



CITY OF MORRO BAY CITY COUNCIL AGENDA

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

Regular Meeting – Tuesday, January 28, 2020 Veterans Memorial Hall - 5:30 P.M. 209 Surf St., Morro Bay, CA

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION

CLOSED SESSION REPORT

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

PRESENTATIONS

- Presentation of Government Finance Officers Association (GFOA) Distinguished Budget Award and California Society of Municipal Finance Officers (CSFMO) Budget Excellence Award

PUBLIC COMMENT PERIOD

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

Public comment is an opportunity for members of the public to provide input to the governing body. To increase the effectiveness of the Public Comment Period, the City respectfully requests the following guidelines and expectations be followed:

- Those desiring to speak are asked to complete a speaker slip, which are located at the entrance, and submit it to the City Clerk. However, speaker slips are not required to provide public comment.
- When recognized by the Mayor, please come forward to the podium to speak. Though not required, it is helpful if you state your name, city of residence and whether you represent a business or group. Unless otherwise established by the Mayor, comments are to be limited to three minutes.
- All remarks should be addressed to Council, as a whole, and not to any individual member thereof.
- The Council respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in City Council meetings is welcome and your courtesy will be appreciated.
- The Council in turn agrees to abide by its best practices of civility and civil discourse according to Resolution No. 07-19.

A. CONSENT AGENDA

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

- A-1 APPROVAL OF MINUTES FOR THE NOVEMBER 12, 2019, CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 APPROVAL OF MINUTES FOR THE DECEMBER 10, 2019, CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-3 APPROVAL OF MINUTES FOR THE JANUARY 14, 2020, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-4 ADOPTION OF RESOLUTION NO. 05-20 TO ADOPTING THE DISCONTINUATION OF RESIDENTIAL WATER SERVICE FOR NON-PAYMENT POLICY PURSUANT TO SENATE BILL 998; (FINANCE)

RECOMMENDATION Staff recommends Council adopt Resolution No. 05-20, adopting the City of Morro Bay's Discontinuation of Residential Water Service for Non-Payment Policy pursuant to Senate Bill 998.

- A-5 ARBOR DAY PROCLAMATION; (PUBLIC WORKS)

RECOMMENDATION: Staff recommends City Council approve the proposed proclamation in support of Arbor Day and being a Tree City USA community.

- A-6 ADOPTION OF RESOLUTION NO. 06-20 ADOPTING THE 2020 BAIL SCHEDULE; (FINANCE)

RECOMMENDATION Staff recommends that the City Council Adopt Resolution No. 06-20 Adopting the 2020 Bail Schedule.

- A-7 CITY MANAGER AUTHORIZATION TO SIGN A REVISED NON-BINDING MEMORANDUM OF UNDERSTANDING (MOU), BETWEEN THE CAYUCOS SANITARY DISTRICT, TRUST FOR PUBLIC LANDS, CHEVRON AND THE CITY OF MORRO BAY, FOR CONSERVATION OF LOTS 6SW AND 6NW, MORE COMMONLY KNOWN AS "DOG BEACH"; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Council authorize City Manager signature of the revised non-binding MOU between the City of Morro Bay, Cayucos Sanitary District, Trust for Public Lands and Chevron for conservation and City ownership of Lots 6SW and 6NW (Dog Beach) as shown on Attachment A of the MOU.

- A-8 CITIZEN'S FINANCE ADVISORY COMMITTEE MEETING SCHEDULE; (FINANCE)

RECOMMENDATION: Staff recommends that the City Council adopt Resolution No. 07-20 approving the Citizen's Finance Advisory Committee's request to meet seven times per year.

B. PUBLIC HEARINGS - NONE

C. BUSINESS ITEMS

C-1 REVIEW WRF CAPITAL PROJECT QUARTERLY UPDATE REPORT AND POTENTIAL MODIFICATION TO THE REPORT, REVIEW ROLES OF THE PUBLIC WORKS ADVISORY BOARD (PWAB) AND CITIZENS FINANCE ADVISORY COMMITTEE (CFAC) REGARDING THE WRF, AND ADOPT RESOLUTION NO. 08-20 AUTHORIZING A BUDGET ADJUSTMENT FOR TEMPORARY PART-TIME STAFFING TO ASSIST WITH RECORDS MANAGEMENT FOR THE PROJECT; (PUBLIC WORKS)

RECOMMENDATION:

It is recommended that City Council:

- 1. Receive WRF Capital Project Quarterly Update Report**
- 2. Review the recommendation from CFAC to modify the WRF Capital Project Quarterly Update Report**
- 3. Review and provide direction regarding the roles of PWAB and CFAC regarding the WRF**
- 4. Adopt Resolution No. 08-20 authorizing a budget adjustment for temporary part-time staffing to assist with records management for the Project.**

C-2 APPROVAL OF AMENDMENT NO. 2 TO FAR WESTERN'S CONTRACT AND AUTHORIZATION FOR THE PUBLIC WORKS DIRECTOR TO SIGN THE AGREEMENT; (PUBLIC WORKS)

RECOMMENDATION: Staff recommends the City Council approve, and authorize the Public Works Director to sign, Amendment No. 2 to the existing amended agreement with Far Western Anthropological Research Group, Inc. (Far Western), dated December 1, 2019, for continued archeological support of the Water Reclamation Facility (WRF) Project in an increased amount of \$130,809 and for an extended term through April 30, 2020.

C-3 VISITOR CENTER RELOCATION OPPORTUNITY; (CITY MANAGER)

RECOMMENDATION: Receive status update from the City Manager regarding the potential opportunity to relocate the City's Visitor Center to 575 Embarcadero and provide direction as appropriate.

C-4 ADOPTION OF RESOLUTION NO. 09-20 AUTHORIZING SUBMITTAL OF AN APPLICATION FOR, AND RECEIPT OF, ALTERNATIVE FUEL AND ELECTRIC VEHICLE INFRASTRUCTURE GRANT (AB 617) THROUGH THE SAN LUIS OBISPO (SLO) COUNTY AIR POLLUTION CONTROL DISTRICT (APCD) FOR THE INSTALLATION OF SIX ELECTRIC VEHICLE CHARGING PORTS, AND RESOLUTION NO. 10-20 AUTHORIZING SUBMITTAL OF AN APPLICATION FOR, AND RECEIPT OF, A LOCAL ROAD SAFETY PLAN (LRSP) GRANT THROUGH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS), DISTRICT 5; (PUBLIC WORKS)

RECOMMENDATION: Staff recommends the City Council:

- 1. Adopt Resolution No. 09-20 authorizing staff to submit a completed grant application(s) for the amounts of \$13,000 and \$8,200, for Alternative Fuel and Electric Vehicle Infrastructure improvements, administered through the San Luis Obispo (SLO) County Air Pollution Control District (APCD), and authorizing staff to implement installation of such infrastructure through the grant funding; and,**

2. **Adopt Resolution No. 10-20 authorizing staff to submit a completed grant application(s) for an amount up to \$72,000 (or 90 percent of the total cost) for the preparation of a Local Road Safety Plan (LRSP) through the California Department of Transportation (CalTrans), District 5, upon funding implement preparation of an LRSP, and expend \$8,000 in City matching funds.**

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, February 11, 2020 at 5:30 p.m.** at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 805-772-6205 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION AT CITY HALL LOCATED AT 595 HARBOR STREET; MORRO BAY, CALIFORNIA DURING NORMAL BUSINESS HOURS.

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

PRESENT: John Headding Mayor
Dawn Addis Council Member
Robert Davis Council Member
Jeff Heller Council Member
Marlys McPherson Council Member

ABSENT: None

STAFF: Scott Collins City Manager
Chris Neumeyer City Attorney
Dana Swanson City Clerk
Jennifer Callaway Finance Director
Rob Livick Public Works Director
Scot Graham Community Development Director
Jody Cox Police Chief
Eric Endersby Harbor Director
Jennifer Little Tourism Manager

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding called the meeting to order at 5:30 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

CLOSED SESSION REPORT – City Attorney Neumeyer stated no reportable action was taken by the City Council in accordance with the Brown Act.

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/oXx0fRBTzAs?t=109>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS - None

PRESENTATIONS

- o National Hospice Month Proclamation presented to Victoria Schmidt.
<https://youtu.be/oXx0fRBTzAs?t=612>

PUBLIC COMMENT

<https://youtu.be/oXx0fRBTzAs?t=1045>

Nancy Herman and Tammy Klein, new owners of the Wine Cellar located at 601 Embarcadero, Suite 5, provided the business spot.

Rigmor, Morro Bay, spoke in favor of the Water Reclamation Facility project and opposed smoking regulations in private residences.

Dr. Bob Swain, Morro Bay, spoke in support of rescinding Ordinance No. 623.

Doug Rogers, Morro Bay, stated his support for the Water Reclamation Facility project and pursuit of low cost Federal funding.

Jeremiah O'Brien, Morro Bay resident and Vice President of Morro Bay Commercial Fisherman's Organization, spoke regarding proposed slip fee increases to be considered at a future meeting.

Shea O'Brien opposed regulations that would ban vaping.

Shana Paulson, CapSLO Childcare Resource & Referral Network, provided copies of a report recently published on non-traditional hour childcare, and noted Cuesta College childcare program has expanded evening hours.

Linda Winters, Morro Bay, spoke regarding the water utility rebate program and announced the Morro Bay Thanksgiving Dinner.

Nancy Ballinger, Morro Bay, spoke regarding National Children's Grief Awareness Month.

Mike Gerson, Boy Scout Pack 214, announced the troop was in attendance to learn about the importance of civic duty.

Glenn Silloway, Morro Bay, urged the Council to avoid delays to the WRF project.

Carole Truesdale, Morro Bay, concur with staff recommendation regarding agenda Items B-1 and C-3 and opposed staff recommendation regarding Item C-1.

Robyn Bowser, Morro Bay, opposed adding vacation rentals to the TBID Assessment District.

Terri Frank, Morro Bay, opposed the 3% increase in the TBID for vacation rentals.

Erica Crawford, Morro Bay Chamber of Commerce, announced upcoming events.

Mimi Goldberg, Morro Bay, spoke regarding the need for a warming shelter and trash cans at the Rock.

Chuck Stoll, Morro Bay, announced Morro Bay Community Thanksgiving Dinner on Thanksgiving Day from 1:00-3:00pm at the Morro Bay Community Center.

Meredith Bates, Morro Bay, spoke to Item C-3, expressing concern about potential loss of sales tax revenue and possibility of lawsuits.

Dan Sedley, Morro Bay, spoke in support of the proposed tobacco and vaping ban ordinance.

Mayor Heading closed public comment.

