or future hard costs, soft costs, contingencies, and other miscellaneous costs related to Shelter construction will be added to the estimated final construction costs (“Estimated Final Construction Costs”). The Estimated Final Construction Costs will not exceed the Estimated Project Construction Costs (or Excess Construction Costs), unless agreed to in writing by all of the Parties in a written amendment to this Agreement. Should the Parties be unable to reach agreement, measures shall be taken to reduce the costs below

\$14,500,000 and in no such event shall the Parties be liable for Excess Construction Costs absent a written amendment to this agreement.

(ii) If a City chooses to not participate in the shelter construction at that time, the City is allowed to withdraw from this agreement and pay its proportionate share of all costs incurred as of the date of withdrawal. The date of withdrawal shall be defined as the date that written notice is received by the County of the City's desire to withdraw due to Excess Construction Costs beyond amounts previously agreed. The County will recalculate future payments of the remaining Parties using revised percentages of shelter use with the methodology in Section 6(a).

c) After Authorization for Construction to Begin

(i) If the County becomes aware, after its authorization for Construction to begin, that the costs of construction will exceed the Estimated Final Construction Costs due to unforeseen or other conditions, the County shall provide written notice, to each City of the revised estimated construction costs within a reasonable period of time before such additional construction costs are incurred. Each City shall either approve or disapprove the additional construction costs, if any, by written notice to the County, delivered within ninety (90) days after receipt of the County's notice of the revised construction costs. If any City fails to timely approve in writing, the City shall be deemed to have not approved and the County shall promptly confer with all Cities regarding the additional construction costs and any means by which such additional construction costs may be minimized. No additional construction costs shall be incurred that exceed \$14,500,000 without a written amendment signed by all the Parties. Should the Parties be unable to reach agreement, measures shall be taken to reduce the costs below \$14,500,000 and in no such event shall the Parties be liable for Excess Construction Costs absent a written amendment to this agreement.

(ii) If a City chooses to not participate in the shelter construction at that time, the City is allowed to withdraw from this agreement and pay its proportionate share of all costs incurred as of the date of withdrawal. The date of withdrawal shall be defined as the date that written notice is received by the County of the City's desire to withdraw due to Excess Construction Costs beyond amounts previously agreed. The County will recalculate future payments of the remaining Parties using revised percentages of shelter use with the methodology in Section 6(a).

4. Financing

a) County Advance of Funds. The County shall advance funds required to pay for the costs of construction of the Shelter. The County intends to finance the funds it advances, including County in house soft costs.

i) County Sole Discretion as to Financing Terms. The County, at its sole discretion, shall determine financing terms based on market rates and terms available at the time of financing. The anticipated financing interest rate is estimated to be between 3.5%-5%, based on a 25-year term, see Exhibit D. The County may finance the Estimated Final Construction Costs (hard, soft, design, etc.) for the Shelter in addition to customary out of pocket costs to obtain financing, if any. The County may choose to provide in-house financing, provided the interest rate charged to the Cities does not exceed commercially available rates for like projects and terms of financing are equal to or more favorable to Cities than terms otherwise available to the County.

(1) The County will provide notification to the Shelter Executive Board of its intentions regarding external or in-house financing at least 30 days prior to taking action on

financing. Said notification will include final estimates of financing costs and anticipated interest rates.