A. CONSENT AGENDA
<https://youtu.be/oXx0fRBTzAs?t=4238>

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

A-1 APPROVAL OF MINUTES FOR THE SEPTEMBER 24, 2019, CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A. CONSENT AGENDA

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

- A-1 APPROVAL OF MINUTES FOR THE NOVEMBER 12, 2019, CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 APPROVAL OF MINUTES FOR THE DECEMBER 10, 2019, CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-3 APPROVAL OF MINUTES FOR THE JANUARY 14, 2020, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-4 ADOPTION OF RESOLUTION NO. 05-20 TO ADOPTING THE DISCONTINUATION OF RESIDENTIAL WATER SERVICE FOR NON-PAYMENT POLICY PURSUANT TO SENATE BILL 998; (FINANCE)

RECOMMENDATION Staff recommends Council adopt Resolution No. 05-20, adopting the City of Morro Bay's Discontinuation of Residential Water Service for Non-Payment Policy pursuant to Senate Bill 998.

- A-5 ARBOR DAY PROCLAMATION; (PUBLIC WORKS)

RECOMMENDATION: Staff recommends City Council approve the proposed proclamation in support of Arbor Day and being a Tree City USA community.

- A-6 ADOPTION OF RESOLUTION NO. 06-20 ADOPTING THE 2020 BAIL SCHEDULE; (FINANCE)

RECOMMENDATION Staff recommends that the City Council Adopt Resolution No. 06-20 Adopting the 2020 Bail Schedule.

- A-7 CITY MANAGER AUTHORIZATION TO SIGN A REVISED NON-BINDING MEMORANDUM OF UNDERSTANDING (MOU), BETWEEN THE CAYUCOS SANITARY DISTRICT, TRUST FOR PUBLIC LANDS, CHEVRON AND THE CITY OF MORRO BAY, FOR CONSERVATION OF LOTS 6SW AND 6NW, MORE COMMONLY KNOWN AS "DOG BEACH"; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Council authorize City Manager signature of the revised non-binding MOU between the City of Morro Bay, Cayucos Sanitary District, Trust for Public Lands and Chevron for conservation and City ownership of Lots 6SW and 6NW (Dog Beach) as shown on Attachment A of the MOU.

- A-8 CITIZEN'S FINANCE ADVISORY COMMITTEE MEETING SCHEDULE; (FINANCE)

RECOMMENDATION: Staff recommends that the City Council adopt Resolution No. 07-20 approving the Citizen's Finance Advisory Committee's request to meet seven times per year.

A-2 APPROVAL OF MINUTES FOR THE OCTOBER 22, 2019, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 PROCLAMATION DECLARING NOVEMBER 2019 AS NATIONAL HOSPICE MONTH; (ADMINISTRATION)

RECOMMENDATION: Approved as submitted.

A-4 ADOPTION OF ORDINANCE NO. 625 REPEALING AND REENACTING MULTIPLE CHAPTERS OF TITLE 14 (BUILDINGS AND CONSTRUCTION) OF THE CITY OF MORRO BAY MUNICIPAL CODE, SO AS TO INCORPORATE THE 2019 CALIFORNIA BUILDING STANDARDS CODE, AS ADOPTED BY THE STATE OF CALIFORNIA, AND LOCAL MODIFICATIONS THERETO AS WELL AS AMENDMENT OF FRONTAGE IMPROVEMENTS.; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Council adopt Ordinance No. 625, "An Ordinance of the City Council of the City of Morro Bay, California, repealing, amending and reenacting Chapters 14.01 – 14.12 and 14.44 of Title 14 (Buildings and Construction) of the Morro Bay Municipal Code, thereby adopting by reference and amending the 2019 California Building (Volumes 1 and 2), Residential, Electrical, Mechanical, Plumbing, Energy, Historical Building, Fire, Existing Building, Green Building, Administrative, and Reference Standards Codes, the 2018 International Property Maintenance Code, the 1997 Uniform Code for the Abatement of Dangerous Buildings, and amending regulation of Frontage Improvements."

A-5 ACCEPT FISCAL YEAR (FY) 2018/19 STATUS REPORT ON RECEIPT AND USE OF DEVELOPMENT IMPACT FEES; (FINANCE/PUBLIC WORKS/COMMUNITY DEVELOPMENT)

RECOMMENDATION: Staff recommends Council Accept Fiscal Year (FY) 2018/19 status report on receipt and use of Development Impact Fees.

A-6 ADOPTION OF RESOLUTION NO. 92-19 AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION FOR STATE OF CALIFORNIA DEPARTMENT OF PARKS AND RECREATION GENERAL PER CAPITA PROGRAM GRANT FUNDS; (RECREATION)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 92-19 authorizing staff to submit application(s) for State of California Department of Parks and Recreation General Per Capita Program grant funds for City of Morro Bay park rehabilitation, creation and improvement with a minimum allocation amount of \$200,000.

A-7 ADOPTION OF RESOLUTION NO. 93-19 DECLARING THE CITY'S INTENTION TO CONSIDER THE ABANDONMENT (VACATION) OF PORTIONS OF UTILITY EASEMENT(S) ON 196 PANAY STREET USING THE AUTHORITY ESTABLISHED BY STREETS AND HIGHWAYS CODE SECTION 8333 AND PROCEDURES PROVIDED BY STREETS AND HIGHWAYS CODE, SECTIONS 8335 *ET SEQ.* (PUBLIC WORKS)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 93-19 Declaring the City's intention to abandon (vacate) portions of the existing utility easement(s) at 196 Panay Street, and set a public hearing for December 10, 2019.

Mayor Headding opened public comment for the Consent Agenda.

Jordan Carbayo, 3C-REN Tri-County Regional Energy Network, commented on Item A-4.

Betty Winholtz, Morro Bay, requested answers to questions submitted as agenda correspondence regarding Items A-4, A-5, A-6 and A-7.

Jim Curnutt, Morro Bay, questioned the WRF project.

The public comment period was closed.

With the concurrence of Council, Mayor Headding asked Mr. Graham to respond to questions submitted as agenda correspondence regarding Items A-4, A-5 and A-6.

Council Member Heller pulled Item A-5.

MOTION: Council Member Davis moved approval of Items A-1, A-2 A-3, A-4, A-6 and A-7 on the Consent Agenda. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

A-5 ACCEPT FISCAL YEAR (FY) 2018/19 STATUS REPORT ON RECEIPT AND USE OF DEVELOPMENT IMPACT FEES; (FINANCE/PUBLIC WORKS/COMMUNITY DEVELOPMENT)

Staff responded to questions from the Council.

MOTION: Council Member Heller moved approval of Item A-5. The motion was seconded by Mayor Headding and carried 5-0 by roll call vote.

B. PUBLIC HEARINGS

B-1 ADOPTION OF RESOLUTION NO. 94-19 CONTINUING THE PROGRAM AND LEVYING THE ASSESSMENTS FOR THE 2019/20 FISCAL YEAR FOR THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (MBTBID) AND INTRODUCE FOR FIRST READING ORDINANCE NO. 626 TO INCLUDE VACATION RENTALS IN THE MBTBID BY AMENDING MORRO BAY MUNICIPAL CODE CHAPTER 3.60; (CITY MANAGER)
<https://youtu.be/oXx0fRBTzAs?t=5463>

City Manager Collins provided the report and responded to Council inquires.

Mayor Headding opened the Public Hearing.

Mayor Headding opened Public Comment.

Dan Sedley, Morro Bay, expressed concern about insufficient monitoring of illegal vacation rentals but agreed with the proposed 3% assessment. Regarding use of funds, he suggested advertising may be saturated and monies should be used for physical improvements.

Terri Frank, Morro Bay, suggested vacation rentals be brought in at 1%, rather than the full 3% paid by hoteliers.

The Public Hearing was closed.

MOTION: Council Member McPherson moved to approve Resolution No. 94-19 continuing the program and levying the assessments for the remainder of 2019/20 Fiscal Year for the Morro Bay Tourism Business Improvement District and introduce for first reading by title only, and with further reading waived, Ordinance No. 626, to include vacation rentals into the MBTBID by amending Morro Bay Municipal Code Chapter 3.60. The motion was seconded by Council Member Davis for discussion.

City Attorney Neumeyer suggested the motion be amended to clarify protests were received from a total of 11 properties paying .64% of the annual assessment.

AMENDED MOTION: Council Member McPherson amended the motion to reflect the current count of protests submitted. The amended motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

MOTION: Mayor Headding moved to direct staff to bring back information on how to incorporate the voice of vacation rental owners onto the TBID Board as an agenda item as soon as possible. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

C. BUSINESS ITEMS

C-1 PARTICIPATION IN THE DELTA CONVEYANCE PROJECT, AND NEGOTIATIONS WITH CALIFORNIA POLYTECHNIC STATE UNIVERSITY (CAL POLY) REGARDING ADDITIONAL WATER SUPPLY FOR THE UNIVERSITY; (PUBLIC WORKS) <https://youtu.be/oXx0fRBTzAs?t=6632>

Public Works Director Livick provided the report and responded to Council inquires.

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

Barry Branin, Morro Bay, was supportive of the Delta Conveyance Project but opposed transferring a portion of the City's State Water allocation to Cal Poly.

Betty Winholtz, Morro Bay, urged the Council to not move forward with this item.

Dan Sedley, Morro Bay, spoke in support of State Water and urged caution with regard to negotiations with Cal Poly.

Linda Donnelly, Morro Bay, asked the Council to choose alternative option 2 and discontinue talks with Cal Poly.

Larry Truesdale, Morro Bay, was supportive of State Water and questioned WRF technology.

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

MOTION: Mayor Headding moved to authorize the Public Works Director, acting as the appointed representative to the State Water Subcontractors Advisory Committee to the San Luis Obispo County Flood Control and Water Conservation District, to vote in favor of recommending the District sign the Agreement in Principle (AIP) for the Delta Conveyance Project (DCP); and 2) authorize staff to continue discussions with Cal Poly for the potential transfer of a portion of the City's State Water Allocation to the University

with the caveat that the discussions not entertain any considerations that would jeopardize the City's own water supply, that discussions would not allow for supplying Cal Poly with water at less than cost plus a premium, and that no absolute commitment to deliver water be considered if the City has priority needs. The motion was seconded by Council Member McPherson for discussion.

Council Member Heller expressed concern negotiations were limited to Cal Poly and suggested a friendly amendment to consider expanding negotiation discussions with other agencies.

Following discussion, the motion carried 4-1 by roll call vote with Council Member Heller opposed.

The Council took a brief recess at 8:13 p.m. The meeting reconvened at 8:21 p.m. with all members present.

The Council agreed to hear Item C-3 next.

- C-3 INTRODUCTION OF ORDINANCE NO. 627 CONCERNING TOBACCO, VAPING AND SECONDHAND SMOKE, INCLUDING THROUGH A TOBACCO RETAILER LICENSING PROGRAM, A PROHIBITION ON THE SALE OF E-CIGARETTES (VAPING PRODUCTS), AND ENHANCING THE CITY'S CURRENT SECONDHAND SMOKING REGULATIONS BY A SMOKEFREE POLICY FOR MULTI-UNIT HOUSING; (CITY MANAGER/CITY ATTORNEY)
<https://youtu.be/oXx0fRBTzAs?t=9828>

City Attorney Neumeyer provided the report and responded to Council inquires.