- (2) Should the Cities desire to have costs identified as “Costs Shared Proportionally by Cities Only” in Exhibit D included in any financing, the Cities shall provide written notification to the County by October 31, 2017. Should all Cities fail to provide written notice, the “Costs Shared Proportionally by Cities Only” will be proportionally allocated to each of the Cities as shown in Exhibit C and billed accordingly, with a payment due date of January 1, 2018.
 - ii) Estimated Project Financing Costs. The financing costs are estimated to range from \$7,556,392 to \$11,618,328, as shown in Exhibit D, depending on the applicable interest rate and whether there are out of pocket costs to obtain financing (collectively “Estimated Project Financing Costs”). If the actual interest rate is higher or lower than that estimated on Exhibit D, the actual financing costs will vary.
5. Total Estimated Project Costs/Total Project Costs.
- a) The Estimated Final Construction Costs and the Estimated Project Financing Costs are jointly referred to as the Total Estimated Project Costs. Once the Shelter has been constructed and financed, the County will prepare a final cost summary of the actual construction and financing costs incurred by County in connection with the Shelter, excluding any costs that this Agreement expressly provides shall be excluded from the calculation, to establish the total project costs and annual repayment schedule based on the financing. Upon request, a City may review back up material for the summary. After review and adjustment (if any) of the final cost summary by all Parties, the approved final cost summary shall be known as the Total Project Costs. No City shall unreasonably delay or disapprove the Total Project Costs.
6. Allocation of Total Project Costs.
- (a) Allocation Based on Percentage of Shelter Use. Each Party shall pay its share of the Total Project Costs, based on the annual repayment schedule associated with the financing. Each Party’s share shall be based upon that individual Party’s percentage of shelter use. Shelter use is defined as the number of shelter services (impounds, quarantines, animal surrenders, confiscations, euthanasia requests, etc.) originating from, or requested by, an individual Party’s jurisdiction and/or its residents. Each Party’s share shall be determined annually by the County as part of their normal record keeping processes. The individual Party’s shelter use percentage shall be calculated using the total number of shelter services allocated to an individual Party over the preceding three full fiscal year periods, divided by the total number of all shelter services provided to all Parties over the same preceding three full fiscal year periods.

$$\%Shelter\ Use = \frac{(Party\#\Shelter\ Services_{Year1} + Party\#\Shelter\ Services_{Year2} + Party\#\Shelter\ Services_{Year3})}{(Total\#\Shelter\ Services_{Year1} + Total\#\Shelter\ Services_{Year2} + Total\#\Shelter\ Services_{Year3})}$$

Exhibit C indicates the percentage of each Party's actual use of the existing Animal Services shelter for the Fiscal Years 2013-14, 2014-15, and 2015-16. Adjustments to each Party’s annual allocation of Total Project Costs shall be adjusted annually based on the previous 3-year trailing average of the percentages of shelter use.

- b) Reallocation in the Event of Withdrawal or Termination. In the event that a Party withdraws or terminates under Section 8 below, the allocation of each Party’s share of Total Project Costs shall be adjusted upward for the remaining parties for the subsequent calendar year. The annual calculation and any associated adjustments shall be made by December 31st of each year and shall be due on July 1st of the next fiscal year.

7. Use of Shelter
 - a) The Shelter shall only be used as an Animal Services facility. No other County department or agency or other person or entity shall use any portion of the Shelter without the prior written consent of the Operations Committee (as defined in Section 9 (a) below). Such use shall be accompanied by the payment of an appropriate rental charge.

8. Termination and Withdrawal
 - a) Withdrawal Prior to Authorization of Construction/Payment of Allocation of Soft Costs.
 - i) Any Party may withdraw from this Agreement prior to County's authorization of the Construction to begin by giving a minimum of one (1) year's written notice to all Parties and by payment of its share, based on the allocation set forth in Section 6, above, of costs incurred by County prior to date of receipt of notice of withdrawal. Notice shall be deemed received on the date of personal delivery, or if mailed by U.S. mail, five (5) days after date of mailing. Such costs shall be reasonably determined by County and a majority of the Parties of the Executive Board, excluding any Party(ies) electing to withdraw. Any withdrawing Party shall pay its share by the effective date of its withdrawal. A withdrawing Party who withdraws prior to October 31, 2017 shall not be required to pay any portion of financing costs, regardless of whether outside financing or in-house County financing is ultimately provided. Any payment of soft or hard costs by a withdrawing Party shall be deleted from the amount to be financed. The County will recalculate future payments of the remaining Parties using revised percentages of shelter use with the methodology in Section 6(a).
 - b) Withdrawal After Construction Begins /Payment of Allocation.
 - i) Any Party may withdraw from this Agreement after the County's authorization of construction begin, by providing a minimum of one (1) year's written notice to all of the other Parties and prepaying its entire allocation of the Total Project Costs by the effective date of its withdrawal. If a Party withdraws from this Agreement prior to October 31, 2017, any estimated financing costs shall be deducted from the Total Project Costs before calculating the withdrawing Party's Total Project Costs share. If County provides in-house financing, any finance or interest charge accruing or payable after the withdrawal shall be deducted from the Total Project Costs before calculating the withdrawing Party's share of the Total Project Costs. Withdrawal from the Agreement shall be effective as of December 31 of the year stated in the written notice. The County will recalculate future payments of the remaining Parties using revised percentages of shelter use with the methodology in Section 6(a).
 - c) The County shall not terminate a City's access to or use of the Shelter if the City is not in default of its payment obligations. For the purposes of this Agreement, a City shall be deemed to be in default if said City is sixty (60) calendar days or more in arrears on any payment required under this Agreement.
 - (i) Should the County desire to terminate a City's access or use of the Shelter for default of its payment obligations, the County shall include any non-defaulted Cities, at the non-defaulted Cities' sole discretion, in negotiations with the defaulted City, prior to their termination.
 - (ii) The County shall retain final decision authority to terminate any City's access to or use of the Shelter for default of said City's payment obligations.