The public comment period for Item C-3 was opened.

Campbell Ellery, Morro Bay High School student, shared her observations and spoke in support of the proposed ordinance.

Lauren Nagle, Morro Bay High School student, expressed concern about short- and long-term effects of vaping and asked the Council to approve Ordinance No. 627.

Lena Karas and Ella Elkins, Morro Bay High School, shared their experiences and asked the Council to adopt Ordinance No. 627.

Samer Kridi, Los Osos resident and Morro Bay business owner, expressed concern about business impacts of the proposed ban.

Carole Truesdale, Morro Bay, spoke regarding health concerns and asked the Council to pass Ordinance No. 627.

Dan Sedley, Morro Bay, questioned whether the Police Department has devices to detect cannabis use.

The public comment period for Item C-3 was closed.

Council Member McPherson was supportive of a ban on flavored products and tobacco licensing program but suggested more outreach be conducted before moving forward with prohibiting the sale of tobacco products.

MOTION: Mayor Headding moved to introduce for first reading, by title only with further reading waived, Ordinance No. 627 to both add Chapter 5.54 (Tobacco, Electronic Cigarettes and Vaping) to Title 5 of the Municipal Code as well as to amend Chapter 9.24 (Secondhand Smoking Regulations) of Title 9 of the Municipal Code. With regard to questions that have been asked, that the effective date of prohibition on sale of vaping products and certain cigars within the ordinance that's being proposed, be extended to allow for inventory reduction for those businesses that would be impacted to 90 days (rather than 30 days); include banning of menthol-flavored cigarettes; include language that prohibits sale of single cigars less than \$5; effective date of prohibition on smoking in multi-unit residences, as written, would go into effect March 2020; regarding sale of cannabis vaping products, propose the addition that no cannabis products containing Vitamin E acetate be sold in the City; support for tobacco retailer license program with an effective date of January 1, 2021; and annual compliance checks for tobacco retailers (four per year). The motion was seconded by Council Member Addis and carried 4-1 with Council Member McPherson opposed.

At the Mayor's request, staff responded to questions raised during public comment.

MOTION: Council Member Davis moved the Council staff come back to Council at a future date with information regarding retailer location restrictions within the city for tobacco retailers, to include a map of retailers and schools and parks. The motion was seconded by Mayor Headding and carried 4-1 with Council Member McPherson opposed.

MOTION: Council Member McPherson moved to go past 9:30 to time uncertain. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

C-2 CERTIFY RESULTS OF REFERENDUM PETITION AGAINST THE ADOPTION OF ORDINANCE NO. 623 PRE-ZONING THE 27.6 ACRE PORTION OF THE WATER RECLAMATION FACILITY PARCEL APN 073-101-017 AS A PUBLIC FACILITY ZONE (CASE NO. MIN#19-009) AND EITHER: 1) REPEAL ORDINANCE NO. 623 IN ITS ENTIRETY; OR, 2) SUBMIT THE ORDINANCE TO THE QUALIFIED VOTERS OF THE CITY AS A PROPOSED MEASURE AT EITHER A SPECIAL OR REGULAR MUNICIPAL ELECTION; (CITY MANAGER/CITY CLERK)
<https://youtu.be/oXx0fRBTzAs?t=13195>

City Clerk Swanson provided the report and, along with Mr. Collins and Mr. Neumeyer, responded to Council inquires.

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

Dan Sedley, Morro Bay, spoke in support of an opportunity for residents to vote on the WRF project.

Jim Curnutt, Morro Bay, urged the Council to take this issue to the citizens for a vote.

Melanie Williams Mahan, Morro Bay, spoke in submitting the ordinance to the residents.

Linda Donnelly, Morro Bay, suggested the Council allow citizens to vote on the issue.

Bob Keller, Morro Bay, spoke in support of the Council's decision to repeal the ordinance.

Larry Truesdale, Morro Bay, urged the Council to allow residents to vote on the project.

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

MOTION: Mayor Headding moved to repeal Ordinance No. 623 in its entirety by introducing for first reading by title only, with further reading waived, Ordinance No. 628, An Ordinance of the City Council of the City of Morro Bay, California, Repealing Existing Ordinance No. 623 Establishing Pre-Zoning for the 27.6-acre Portion of Parcel APN #073-101-017 (Case No.#MIN19-001). The motion was seconded by Council Member Davis.

Following discussion, the motion carried 4-1 by roll call vote with Council Member Heller opposed.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/oXx0fRBTzAs?t=15673>

Council Member Davis requested consideration of Jeremiah O'Brien's proposal presented during public comment. City Manager Collins noted it would be included with slip fee discussion at a future meeting.

Council Member Heller suggested scheduling a professional mediation on issues surrounding the WRF project. There was no Council support for the item.

E. ADJOURNMENT

The meeting adjourned at 10:02 p.m.

Recorded by:

Dana Swanson
City Clerk

PRESENT: John Heading Mayor
Dawn Addis Council Member
Robert Davis Council Member
Jeff Heller Council Member
Marlys McPherson Council Member

ABSENT: None

STAFF: Scott Collins City Manager
Chris Neumeyer City Attorney
Dana Swanson City Clerk
Jennifer Callaway Finance Director
Rob Livick Public Works Director
Scot Graham Community Development Director
Steve Knuckles Fire Chief
Jody Cox Police Chief
Eric Endersby Harbor Director
Jennifer Little Tourism Manager

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Heading called the meeting to order at 5:30 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

CLOSED SESSION REPORT – City Attorney Neumeyer stated on November 19, 2019, the City Council approved in closed session by a vote of 4-0-1 with Council Member McPherson absent, a Settlement Agreement with Mr. Todd Gailey and authorized the City Manager to execute same on behalf of the City. Mr. Gailey has executed the Settlement Agreement. The substance of the Settlement Agreement is Mr. Gailey withdraws his appeal of his December 4, 2018 involuntary separation from the City, resigns his employment effective December 4, 2018, provides the City with a general release of liability and waiver of rights, and receives a lump sum of Eighty Thousand Dollars (\$80,000), less all required deductions and taxes. A copy of the fully executed Settlement Agreement is available at the City Clerk's Office.

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/fkoge7qpCIU?t=147>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/fkoge7qpCIU?t=600>

PRESENTATIONS

- City of Morro Bay Service Pin Presentation
<https://youtu.be/fkoge7qpCIU?t=762>
- Morro Bay Chamber of Commerce Quarterly Report
<https://youtu.be/fkoge7qpCIU?t=1230>

PUBLIC COMMENT

<https://youtu.be/fkoge7qpCIU?t=1842>

Doug Little, Junque Love located at 699 Embarcadero, provided the business spot.

Barry Branin, Morro Bay, urged the Council to consider less expensive alternatives to the proposed water reclamation facility project.

Linda Winters, Morro Bay, shared information regarding the recent Thanksgiving dinner at the Morro Bay Community Center and thanked the many volunteers and businesses who made it possible.

Mary Ciesinski, ECOSLO, spoke in support of Item A-9 and asked the Council to consider further restrictions on other cannabis single use items.

Dan Murphy requested the City submit a letter requesting a change in flight paths to avoid Morro Bay.

Mimi Goldberg, Morro Bay, spoke regarding volunteer opportunities and the need for a warming shelter.

Anne O'Brien, Morro Bay, spoke in opposition to Ordinance 627.

August Phillips urged the Council to not ban the sale of vaping materials.

Shawn Ayres urged the Council to not pass Ordinance No. 627.

Mayor Headding closed public comment.

The Council and staff responded to issues raised during public comment.

A. CONSENT AGENDA
<https://youtu.be/fkoge7qpCIU?t=3599>

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

A-1 APPROVAL OF MINUTES FOR THE OCTOBER 8, 2019, CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE OCTOBER 8, 2019, CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE NOVEMBER 13, 2019, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF MINUTES FOR THE NOVEMBER 19, 2019, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-5 APPROVAL OF MINUTES FOR THE DECEMBER 4, 2019, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-6 REVIEW AND RECEIVE WATER RECLAMATION FACILITY (WRF) CAPITAL PROJECT MONTHLY UPDATE REPORT AND PROVIDE DIRECTION, IF ANY, DEEMED APPROPRIATE; (PUBLIC WORKS)

RECOMMENDATION: Council receive WRF Capital Project Monthly Update Report and provide direction, if any, deemed appropriate.

- A-7 ADOPTION OF ORDINANCE NO. 626 TO INCLUDE VACATION RENTALS IN THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT BY AMENDING MORRO BAY MUNICIPAL CODE CHAPTER 3.60; (ADMINISTRATION)

RECOMMENDATION: Staff recommends Council adopt, by second reading by title only and with further reading waived, Ordinance No. 626, entitled "Ordinance of the City Council of the City of Morro Bay, California to include vacation rental businesses in annual Morro Bay Tourism Business Improvement District assessment by amending Chapter 3.60 (Tourism Business Improvement District Law) of Title 3 (Revenue and Finance) of the Morro Bay Municipal Code."

- A-8 ADOPTION OF ORDINANCE NO. 628 REPEALING ORDINANCE NO. 623 IN ITS ENTIRETY; (ADMINISTRATION)

RECOMMENDATION: Staff recommends Council adopt, by second reading by title only and with further reading waived, Ordinance No. 628, entitled "An Ordinance of the City Council of the City of Morro Bay, California, Repealing Ordinance No. 623 Establishing Pre-Zoning for the 27.6-acre portion of Parcel APN #073-101-017 (Case No. #MIN19-001)."

- A-9 ADOPTION OF ORDINANCE NO. 627 CONCERNING TOBACCO, VAPING AND SECONDHAND SMOKE, INCLUDING THROUGH A TOBACCO RETAILER LICENSING PROGRAM, A PROHIBITION ON THE SALE OF E-CIGARETTES (VAPING PRODUCTS), AND ENHANCING THE CITY'S CURRENT SECONDHAND SMOKING REGULATIONS BY A SMOKEFREE POLICY FOR MULTI-UNIT HOUSING; (CITY ATTORNEY)

RECOMMENDATION: Staff recommends Council consider adopting, by second reading and by title only with further reading waived, Ordinance No. 627, entitled "An Ordinance of the City Council of the City of Morro Bay, California, Adding Chapter 5.54 (Tobacco, Electronic Cigarettes and Vaping) to Title 5 (Business Tax Certificates and Regulations), and amending Chapter 9.24 (Secondhand Smoking Regulations) of Title 9 (Public Peace, Morals and Welfare), of the Morro Bay Municipal Code, to regulate the sale of tobacco and vaping products and update and expand the City's Secondhand Smoking Regulations."