9. Termination for Government Non-appropriation
 - a) For each annual payment any City may owe related to repayment of the Total Project Costs as defined herein, whether a proportionate annual payment or lump sum payment pursuant to, but not limited to, provisions 4, 5, 6 and 8 of this Agreement, Cities represent and

warrant: that they have appropriated and budgeted the necessary funds to make all necessary payments required pursuant to this Agreement for the remainder of the fiscal year in which this Agreement commences, if any; and that it currently intends to make further payments for the full term of this Agreement as scheduled in the above enumerated provisions if funds are appropriated for such payments in each succeeding fiscal year by its governing body. Without contractually committing itself to do so, Cities reasonably believe that moneys in an amount sufficient to make all payments can and will lawfully be appropriated therefor. Cities will direct the persons in charge of their budget requests to include the subject payments required under this Agreement payable during each fiscal year in the budget request presented to Cities' governing body for such fiscal year; provided, that Cities' governing body retains authority within their sole discretion to approve or reject any such budget request. All payments shall be payable out of legally available revenues of Cities appropriated therefore. County agrees that no payment or obligation under this Agreement will be a general obligation of Cities and no payment herein shall constitute a pledge of either the full faith and credit of Cities or the taxing power of Cities.

- b) If Cities' governing body fails to appropriate sufficient funds in any fiscal year for annual payments under this Agreement, then a "Non-Appropriation Event" shall be deemed to have occurred. If a Non-Appropriation Event occurs, then the Non-Appropriating City shall give County immediate notice of such Non-Appropriation Event and provide written evidence of such failure by the City's Governing Body; and this Agreement shall terminate as to the City giving notice of a Non-Appropriation Event without penalty or costs to that City, provided that the City shall pay all payments and other amounts payable under this Agreement for which funds have been appropriated by the City's governing body.

10. Animal Shelter Operations

- a) An Operations Committee comprised of the County's Health Agency Director or his/her designee and a subset of City Managers or their designees shall be formed. At their sole discretion, all Parties may be represented on the Operations Committee.
- b) An Executive Board composed of the County Administrative Officer (CAO) and a subset of the City Managers (2-3) for each of the Cities, or their designees, shall consider significant policy or budget changes and make recommendations prior to policy implementation or budget adoption for the Shelter.
- c) The Executive Board meetings shall be held as needed and in conjunction with the existing monthly City Manager/CAO meeting. At a minimum, "*Animal Services*" shall be a standing item that is considered twice in a calendar year. While any Party may request that "*Animal Services*" be added to the agenda of any City Manager/CAO monthly meeting, it will be the responsibility of the chair of the meeting to ensure *Animal Services* is placed on the agenda and satisfies the minimum number of meetings required by this Agreement.
- d) If the City Managers' recommendation is different from that of the CAO on budget or policy matters, the County shall include the City Managers' recommendation in any related staff report to the Board of Supervisors and provide a summary of the nature of any disagreement.
- e) Final policy and budgetary authority for Shelter operations reside with the County Board of Supervisors.
- f) Future Services Contracts shall be for 3-year terms.
- g) If a City chooses to provide its own field services, it must provide to all Parties, a one (1) year's written notice of its intent to provide its own services and to terminate, or (if applicable) not to

renew, its Services Contract with the County, except as otherwise expressly provided in its Services Contract with the County,