- A-10 FISCAL YEAR 2019/20 FIRST QUARTER BUDGET PERFORMANCE AND STATUS REPORT FOR THE THREE-MONTH PERIOD ENDING SEPTEMBER 30, 2019
A. RECEIVE FY 2019/20 FIRST QUARTER BUDGET PERFORMANCE AND STATUS REPORT AND AUTHORIZE BUDGET ADJUSTMENTS AS RECOMMENDED IN THE ATTACHED FIRST QUARTER BUDGET PERFORMANCE REPORT; AND
B. ADOPT RESOLUTION NO. 98-19 AUTHORIZING STAFF TO PROCEED WITH THE FIRST-QUARTER BUDGET ADJUSTMENTS; (FINANCE)

RECOMMENDATION: Staff recommends that the City Council:

- 1. Receive the attached Fiscal Year 2019/20 First Quarter Budget Performance and Status Report for the three-month period ending September 30, 2019; and**
- 2. Adopt Resolution No. 98-19 authorizing staff to proceed with the first-quarter budget adjustments.**

- A-11 FIRST QUARTER INVESTMENT REPORT (PERIOD ENDING SEPTEMBER 30, 2019) FOR FISCAL YEAR 2019/20; (FINANCE)

RECOMMENDATION: Staff recommends the City Council receive the attached First Quarter Investment Report (period ending September 30, 2019) for Fiscal Year 2019/20.

- A-12 EXTENSION OF MENTAL MARKETING CONTRACT FOR TOURISM PROMOTION SERVICES BY ONE YEAR; (TOURISM/ADMINISTRATION)

RECOMMENDATION: The Tourism Business Improvement District (“TBID”) Advisory Board and City staff recommend the City Council direct staff to bring back to Council a contract amendment to extend the City’s contract with Mental Marketing for an additional year, so the extended term would end in June 2021 (rather than June 2020), and initiate a Request for Proposal (“RFP”) process in February 2021 (rather than February 2020).

- A-13 ADOPTION OF RESOLUTION NO. 99-19 APPROVING A 1-YEAR LEASE AGREEMENT WITH CIANO REAL ESTATE, INC. FOR PROPERTY LOCATED AT 781 MARKET STREET; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Staff recommends the Council adopt Resolution No. 99-19, approving a 1-year Lease Agreement for the City property located at 781 Market Street (APN: 066-321-027).

- A-14 ADOPTION OF RESOLUTION NO. 100-19 APPROVING AMENDMENT #1 TO THE COMMERCIAL BUILDING LEASE AGREEMENT WITH THREE STACKS AND A ROCK BREWING COMPANY AT LEASE SITE 69-70/69W-70W, LOCATED AT 595 EMBARCADERO ROAD; (HARBOR)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 100-19 approving Amendment #1 to the Commercial Building Lease Agreement with Three Stacks and a Rock Brewing Company, LLC for portions of the building at Lease Site 69-70/69W-70W, to extend the tenant’s building remodel construction deadline.

- A-15 ADOPTION OF RESOLUTION NO. 101-19 APPROVING A NEW MASTER LEASE AGREEMENT WITH GLAD’S LANDING LLC (WILLIAM MARTONY) FOR LEASE SITE 34W, LOCATED AT 225 MAIN STREET; (HARBOR)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 101-19 approving a 22.5-year Master Lease Agreement with Glad’s Landing LLC (William Martony) for the water-only Lease Site 34W, located at 225 Main Street.

- A-16 ADOPTION OF RESOLUTION NO. 102-19 APPROVING A NEW MASTER LEASE AGREEMENT WITH TODD BASTON AND TAMARA GRAY-BASTON FOR LEASE SITE 63-64/63W-64W, LOCATED AT 561 EMBARCADERO ROAD (GRAY’S INN AND GALLERY); (HARBOR)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 102-19 approving a 25-year Master Lease Agreement with Todd Baston and Tamara Gray-Baston for Lease Site 63-64/63W-64W, the Gray's Inn and Gallery located at 561 Embarcadero Road.

A-17 PROCLAMATION RECOGNIZING THE 60TH ANNIVERSARY OF INCORPORATION OF THE CITY OF GROVER BEACH AND COMMEMORATING THE CITY'S ANNIVERSARY CELEBRATION; (ADMINISTRATION)

RECOMMENDATION: Approved as submitted.

Mayor Headding opened public comment for the Consent Agenda.

Erica Crawford spoke regarding A-9, expressing concern about the scope of the ban. She recommended the Council not adopt Ordinance 627 and reintroduce a modified version at a later date.

Jan Goldman, Morro Bay, expressed concern about the proposed ban on the sale of flavored vaping products.

Thomas Keylon, Morro Bay, opposed the adoption of Ordinance No. 627.

Samer Kridi, Morro Bay business owner, urged the Council to consider the impacts the proposed ban would have on local businesses.

Jorge Krede, Morro Bay business owner, expressed concern about business impacts of Ordinance 627.

Jessica Rivas asked the Council to consider financial impacts on existing and future businesses before adopting Ordinance 627.

Benan Akkare, Morro Bay business owner, urged the Council to wait to see what regulations are developed at the County and State levels.

Joel Anderson asked the Council to not ban the flavored tobacco products.

Mimi Goldberg, Morro Bay, was concerned about the potential loss of tax revenue and suggested establishing non-vaping areas.

An unknown individual expressed concern a person's choice to smoke or vape could result in higher health care costs for others.

Michelle Craig, Assistant Manager at Shell, stated a ban on cigars and menthol cigarettes would impact 35-40% of store sales and result in staffing reductions.

Jim Curnutt, Morro Bay, felt Ordinance 627 was inconsistent with regulations for cannabis dispensaries.

Kevin Hanson opposed Ordinance No. 627.

E. Akarri, Morro Bay business owner, was concerned about the financial impacts of Ordinance 627 on his business.

The public comment period was closed.

Mayor Headding pulled Item A-9. Council Member Heller pulled Item A-6.

MOTION: Council Member Davis moved approval of all items on Consent except Items A-6 and A-9. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

A-6 REVIEW AND RECEIVE WATER RECLAMATION FACILITY (WRF) CAPITAL PROJECT MONTHLY UPDATE REPORT AND PROVIDE DIRECTION, IF ANY, DEEMED APPROPRIATE; (PUBLIC WORKS)
<https://youtu.be/fkoge7qpCIU?t=5583>

Staff responded to questions from the Council.

MOTION: Mayor Headding moved approval of Item A-6. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

A-9 ADOPTION OF ORDINANCE NO. 627 CONCERNING TOBACCO, VAPING AND SECONDHAND SMOKE, INCLUDING THROUGH A TOBACCO RETAILER LICENSING PROGRAM, A PROHIBITION ON THE SALE OF E-CIGARETTES (VAPING PRODUCTS), AND ENHANCING THE CITY'S CURRENT SECONDHAND SMOKING REGULATIONS BY A SMOKEFREE POLICY FOR MULTI-UNIT HOUSING; (CITY ATTORNEY)
<https://youtu.be/fkoge7qpCIU?t=6415>

MOTION: Mayor Headding moved to amend Ordinance No. 627 concerning Tobacco, Vaping and Secondhand Smoke, including through a Tobacco Retailer Licensing Program, a Prohibition on the Sale of E-cigarettes (vaping products) and Enhancing the City's Current Secondhand Smoking Regulations by a Smokefree Policy for Multi-Unit Housing, to delete flavored menthol cigarettes, delete flavored non-smokable products, and extend the effective date from March 15 to May 15, 2020 to allow retailers to reduce their product. The motion was seconded by Council Member Addis for discussion.

City Attorney Neumeyer suggested deleting Section C on the top of page 74 of the agenda packet would remove the prohibition on flavored tobacco products.

AMENDED MOTION: Mayor Headding amended the motion to remove Item C of the proposed ordinance on top of page 5 of 20 (page 74 of the agenda packet) and then change the effective date from March 15 to May 15 (an additional two months) for implementation. The amended motion was seconded by Council Member Addis for discussion.

Council Member Davis requested a friendly amendment to require 100% ID check from all customers. Mr. Neumeyer suggested that would require crafting new language, which could come back with retailer location restrictions.

Council Member Heller requested friendly amendment to extend the effective date to July.

Mayor Headding withdrew the motion and Council Member Addis withdrew the second.

MOTION: Mayor Headding moved for approval of the existing ordinance with the removal of Item C. Flavored Tobacco Products, on page 5, and extend the

effective date from March 15, to July 15, 2020. The motion was seconded by Council Member Addis.

Council Member McPherson was uncomfortable crafting revisions on the dais and preferred to reconsider what we're trying to accomplish. Council Member Davis agreed and questioned the ban on single cigars as they're as legal as flavored tobacco.

The motion carried 3-2 with Council Members Davis and McPherson opposed.

The Council took a brief recess at 7:39 p.m. The meeting reconvened at 7:49 p.m. with all members present.

B. PUBLIC HEARINGS

- B-1 ADOPTION OF RESOLUTION NO. 103-19, A RESOLUTION FOR THE ABANDONMENT (VACATION) OF PORTIONS OF UTILITY EASEMENT(S) ON 196 PANAY STREET (JAY FRIESEN, APPLICANT). PERMIT NO. ABN19-001; (PUBLIC WORKS)
<https://youtu.be/fkoge7qpCIU?t=7896>

Public Works Director Livick provided the report and responded to Council inquires.

Mayor Heading opened the Public Hearing.

Mayor Heading opened Public Comment.

Leah McGee, MBS Land Surveys, shared the property owners wish to build over easements and abandonment is the process they are required to follow.

The Public Hearing was closed.

MOTION: Council Member McPherson moved to adopt Resolution No. 103-19, a resolution abandoning, or vacating, portions of the existing utility easement(s) at 196 Panay Street. The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

C. BUSINESS ITEMS

- C-1 DISCUSSION AND ADOPTION OF RESOLUTIONS APPROVING CITY COUNCIL POLICIES & PROCEDURES AND ADVISORY BODIES HANDBOOK AND BY-LAWS, CONSIDERATION OF VACATION RENTAL REPRESENTATION ON THE TOURISM BUSINESS IMPROVEMENT DISTRICT ("TBID") ADVISORY BOARD, AND DISCUSSION / DIRECTION REGARDING SPECIAL PURPOSE ADVISORY BODIES (CITY MANAGER/CITY CLERK)
<https://youtu.be/fkoge7qpCIU?t=8229>

City Clerk Swanson provided the report and responded to Council inquires.

Mayor Heading led the review on proposed edits to the Council Policies & Procedures.

There was Council support for the proposed changes, including edits to Section 6.6 for consistency with the Advisory Body Handbook.

Council Member McPherson led discussion of Advisory Body Handbook and By-Laws, including the following recommendations:

- Disbanding of (2) Special Purpose Advisory Bodies - the General Plan Advisory Committee (“GPAC”) and Water Reclamation Facility Citizens Advisory Committee (“WRFCAC”) and formally thanking them for their work. Technical review aspects of the WRF project would be transferred to the PWAB and existing WRFCAC members could submit applications to fill one of the existing vacancies on that Board.
- Revise TBID Advisory Board to include the temporary appointment of an 8th member representing a permitted vacation rental property until January 31, 2023, or when a community member-at-large seat becomes available, whichever occurs first.
- Advisory Body Meeting Frequency – suggested cutting back three regular meetings from each, except the Recreation & Parks Commission, which meets six times per year. The Planning Commission would continue to meet the first and third Tuesday of the month, with meetings canceled on an as needed basis.