- h) Service Contracts shall be separate from the Parties' obligations to finance and pay their proportional and allocated shares of Total Project Costs for the Shelter.
- i) The County's repayment obligation of its share of the Total Project Costs shall not be included in the calculation of the Shelter's operating costs. The County shall charge no rent for the Shelter or Shelter Property or otherwise attempt to obtain compensation from the Cities for those items identified in Appendix D as "County Only Costs".
- j) Any City shall have the ability to provide its own separate field services. The costs for accessing the Shelter shall be reasonably determined by the County after consulting with the Executive Board and shall only be for the fair share reasonable operating costs for Shelter operations.
- k) Any City that elects to not participate in Shelter Total Project Costs shall immediately cease as a Party to this Agreement and the County shall not be required to provide any animal services to such City. Such City shall be required to provide its own animal services and shelter, in accordance with all applicable laws and statutes, effective on a date mutually agreed to by the City and the County. If the City and the County are unable to mutually agree to a date, termination will be effective upon the expiration of the City's existing Service Contract or the date a Certificate of Occupancy is issued for the new Shelter, whichever occurs first.

11. Animal Shelter Planning

- a) The Parties agree to form an ad-hoc value engineering team consisting of up to three (3) City representatives and a minimum of two (2) County representatives. City representatives shall fully participate with the County to assist with investigating and identifying the most effective and efficient methods to construct a Shelter that meets all Parties' existing and future animal service's needs. The value engineering team shall meet as needed and provide input with architects, designers, construction managers, and engineers during the development of plans and specifications for the Shelter.
- b) Prior to the authorization of the Construction Contract, the Executive Board shall be presented project plans and estimated budgets, and provide a recommendation that will be included in the CAO staff report to approve the contract by the Board of Supervisors.

12. Effective Date

- a) Except as set forth above, this Agreement shall be effective for the period from January 5, 2017 until each Party has made the last payment required under Section 6 or, if applicable, Section 8, of this Agreement

13. Entire Agreement

- a) This is the entire agreement among the Parties with respect to the Project and supersedes any prior written or oral agreements with respect to the Project. In the event of a conflict between the terms of this Agreement and the Services Contract, the terms of this Agreement shall prevail.

14. Assignability

- a) Except as otherwise expressly provided for herein, no Party shall assign any of its obligations or rights hereunder without the written consent of all Parties.

15. Notices

- a) Any notices required to be given pursuant to this Agreement shall be given in writing and shall be mailed to all Parties to the Agreement, directed to the County Administrative Officer and County Counsel, and to the City Manager or City Administrative Officer and City Attorney of each City.

16. Audit

- a) The Cities may inspect and/or audit all records and other written materials used by County in preparing the Total Project Costs and annual invoices to each City.

17. Good Faith Efforts

- a) The Parties shall each act in good faith in performing their respective obligations as set forth in this Agreement and shall work diligently to maintain their longstanding cooperative relationships.

18. Amendment

- a) This Agreement may only be amended in writing, signed by all Parties.

IN WITNESS WHEREOF, by their execution below, the Parties agree to be bound to the obligations stated herein, and the Board of Supervisors of the COUNTY OF SAN LUIS OBISPO has authorized and directed the Chairperson of the Board of Supervisors to execute this Agreement for and on behalf of the County, and the Cities of ATASCADERO, ARROYO GRANDE, GROVER BEACH, MORRO BAY, PASO ROBLES, PISMO BEACH, AND SAN LUIS OBISPO have caused this Agreement to be subscribed by each of their duly authorized officers and attested by their Clerks.

Dated: _____

COUNTY OF SAN LUIS OBISPO

Clerk of the Board

Dated: _____

CITY OF ATASCADERO

City Clerk

By:

Dated: _____

CITY OF ARROYO GRANDE

City Clerk

By:

Dated: _____

CITY OF GROVER BEACH

City Clerk

By:

Dated: 3/2/17

CITY OF MORRO BAY

Dana Swanson
City Clerk

[Signature]
By: David W. Buckingham, City Manager

Dated: _____

CITY OF PASO ROBLES

City Clerk

Dated: _____

City Clerk

Dated: _____

City Clerk

By:

CITY OF PISMO BEACH

By:

CITY OF SAN LUIS OBISPO

By:

EXHIBIT A

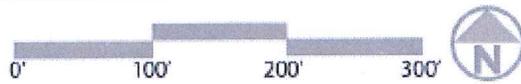
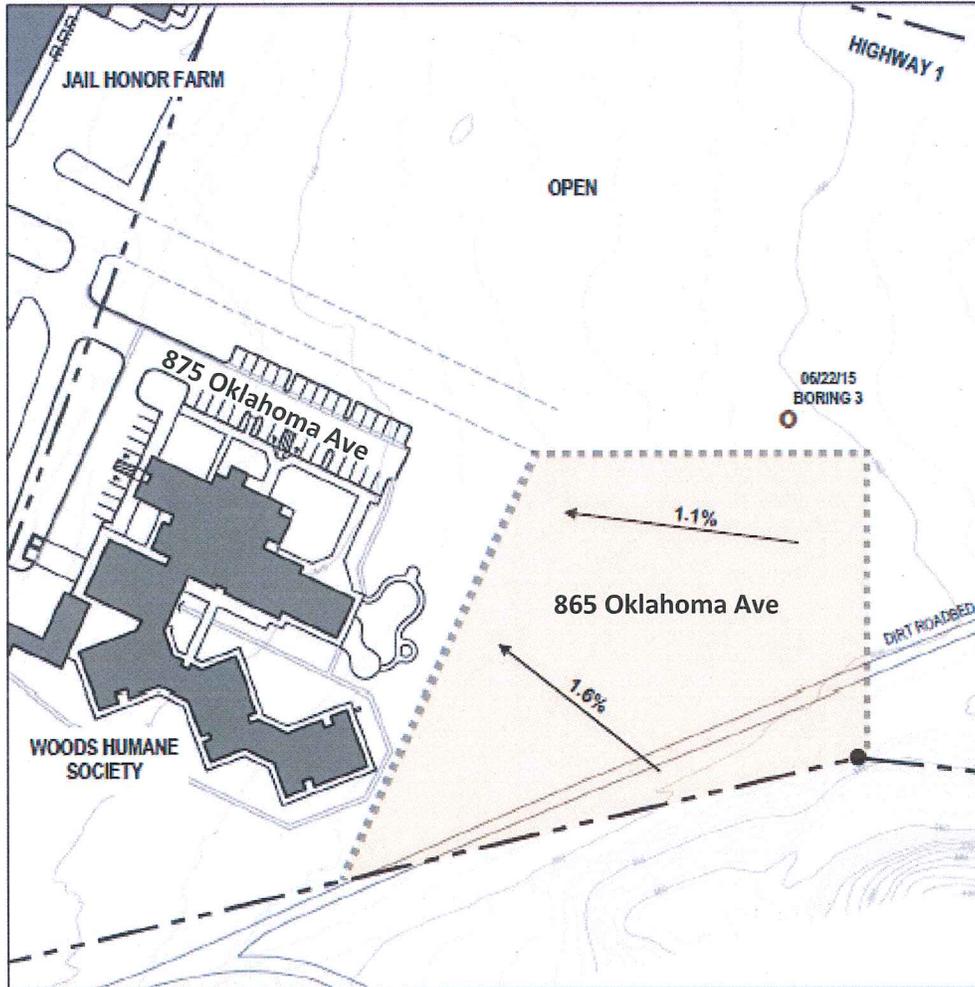
Animal Services Facility

The quantities listed below were derived from a review of the existing Animal Services facility, the 2010 "Needs Assessment, Feasibility, and Building Program Study" by Shelter Planners of America, and meetings with Animal Services Manager Eric Anderson.