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

MOTION: Council Member McPherson moved to adopt Resolution No. 104-19 approving the Council Policies & Procedures, including proposed amendments; and adopt Resolution No. 105-19 approving the Advisory Bodies Handbook and By-laws, including changes to qualifications for the TBID Advisory Board to include representation by owners/managers of permitted vacation rental properties. The motion was seconded by Council Member Addis.

AMENDED MOTION: Council Member McPherson amended her motion to include changes to meeting frequency for advisory bodies as proposed by staff and changes made by Ms. Spagnola. The motion was seconded by Council Member Addis and carried 4-1 by roll call vote with Council Member Heller opposed.

MOTION: Council Member McPherson moved to terminate the two special advisory bodies, the General Plan Advisory Committee and Water Reclamation Facility Citizens Advisory Committee, effective immediately. The motion was seconded by Council Member Addis carried 4-1 by roll call vote with Council Member Heller opposed.

Mayor Heading indicated on the advice of legal counsel, he would recuse himself for Item C-2 due to a conflict of interest as an owner of single-family residence rental properties. Mayor Heading turned the meeting over to Mayor Pro Tem Davis, and left the dais at 8:28 pm.

C-2 CONSIDERATION OF ADOPTION OF URGENCY ORDINANCE NO. 629 APPROVING JUST CAUSE EVICTION PROTECTIONS AND RENTAL INCREASE LIMITS; (CITY MANAGER)
<https://youtu.be/fkoge7qpCIU?t=10166>

City Manager Collins provided the report and responded to Council inquires.

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

John Heading, Morro Bay resident and rental property owner, encouraged the Council to consider implementing the ordinance to protect residents against potential evictions.

City Attorney Neumeyer clarified the Mayor recused himself from discussion and vote on this item; however, a recused member can appear as a member of the general public and provide public comment.

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

MOTION: Council Member Addis moved to adopt an Urgency Ordinance by number and title only with further reading waved, Urgency Ordinance No. 629, "An Urgency Ordinance of the City Council of the City of Morro Bay, California, Adopting Just Cause Eviction Protections and Rental Rate Limits Effective Immediately" to be in effect until January 1, 2020. The motion was seconded by Council Member McPherson and carried 4-0-1 with Mayor Heading having recused himself due to a conflict of interest.

Mayor Heading returned to the dais at 8:40 p.m.

C-3 REVIEW AND MODIFICATIONS TO THE CITY PARTNERSHIP POLICY AND CITY PARTNERSHIP POLICY GUIDANCE DOCUMENT; DISCUSSION OF CITY EVENT POLICIES; (CITY MANAGER)
<https://youtu.be/fkoge7qpCIU?t=10939>

City Manager Collins provided the report and responded to Council inquires.

The public comment period for Item C-3 was opened.

Mimi Goldberg, Morro Bay, spoke regarding broad outreach for local events.

The public comment period for Item C-3 was closed.

MOTION: Mayor Heading moved to rescind Resolution No. 36-16 and adopt Resolution No. 106-19, approving staff recommended changes to the Partnership Policy and Partnership Policy Guidelines document, staff bring back a mechanism to establish authority limits under which you can operate without Council approval, and establish routine reporting to Council on all projects either via consent of an action item, if needed. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

MOTION: Mayor Heading moved staff be asked to bring back a discussion about events in the city with consideration of the City's level of involvement in the oversight of events and events policy, in general, and that it be brought back in the spring of 2020. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

C-4 REVIEW AND APPROVE THE SECOND AMENDMENT TO EMPLOYMENT CONTRACT WITH SCOTT COLLINS, CITY MANAGER; (CITY ATTORNEY)
<https://youtu.be/fkoge7qpCIU?t=12899>

City Attorney Neumeyer provided the report and Mayor Heading read a summary of the proposed changes to the City Manager's employment contract into the record.

The public comment period for Item C-4 was opened; seeing none, public comment was closed.

MOTION: Council Member Davis moved to approve the Second Amendment to the employment contract with Scott Collins, City Manager, and authorizing the

9

Mayor to sign the contract on behalf of the City and adopt Resolution No. 107-19 approving the related budget adjustment. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/fkoge7qpCIU?t=13200>

Council Member Addis requested an update on timing of the previously requested report on what Council can do in terms of gun policies and requested it come back in late February.

E. ADJOURNMENT

The meeting adjourned at 9:19 p.m.

Recorded by:

Dana Swanson
City Clerk

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AGENDA NO: A4

MEETING DATE: January 28, 2020

STAFF REPORT

TO: Honorable Mayor and City Council

DATE: January 7, 2020

FROM: Jennifer Callaway, Finance Director

SUBJECT: Adoption of Resolution No. 05-20 to Adopting the Discontinuation of Residential Water Service for Non-Payment Policy pursuant to Senate Bill 998

RECOMMENDATION

Staff recommends Council adopt Resolution No. 05-20, adopting the City of Morro Bay’s Discontinuation of Residential Water Service for Non-Payment Policy pursuant to Senate Bill 998.

BACKGROUND

Senate Bill (SB) 998 entitled “Discontinuation of residential water service: urban and community water systems” was signed by former Governor Jerry Brown in September 2018. SB 998 requirements are to be implemented by urban water providers by February 1, 2020.

The purpose of SB 998 is to provide additional procedural protections for delinquent water customers before discontinuing water service. SB 998 requires water service providers to adopt a detailed written policy concerning residential service shutoff for nonpayment and make the policy available on its website. It prohibits disconnection for nonpayment of any residential customer who has been delinquent for less than 60 days. It requires the provider give notice in writing or by telephone at least seven business days before disconnection and include an offer to discuss alternative payment methods or deferred payments and information about available appeals and extensions.

The legislation prohibits disconnection of water customers that meet all of the following parameters: (1) the customer provides certification from a primary care provider that disconnection would pose a health and safety threat; (2) the customer demonstrates that they are financially unable to pay; and (3) the customer is willing to enter into an alternative payment arrangement. If all these conditions are met, the provider may only disconnect service if the customer fails to comply with the alternative payment arrangement for over 60 days.

Also, the legislation sets limits on reconnection charges if a customer demonstrates a household income below 200 percent of the federal poverty line. The legislation also requires water service providers to report the number of disconnections or residential service for inability to pay on the providers website and to the State Water Resources Control Board.

DISCUSSION

The City currently complies with many of the requirements in the legislation, by offering alternative payment plans for all customers, regardless of income qualification, and providing notification of

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

discontinuation. Beyond this, the City also offers reduced service fees under the Utility Discount Program for income qualifying customers, and a leak review process for customers that experience higher than normal usage and charges due to a water leak.

Under the proposal recommended for adoption, the City's policy extends the discontinuation period so that no customer will have service discontinued until at least 60 days after being delinquent. In addition, the policy includes an appeals process in which bills can be appealed to the Finance Director and City Manager for review and determination. When a customer is delinquent on their water bill, the City will provide an initial Delinquency Notice, followed by a Discontinuation Notice, and finally a 48-Hour Notice prior to disconnecting service. Notices will be provided in several different languages as required by state law.

Although SB 998 has a fair number of required provisions, the City retains discretion in several areas such as the late fee cost and timing, and the availability of payment plans (alternative payment schedule, or plan for deferred or reduced payments) to customers who do not qualify under the life/serious health, medical certification and low income provisions.

In addition to SB 998, existing law (Public Utilities Code sections 10009–10011) also regulates discontinuation of residential water service and these regulations are also incorporated into the proposed policy.

The City has developed the Discontinuation of Water Service for Non-Payment Policy as attached in Exhibit A to Attachment 1 to be compliant with the requirements of SB 998.

CONCLUSION

Staff recommends the Council adopt Resolution No. 05-20 adopting the City of Morro Bay's Discontinuation of Residential Water Service for Non-Payment Policy pursuant to Senate Bill 998. Upon approval, the policy will go into effect immediately.

ATTACHMENT

1 – Resolution No. 05-20 - City of Morro Bay's Discontinuation of Residential Water Service for Non-Payment Policy

RESOLUTION NO. 05-20

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
ADOPTING A DISCONTINUATION OF RESIDENTIAL WATER SERVICE FOR NON-PAYMENT
POLICY PURSUANT TO SENATE BILL 998**

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

WHEREAS, The City of Morro Bay provides water services to over 5,000 customers; and

WHEREAS, the City of Morro Bay discontinues water service when payment is not made; and

WHEREAS, the State of California has passed Senate Bill 998 outlining procedures that must be taken before a utility provide may discontinue residential water service for non-payment; and

WHEREAS, The City of Morro Bay is required to adopt a written policy that is compliant with the requirements of Senate Bill 998.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the "Discontinuation of Residential Water Service for Non-Payment" policy that is pursuant to Senate Bill 998 as documented 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 this 28th day of January 2020, by the following vote:

AYES:

NOES:

ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk



COUNCIL POLICY

Discontinuation of Residential Water Service for Non-Payment (Senate Bill 998)

Policy Statement

The City of Morro Bay (City) Public Works Department, Water and Sewer Divisions, are responsible for the collection and treatment of wastewater for over 5,000 customers within City limits and delivery of potable water to a similar number of customers. As an urban water supplier the City is governed by Senate Bill No. 998, codified in Health and Safety Code section 116900 et seq., and Public Utilities Code section 10009–10011, which establish specific requirements for the discontinuation of residential water service for non-payment.

Purpose

This Discontinuation of Residential Water Service for Non-Payment policy is designed to comply with the requirements of Senate Bill 998 by enumerating the City's administrative procedures for discontinuation of water service for non-payment, including notifications, alternative payment arrangements, and reduced fee charges.

City Contact Information

The City can be contacted by phone at 805-772-6222 to discuss options for averting discontinuation of water service for non-payment under the terms of this policy.

Policy and Notices Available in Multiple Languages and On City Website

This policy and all notices issued to customers under this policy shall be provided in English, Spanish, Chinese, Tagalog, Vietnamese, Korean, and any other language spoken by at least 10 percent of Morro Bay residents.

This policy shall also be made available on the City's website.

Definitions

Delinquency Date – The 31st day after the water bill is issued to the customer, as determined by the issuance date stated on the bill.

Financially Unable to Pay – A customer is financially unable to pay if any member of the customer's household (i.e. someone that demonstrates that they reside at the account's address) is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplemental Payment Program, or California Social Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares the household's income is less than 200% of the federal poverty level.

Water Shutoff Date – The 61st day after the Delinquency Date. However, if the Water Shutoff Date falls on a weekend, legal holiday, or any other day on which the City's offices are closed, the Water Shutoff Date will be postponed until the next regular business day.