Building Floor Area:	16,000 square feet
Outdoor Runs:	3,000
Incinerator, Cold Storage:	2,000
Sally Port, Truck Wash, Truck Parking (8 trucks):	4,200
Disaster Response Equipment:	1,200
Visitor Parking (15 spaces):	5,300
Staff Parking (20 spaces):	7,000
Large Animal Pens:	27,000
Subtotal:	65,700
Additional 20% for Circulation, Landscaping:	13,140

TOTAL: 78,840 square feet

EXHIBIT B



LEGEND
■■■■■ SITE BOUNDARY

SAN LUIS OBISPO COUNTY OPERATIONS CENTER
PHASE 1 MASTER PLAN

EXHIBIT C

Cities	City Name	(Number of Shelter Service Provided)						Total	Percent
		2013-14		2014-15		2015-16			
		Full Yr.		Full Yr.		Full Yr.			
1	Arroyo Grande	286	7%	427	11%	291	8%	1,004	8.39%
2	Atascadero	476	12%	600	15%	643	17%	1,719	14.37%
3	Grover Beach	167	4%	142	4%	135	4%	444	3.71%
4	Morro Bay	126	3%	143	4%	118	3%	387	3.23%
5	Paso Robles	724	18%	734	18%	792	21%	2,250	18.81%
6	Pismo Beach	57	1%	61	2%	54	1%	172	1.44%
	San Luis								
7	Obispo	482	12%	486	12%	479	12%	1,447	12.09%
99	Unincorporated	1,745	43%	1,464	36%	1,332	35%	4,541	37.96%
		4,063		4,057		3,844		11,964	100.00%

EXHIBIT D

	Initial Estimate (a)	County-Only Costs (b)	Estimated Costs after County-Only costs (a-b)	Costs Shared Proportionally by Cities Only (c)	"Estimated Project Construction Costs" (a-b-c)
BUILDING & SITE HARD COSTS					
Construction (Building & Site Improvements)	\$ 7,840,000		\$ 7,840,000		\$ 7,840,000
Construction Contingency	836,500		836,500		836,500
Oklahoma Ave./ Utility Extension	525,000	348,967	176,033	176,033	
BLDG & SITE HARD COSTS SUBTOTAL:	9,201,500	348,967	8,852,533	176,033	8,676,500
INTERIOR HARD COSTS					
Fixtures, Furniture & Equipment	400,000		400,000		400,000
Telephone/Data/Security	160,000		160,000		160,000
INTERIOR HARD COSTS SUBTOTAL:	560,000		560,000		560,000
HARD COSTS SUBTOTAL:	9,761,500	348,967	9,412,533	176,033	9,236,500
SOFT COSTS					
ADMINISTRATION					
County Administration & Project Management	500,000		500,000		500,000
PROFESSIONAL SERVICES					
Architectural/Engineering Design Consultants	920,000		920,000		920,000
Construction Management	450,000		450,000		450,000
Testing & Inspection	310,000		310,000		310,000
Surveys, Geotech., Env. Mitigation	250,000		250,000		250,000
Permits & Fees	105,000		105,000		105,000
Storm Water Pollution Prevention Plan	170,000		170,000		170,000
MISCELLANEOUS					
Project Development Contingency	650,000		650,000		650,000
Escalation	585,000		585,000		585,000
SOFT COSTS SUBTOTAL:	3,940,000		3,940,000		3,940,000
OTHER COSTS					
Remaining depreciation value of existing facility	168,800	168,800			
Demolition of existing facility	200,000	200,000			
Land Cost (2 acres)	737,500	737,500			
OTHER COSTS SUBTOTAL:	1,106,300	1,106,300			
	\$ 14,807,800	\$ 1,455,267	\$ 13,352,533	\$ 176,033	\$ 13,176,500
Financing Costs- Low end estimate					
Estimated Project Construction Costs					\$ 13,176,500
Estimated Project Financing Costs @ 3.5%					\$ 7,556,392
Annual Debt Service					\$ 829,316
Financing Costs- High end estimate					
Estimated Project Construction Costs plus 10%					\$ 14,494,150
Estimated Project Financing Costs @ 5.0%					\$ 11,618,328
Annual Debt Service					\$ 1,044,499