Policy

Water bills are issued at the beginning of the month for usage during the previous month and become delinquent if not paid within 30 days after the date the bill is issued. If a water bill is delinquent for 60 days the City will discontinue the water service, subject to the requirements below. Water service will be subject to shutoff on the Water Shutoff Date or as soon thereafter as City staff are able to shut off the water service. The following rules and procedures apply to delinquent bills and termination of water service:

1. **Delinquency Notice:** Approximately 2 weeks after the Delinquency Date, the City will mail a delinquency notice to the customer notifying the customer that their account is past due and late penalties will be applied to their account.
2. **Discontinuation Notice:** At least 15 days prior to the Water Shutoff Date, the City will give the customer a second notice of delinquency and impending discontinuation of services by mailing notice to the customer's address. If the customer's address is not the address of the property to which residential service is provided, the notice will also be sent to the address of the property to which residential service is provided, addressed to "Occupant." If the mailed notice is returned to the City as undeliverable, the City will post the notice at the residence where service is provided. The Discontinuation Notice will include the following:
 - a. Customer's name and address.
 - b. Amount that is past due.
 - c. Date by which payment or payment arrangements are required to avoid discontinuation of service.
 - d. Description of the process to apply for an Alternative Payment Arrangement as described in section 7 below.
 - e. Description of the process to dispute or appeal a bill as described in section 11 below.
 - f. The procedure for the customer to obtain information on the availability of financial assistance, including private, local, state, or federal sources, if applicable.
 - g. City's phone number and a web link to the City's Discontinuation of Residential Water Service for Non-Payment policy.
3. **48-Hour Notice:** The City will give the customer a final notice of termination at least 48 hours prior to the Water Shutoff Date, containing the same information in the Discontinuation Notice. This notice will be provided by posting a Discontinuation Notice at the residence receiving service. The City will also make a reasonable attempt to contact an adult residing at the customer's residence by phone at least 24 hours prior to the Water Shutoff Date.
4. **Third-Party Notification Service:** Customers who are 65 years of age or older, or who are dependent adults as defined in Welfare and Institutions Code section 15610.23, may designate a third party to receive notice of delinquency and pending termination on behalf of the customer by filing a Third-Party Notice form with the City, which shall be signed by both the customer and the third party. The designation will be for purposes of notification only and will not obligate the third party to pay delinquent charges. Third-Party Notice forms are available on the City's website at morrobayca.gov and a customer may obtain more information by calling 805-772-6222.

5. Waiver of Late Penalties and Tag Fees: Pursuant to Resolution 63-18 and Council Policy entitled Penalty Waiver Policy for Utilities, a customer is entitled one waiver of a late penalty or tag fee one time in a 24-month period, at the request of the customer. All tag notice fees will be waived for customers who can demonstrate that they are financially unable to pay.
6. Prohibition of Water Service Shutoff: The City of Morro Bay will not discontinue residential service if all of the following conditions are met:
 - a. The customer, or a tenant of the customer, submits to the City the certification of a primary care provider stating that the discontinuation of residential service will be life threatening or pose a serious threat to the health and safety of a resident of the premises where the service is provided;
 - b. The customer demonstrates he or she is financially unable to pay for residential service within the normal billing cycle.
 - c. The Customer is willing to enter into an alternative payment arrangement.
7. Alternative Payment Arrangements: Any customer who is unable to pay for water service within the normal payment period may request an alternative payment arrangement to avoid late fees or disruption of service. The City will not discontinue water service for non-payment if a customer has requested and entered into an alternative payment arrangement and remains current on payment plan. The City offers the following alternative payment arrangement options:
 - a. Promise to Pay – Pursuant to Resolution 65-19 and Council Policy entitled Utility Bill Payment Extension Policy a customer with an outstanding balance after 60 days may request a payment extension to avoid a penalty, tag notice or shut off. The payment extension can be for no more than 5 business days and an account can be approved for up to two payment extensions in a 12-month period. A payment extension will be approved as long as it is requested by the primary account holder, is not a third request within a 12-month period and a previous payment extension commitment has not been broken in the past 24-months. If the payment extension due date commitment is not met, the account will not be eligible for another payment extension for a 24-month period.
 - b. Payment Arrangement Plan – Pursuant to Resolution 81-19 and Council Policy entitled Payment Arrangement Policy for Utilities a customer with an outstanding balance after 60 days may request a payment arrangement plan. The customer is required to make monthly, reduced payments under the plan which can extend the payment period from three to nine months depending on the outstanding balance due. When a payment arrangement is agreed upon, the account will not be penalized or subject to shut off for outstanding balances as long as payments are received by the due date. A customer may enter into a payment arrangement once during a twelve-month period. If payment is not received by the due date a 10% penalty will be assessed. If payment is 30 days late, the city has discretion to discontinue the payment arrangement plan. If a customer has a payment arrangement discontinued, they are not eligible for another payment arrangement for 24-month period.
8. Disconnection for Failure to Comply with Payment Arrangement: If a customer who has entered into an alternative payment arrangement (a) is delinquent on the payment arrangement for 60 days, or (b) is delinquent on the current water bill for 60 days after the Delinquency Date, the City may disconnect the water service without offering any further

alternative payment arrangements, after posting a final notice of intent to disconnect service on the property receiving service at least 5 business days prior to disconnection.

9. **Service Fee Reduction:** Pursuant to Resolution 64-19 adopting Council policy entitled Utility Discount Program Enrollment, customers who demonstrate that they are eligible for the PG&E Customer Care program will qualify for a discounted utility rates of up to 10% of the utility bill per month.
10. **Re-establishment of Service:** When the City of Morro Bay has determined that the time periods have been met and an account is subject to or has had discontinuation of residential service, the customer may reestablish the account by contacting City Hall at 805-772-6222. For reestablishing accounts under these conditions, a water customer will be charged a fee as outlined in the City's Master Fee Study. For customers who can demonstrate that they are financially unable to pay, the fee is capped at \$50 during normal operation hours and \$150 during non-operation hours, but not to exceed the actual cost of the reconnection fee. The City does not charge interest on delinquent accounts, only a late penalty is assessed. A late penalty may be waived once in a 24-month period as described in section 5.
11. **Disputed Bills:** If a customer disputes a bill, they must follow the outlined procedure below:
 - a. Appeals must be submitted, in writing, and must be filed no later than fifteen (15) days after the delinquency notice has been issued (date on the issuance notification). The Appeal must be submitted to the Finance Director and will be reviewed by the Finance Director and City Manager for determination. If a customer disputes the water bill and exercises their right to appeal to the Finance Director, the City Water Department will not disconnect water service for non-payment while the appeal is pending. The City will respond to the appeal, in writing, within 30 days of receipt.
12. **Special Rules for Service Recipients Who Are Not Customers:**
 - a. **Notice.** If the City furnishes individually metered service or master-metered service to residential occupants of a detached single-family dwelling, a multiunit residential structure, mobilehome park, or permanent residential structure in a labor camp, and the owner, manager, or operator of the dwelling, structure, or park is the customer of record, the City will make a good faith effort to provide a written notice of delinquency and pending termination to each occupant by posting a notice on the door of each residential unit at least 15 prior to termination of services.
 - b. **Contents of Notice.** The notice will include the following information:
 - i. The written notice will inform the residential occupants that they have the right to become customers, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account.
 - ii. Requirements for preventing termination of service and for reestablishing service.
 - iii. The title, address, and telephone number of a City representative who can assist the residential occupants in continuing service.

- iv. The address and telephone number of a qualified legal services project, as defined in Section 6213 of the Business and Professions Code, which has been recommended by the local county bar association.
- c. The City is not required to make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of service and meets the requirements of law. However, if one or more of the residential occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the City, or if there is a physical means legally available to the City of selectively terminating service to those residential occupants who have not met the requirements of the City's rules and tariffs, the City shall make service available to those residential occupants who have met those requirements.
- d. If prior service for a period of time is a condition for establishing credit with the City, residence and proof of prompt payment of rent or other credit obligation acceptable to the City for that period of time is a satisfactory equivalent.
- e. Any residential occupant who becomes a customer of the City pursuant to this section 12 whose periodic payments, such as rental payments, include charges for residential water service, where those charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid to the City for those services during the preceding payment period.



AGENDA NO: A5

MEETING DATE: January 28, 2020

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 22, 2020

FROM: Rob Livick PE/PLS, Public Works Director
Damaris Hanson, Environmental Programs Manager

SUBJECT: Arbor Day Proclamation

RECOMMENDATION

Staff recommends City Council approve the proposed proclamation in support of Arbor Day and being a Tree City USA community.

BACKGROUND/ DISCUSSION

The Tree City USA program has been around since 1976 and Morro Bay has been a Tree City for twenty-three (23) years. To achieve a Tree City USA status the City must meet four core standards; Maintaining a tree board or department, have a tree ordinance, spend at least \$2 per capita on urban forestry and have a City proclamation celebrating Arbor Day.

This proclamation fulfills one of the four core standards to become a Tree City and proclaims Arbor Day in Morro Bay to be March 7th – March 14th every year. An arbor day celebration will occur during this time each year celebrating trees. The City currently meets the other three standards.

CONCLUSION

Staff recommends the City Council proclaim Arbor Day as March 7th – March 14th every year in the City of Morro Bay.

ATTACHMENTS

1 - Proclamation

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

**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
DECLARING MARCH 7TH – MARCH 14TH
EVERY YEAR AS ARBOR DAY**

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

WHEREAS, in 1872 J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees; and,

WHEREAS, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska; and,

WHEREAS, Arbor Day is now observed throughout the nation and the world; and,

WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce oxygen and provide habitat for wildlife; and,

WHEREAS, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products; and,

WHEREAS, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community; and,

WHEREAS, trees, wherever they are planted, are a source of joy and spiritual renewal; and,

WHEREAS, Morro Bay has been recognized for the twenty-three (23) years as a Tree City USA by the National Arbor Day Foundation and desires to continue its tree-planting ways.

NOW, THEREFORE BE IT RESOLVED, that the Morro Bay City Council does hereby proclaim March 7th – March 14th every year as ARBOR DAY in the City of Morro Bay, and urges all citizens to support efforts to protect our trees and forests and encourage them to continue their planting ways.

IN WITNESS WHEREOF I have
hereunto set my hand and caused the
seal of the City of Morro Bay to be
affixed this 28th day of January 2020.

JOHN HEADDING, Mayor
City of Morro Bay, California



AGENDA NO: A-6

MEETING DATE: January 28, 2020

Staff Report

TO: Mayor and City Council

DATE: January 21, 2020

FROM: Jennifer Callaway, Finance Director

SUBJECT: Adoption of Resolution No. 06-20 Adopting the 2020 Bail Schedule

RECOMMENDATION

Staff recommends that the City Council Adopt Resolution No. 06-20 Adopting the 2020 Bail Schedule.

BACKGROUND

In July 2015, City staff presented the FY 2015/16 Master Fee Schedule to the Council for consideration and adoption. At that time, staff recommended that city's fines be removed from the Fee Schedule and brought back to the Council in February, to be assessed and approved for submission to the San Luis Obispo Superior Court for its Bail & Penalty Schedule.

Each year in the beginning of the year, the Superior Court sends all law enforcement agencies the proposed Bail Schedule for the year. The agency (City) is required to review proposed bails related to municipal codes, and submit comments, additions and/or recommendations no later than a specified date. For the 2020 Bail schedule, Superior Court requested that comments, additions and/or recommendations be returned no later than February 3, 2020.

DISCUSSION

The 2020 Bail schedule is provided as Exhibit A to Attachment 1 to the staff report and includes a list of relevant fines and the proposed fine. The fine has been adjusted by a CPI of 3.2% over the prior year which is the December CPI index for the Los Angeles-Riverside-Orange County area.

The proposed bail schedule is divided into to three sections, by degree of the violation, Infractions (I), misdemeanors (m), and warnings (w). There are no fines for warnings. The relevant municipal code section is included for reference. The fines are rounded up to the nearest dollar.

CONCLUSION

Staff recommends that the City Council adopt Resolution No. 06-20 adopting the City of Morro Bay's 2020 Bail Schedule.

ATTACHMENTS

Prepared By: JC

Dept Review: _____

City Manager Review: SC

City Attorney Review: CFN

1. Resolution No. 06-20

RESOLUTION NO. 06-20

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
ADOPTING 2020 BAIL SCHEDULE**

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

WHEREAS, the Superior Court provides the City with a proposed bail schedule each year; and

WHEREAS, the City is required to update the proposed bail schedule with fines adjustments and changes, including annual increases per the consumer price index; and

WHEREAS, the City updates the fines annually using the month of December as the determinate for retrieving Consumer Price Index (CPI) and Engineering News Record (ENR) Construction Cost Index adjustment factors for the Los Angeles-Riverside-Orange County area; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, the 2020 Bail Schedule, attached hereto and incorporated herein, is hereby amended and readopted.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 28th day of January 2020, by the following vote:

AYES:
NOES:
ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

Statute	Degree	Offense Description	2019 Fines	2020 Proposed Fine
MBMC2.24.090	I	Park Use Prohibited In Specified Hours	\$23.00	\$24.00
MBMC2.24.090	I	Park Use Prohibited,Spec Hrs- Sub Vio W/In 1 Year	\$224.00	\$232.00
MBMC2.24.090	I	Park Use Prohibited,Spec Hrs-2nd Offense In 1 Year	\$89.00	\$92.00
MBMC5.04.050	I	Business License Required	\$60.00	\$62.00
MBMC5.04.270	I	Failure To Pay License Fee When Due	\$45.00	\$47.00
MBMC5.08.010	I	Operate Without Business License	\$96.00	\$100.00
MBMC5.08.120	I	Garage Sale's License Fee Required	\$18.00	\$19.00
MBMC5.08.150	I	Peddling Without A Business License	\$84.00	\$87.00
MBMC5.08.150	I	Soliciting Without A Permit	\$60.00	\$62.00
MBMC7.04.070	I	Unnecessary Noise - Animals	\$60.00	\$62.00
MBMC7.04.145	I	Violation Of Order	\$60.00	\$62.00
MBMC7.08.020	I	Leash Law-1st Offense	\$60.00	\$62.00
MBMC7.08.020	I	Leash Law-2nd Offense-1 Pr Conviction Within 1 Yr	\$33.00	\$34.00
MBMC7.08.020	I	Leash Law-3rd Offense-2 Pr Conviction Within 1 Yr	\$73.00	\$76.00
MBMC7.08.160	I	Dog Reg/Lic-2nd Off-1 Pr Conviction Within 1 Yr	\$33.00	\$34.00
MBMC7.08.160	I	Dog Reg/Lic-3rd Off-2 Pr Conviction Within 1 Yr	\$73.00	\$76.00
MBMC7.08.160	I	Dog Registration/License-1st Offense	\$60.00	\$62.00
MBMC7.08.180	I	Unlicensed Dog Outside Of Yard Or W/Out Leash-FINE REDUCED IF CORRECTED	\$60.00	\$62.00
MBMC7.08.290	I	Own/Harbor/Maintain More Than 3 Dogs W/O Permit	\$60.00	\$62.00
MBMC7.16.020	I	Keeping Animals In Unsanitary Conditions	\$60.00	\$62.00
MBMC7.16.030	I	Poultry W/In 50 Feet Of Structure	\$56.00	\$58.00
MBMC8.14.030	I	Maintaining Nuisance Unlawful	\$60.00	\$62.00
MBMC8.16.280	I	Illegal Burning W/In City Limits	\$60.00	\$62.00
MBMC8.16.300	I	Depositing Refuse On Public Property	\$18.00	\$19.00
MBMC8.16.310	I	Depositing Household Garbage In Public Container	\$18.00	\$19.00
MBMC8.24.010	I	Prohibited At Certain Times In Certain Places	\$60.00	\$62.00
MBMC8.24.010(A)	I	Sleeping In Vehicle	\$60.00	\$62.00
MBMC8.24.010(B)	I	Sleeping On Private Property	\$18.00	\$19.00
MBMC8.24.010(C)	I	Unlawful Camping	\$60.00	\$62.00
MBMC9.16.020	I	Discharge A Pistol Within City Limits	\$60.00	\$62.00
MBMC9.18.010	I	Public Consumption Of Alcohol	\$60.00	\$62.00
MBMC9.18.030	I	Open Container In Public	\$60.00	\$62.00
MBMC9.24.020(B)	I	Bonfire on Beach	\$112.00	\$116.00
MBMC9.28.010	I	Violation Of Noise Regulations	\$60.00	\$62.00
MBMC9.28.020	I	Make/Continue Loud, Unnecessary Noise	\$60.00	\$62.00
MBMC9.32.030	I	Urinating In Public	\$112.00	\$116.00
MBMC10.28.060	I	Driving/Riding On Sidewalk	\$60.00	\$62.00
MBMC10.28.080	I	Skateboarder Holding On To Car	\$60.00	\$62.00
MBMC10.28.120	I	Bicycle/Motor Driven Cycle/Ped Prohib On Freeway	\$60.00	\$62.00
MBMC10.28.170	I	Vehicle On Beach	\$60.00	\$62.00
MBMC10.28.190	I	TSE-Vehicle On Private Property	\$128.00	\$133.00
MBMC10.40.170	I	Posted Restricted Parking/City Plots	\$60.00	\$62.00
MBMC10.44.030	I	Violate Diagonal Parking	\$60.00	\$62.00
MBMC10.44.040	I	Not Parked W/In marked space	\$60.00	\$62.00
MBMC10.52.020(A)	I	Bicycle Equipment, Brakes, Etc.	\$60.00	\$62.00
MBMC10.52.020(G)	I	Bicycle Riding Restrictions	\$10.00	\$10.00
MBMC10.54.020	I	Skateboarding In Prohibited Area	\$23.00	\$24.00
MBMC10.54.030	I	Restrictions Private Property-Skates/Skateboards	\$18.00	\$19.00
MBMC10.54.040	I	Posting Of Restrictions	\$18.00	\$19.00
MBMC10.54.050	I	Application Of Foreign Substance	\$60.00	\$62.00
MBMC10.54.060	I	Reckless Skateboarding/Rollerskating 1st Offense	\$18.00	\$19.00
MBMC10.54.060	I	Reckless Skateboarding/Rollerskating 2nd Offense	\$38.00	\$39.00
MBMC10.54.060	I	Reckless Skateboarding/Rollerskating 3rd Offense	\$96.00	\$100.00
MBMC10.72.020(D)	I	Bicycle Operate Unsafe Conditions	\$60.00	\$62.00
MBMC10.72.020(I)	I	Operate Bicycle On Sidewalk In Business District	\$60.00	\$62.00
MBMC10.72.020(B)	I	Operate A Bicycle On A Roadway W/Out Req Equipment	\$60.00	\$62.00
MBMC10.72.020(I)	I	Operate A Bicycle On Sidewalk In Business District	\$60.00	\$62.00
MBMC10.72.020(J)	I	Riding Bicycle On Designated Lane,Path Or Sidewalk	\$60.00	\$62.00
MBMC14.04.030	I	Work Without Permit	\$60.00	\$62.00
MBMC14.32.010	I	Maintaining Dangerous Building	\$60.00	\$62.00
MBMC15.12.010	I	Operate Vessel in Excess of 5mph, or Cause Damaging Wake 1st Off	\$60.00	\$62.00
MBMC15.12.010	I	Operate Vessel in Excess of 5mph, or Cause Damaging Wake 2nd Off	\$60.00	\$62.00
MBMC15.24.010	I	Prohibits Discharge Of Wastes From Vessels 1st Off	\$96.00	\$100.00
MBMC15.24.010	I	Prohibits Discharge Of Wastes From Vessels 2nd Off	\$224.00	\$232.00
MBMC17.30.040	I	Outdoor Sales, Display, Dining Or Storage	\$60.00	\$62.00
MBMC17.48.060C	I	Utility Connected To Trailer On Private Property	\$60.00	\$62.00

Statute	Degree	Offense Description	FY 2019/20 Fine	FY 2020/21 Proposed Fine
MBMC5.04.050	M	Business License Fee Required	\$28.00	\$29.00
MBMC5.04.270	M	Failure to Pay License Fee When Due	\$38.00	\$39.00
MBMC5.08.120	M	Garage Sale's License Fee Required	\$18.00	\$19.00
MBMC8.14.030	M	Maintaining Nuisance Unlawful	\$112.00	\$116.00
MBMC8.16.280	M	Illegal Burning W/In City Limits	\$112.00	\$116.00
MBMC8.16.300	M	Depositing Refuse On Public Property	\$18.00	\$19.00
MBMC8.16.310	M	Depositing Household Garbage In Public Container	\$18.00	\$19.00
MBMC8.24.010(B)	M	Camping On Private Property W/O Written Consent	\$112.00	\$116.00
MBMC8.24.010(C)	M	Unlawful Camping	\$38.00	\$39.00
MBMC9.08.030	M	Minor Curfew Hours	\$112.00	\$116.00
MBMC9.16.020	M	Discharge A Pistol Within City Limits	\$112.00	\$116.00
MBMC9.18.010	M	Public Consumption Of Alcohol	\$112.00	\$116.00
MBMC9.18.030	M	Open Container In Public	\$112.00	\$116.00
MBMC10.54.060	M	Reckless Skateboarding/Rollerskating	\$128.00	\$133.00
MBMC15.40.030	M	Occupy Liveaboard Vessel W/Out Permit	\$128.00	\$133.00
MBMC17.68.030(K)	M	Affixing Advertising Matter To Trees, Posts, Etc.	\$18.00	\$19.00

Statute	Degree	Offense Description	FY 2019/20 Fine	FY 2020/21 Proposed Fine
MBMC10.40.050	W	72 Hour Parking		\$ -
MBMC10.40.060	W	Prohibited Parking/Storing of Boats/Trailers/RV's		\$ -



AGENDA NO: A-7

MEETING DATE: January 28, 2020

Staff Report

TO: Honorable Mayor and City Council

DATE: January 23, 2020

FROM: Scot Graham, Community Development Director

SUBJECT: City Manager Authorization to sign a revised Non-Binding Memorandum of Understanding (MOU), between the Cayucos Sanitary District, Trust for Public Lands, Chevron and the City of Morro Bay, for conservation of Lots 6SW and 6NW, more commonly known as “Dog Beach”

RECOMMENDATION

Council authorize City Manager signature of the revised non-binding MOU between the City of Morro Bay, Cayucos Sanitary District, Trust for Public Lands and Chevron for conservation and City ownership of Lot’s 6SW and 6NW (Dog Beach) as shown on Attachment A of the MOU.

ALTERNATIVES

1. The City Council could choose not to authorize City Manager signature of the MOU; or
2. A majority of Council could provide direction related to desired changes to the MOU and direct staff to negotiate for said changes.

FISCAL IMPACT

There is no fiscal impact in relation to execution of the revised MOU other than the staff time spent preparing the associated documents. Lots 6NW and 6SW are proposed for purchase by the Trust for Public Lands and would subsequently be conveyed to the City by direct deed at no cost. Future fiscal impact would depend on whether the City allows Dog Beach to be utilized as is or whether the City chooses to provide some maintenance services to the area.

BACKGROUND/DISCUSSION

The City Council previously authorized City Manager signature of the MOU at the regular scheduled council meeting on January 14, 2020. Subsequent to that decision it was brought to the attention of staff that we did not have the latest version of the MOU. The latest version of the MOU is provided as Attachment 1 to this staff report and reflects the desires of all parties associated with the MOU. The revised MOU includes minor punctuation, font and number revisions as well as a revised section 10 (Non Binding; Termination) where it is made very clear that the MOU is non-binding and is intended to provide a framework for discussion between all parties. The City has been involved in discussions with Chevron, Trust for Public Lands (TPL), the Cayucos Sanitary District (CSD), the Cayucos Land Conservancy, the Land Conservancy of San Luis Obispo, and San Luis Obispo County for several years looking into various conservations options for several of the Chevron Estero Marine Terminal lots. The MOU represents one of the first steps in conservation of the some of the aforementioned properties. The MOU addresses the following three items:

1. Acquisition of lot 6SW (Southern portion of Dog Beach) by the City of Morro Bay. Lot 6SW is currently owned by the CSD. TPL is proposing to purchase the property from the CSD

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

- and convey it to the City of Morro Bay through a Donation Agreement via direct deed. The purchase agreement for lot 6SW, entered into by the CSD with Chevron, includes a “Residual Rights” clause that would allow Chevron to repurchase the lot within two years if the Panorama lots are not annexed by that time. The “Residual Rights” clause would transfer upon sale to TPL and subsequently transfer to the City upon conveyance from TPL.
2. Amendment of the City’s Sphere of Influence (SOI) to include 5 lots above Panorama. These lots are owned by Chevron, and it is Chevron’s intention to annex the lots into the City of Morro Bay. Each of the lots would accommodate one single family residence, for a total of no more than 5 single family homes in that area. The homes would be restricted to the lower portions of each lot leaving the remainder of the hillside above Panorama undeveloped. In order for the SOI amendment to become effective, it requires Council authorization for submittal of an application to LAFCO and subsequent approval by LAFCO. Based on the proposed MOU, Chevron will terminate the “Residual Rights” clause on lot 6SW (Dog Beach) so long as the City makes its best effort to submit a timely application to LAFCO and LAFCO staff indicates support for same.
 3. Detachment of lot 6NE from within the City’s boundary, resulting lot 6NE being under County jurisdiction. This process requires authorization by Council for submittal of an application for Detachment to (LAFCO) and subsequent approval by LAFCO. Lot 6NE is owned by the CSD and contains a sewer lift station operated by the CSD.
 4. Annexation into the city of Lot 6NW (Continuation of Dog Beach). Lot 6NW is currently located in the County but is within the City’s SOI. The intent behind Lot 6NW’s location within the City’s SOI was to facilitate its future annexation into the City for preservation of Dog Beach. Lot 6NW is currently owned by the CSD and is proposed to be purchased by TPL and conveyed to the City. The annexation requires Council authorization and subsequent approval by LAFCO.

If Council authorizes the City Manager to sign the revised MOU, Staff will return at a future council meeting, likely the February 11, 2020 meeting, with an authorization request to submit the various applications to LAFCO.

CONCLUSION

Staff has been working with TPL, CSD, Chevron, the Cayucos Land conservancy, the Land Conservancy of San Luis Obispo and San Luis Obispo County for several years on preservation of some of the Chevron Estero Marine Terminal lots. This revised MOU represents the first step in preserving the beach portion of those properties. Staff is requesting Council authorization to enter into a non-binding MOU with TPL, CSD and Chevron that lays out the path toward the City acquiring Dog Beach and maintaining it in permanent public ownership.

ATTACHMENT

1. Revised Memorandum of Understanding including lot map

MEMORANDUM OF UNDERSTANDING

Chevron Estero Marine Terminal, Lot 6SW

This Memorandum of Understanding (“MOU”), dated _____, 2020, constitutes a **non-binding** agreement among The Trust for Public Land, a California nonprofit public benefit corporation (“TPL”), the City of Morro Bay (“**Morro Bay**”), the Cayucos Sanitary District (“CSD”), and Chevron Land and Development Company, a Delaware Corporation (“**Chevron**”), each of which may individually be referred to herein as a “**Party**” and collectively as the “**Parties.**”

RECITALS

- A. The Parties are interested in achieving a common conservation goal and appropriate public ownership (“**Project**”) for Lot 6SW, as shown in Exhibit A (“**Property**”), which has been historically used by the general public and is commonly known as “**Dog Beach.**”
- B. Chevron sold the Property to CSD on September 17, 2019 pursuant to that certain Grant Deed but also subject to that certain Memorandum of Repurchase Rights/Option recorded concurrently with the Grant Deed, which Memorandum contains certain rights in favor of Chevron (“**Residual Rights**”).
- C. CSD is willing to sell the Property to TPL, which will concurrently sell it to Morro Bay, with the ultimate intention that the Property will continue to be used for the benefit of the public.
- D. TPL’s purchase of the Property and concurrent sale to Morro Bay will be contingent on TPL’s receipt of certain public and private funding, which funding and acquisition, in turn, is contingent on Chevron’s termination of the Residual Rights.
- E. Chevron ultimately desires to have its lots shown in Exhibit A in the Estero Marine Terminal (“**Panorama Lots**”) annexed into the City of Morro Bay. Chevron is willing to terminate its Residual Rights upon certain conditions specified below.

The Parties agree as follows:

1. **OPTION AGREEMENT:** TPL and CSD will negotiate in good faith to enter into an option agreement whereby TPL will have the right to purchase the Property from CSD subject to the termination of the Residual Rights and securing funding for the acquisition (“**Option Agreement**”). TPL shall remain the principal Party involved with negotiating the terms and provisions of the Option Agreement and the concurrent sale with Morro Bay.
2. **PUBLIC FUNDING:** TPL will use its best efforts to secure public and philanthropic funding sources to support the acquisition of the Property from CSD and concurrent sale to Morro Bay. TPL shall be solely responsible for all aspects of requesting, securing and reporting associated with the funding sources.
3. **OBLIGATIONS OF CHEVRON:** Chevron agrees to execute and acknowledge and deliver to

TPL and Morro Bay a document in a form satisfactory to Chevron, TPL and Morro Bay to terminate or transfer the Residual Rights following Morro Bay's submission of an application to the Local Agency Formation Commission ("LAFCO") to place the Panorama Lots within the City's Sphere of Influence and the LAFCO staff indicates support for same ("**LAFCO Application**").

4. **OBLIGATIONS OF MORRO BAY:** Morro Bay shall seek City Council approval to proceed with filing the LAFCO Application. The LAFCO Application shall also seek to annex Lot 6NW into the City of Morro Bay and to de-annex Lot 6NE, both of which respective lots are shown on Exhibit A. Morro Bay will make best efforts to (i) complete the LAFCO Application such that LAFCO can make a decision at its May 2020 meeting, and (ii) file the LAFCO Application as soon as feasible but no later than April 25th, 2020. The Parties understand that nothing in this MOU commits the City Council to approve the LAFCO Application and that such decision must be made by the City Council pursuant to applicable law, including, but not limited to, the Brown Act.
5. **OBLIGATIONS OF ALL PARTIES:** The Parties acknowledge that (i) funding for acquisition of the Property and other Estero properties planned for acquisition and public ownership are interdependent; and (ii) time is of the essence to obtain the LAFCO decision regarding the LAFCO Application. All Parties agree to make best efforts to support the LAFCO Application for review at the LAFCO May meeting or as soon thereafter as feasible.
6. **OBLIGATIONS OF CSD:** CSD agrees to negotiate the terms of the Option Agreement with TPL, which will include standard provisions for the purchase of real property including the issuance of title insurance. CSD and TPL intend that the Option Agreement will be executed by the end of January 2020.
7. **OBLIGATIONS OF MORRO BAY AND TPL:** Concurrently with the negotiations between TPL and CSD as to the Option Agreement, Morro Bay and TPL will negotiate a purchase and sale agreement ("PSA") to be consummated concurrently with TPL's acquisition of title to the Property under the Option Agreement.
8. **OPTION TERMINATION:** If the Property is not acquired by TPL pursuant to the terms of the Option Agreement (as may be extended), all Parties shall be relieved of further obligations under this MOU. In such event, TPL shall be solely responsible for returning funds that it raised for the acquisition of the Property where such funds need to be returned in the event the Property is not acquired.
9. **INTENT:** This MOU is intended to memorialize the Parties' intent and desire to work together to perform the tasks required (including the Option Agreement and PSA) in connection with the acquisition of the Property by Morro Bay for continued public use free of the Residual Rights, while Morro Bay concurrently seeks City Council approval to file the LAFCO Application. Chevron intends, after LAFCO approval of the LAFCO Application, to request that Morro Bay annex the Panorama Lots into the City of Morro Bay ("**Annexation**"). The Parties understand that Morro Bay is not committing to approve

the Annexation, as such action must be made by the City Council and in compliance with applicable law, including the City of Morro Bay Municipal Code.

10. NON-BINDING; TERMINATION: This MOU is non-binding and is intended only to provide a framework for continued discussions between the Parties in connection with the Project. It is an expression of the current intent of the Parties but is not intended to constitute an agreement that will be legally binding on any Party. No Party has any obligation, responsibility, or liability to any other Party for failure to complete the items set forth above. This MOU is not binding and may be terminated in accordance with the terms set out in Section 8 above, or by any Party delivering written notice to the other Parties. Upon the termination of this MOU, no Party will have any liability under this MOU to any other Party, and the Parties will be released from all of their obligations under this MOU.

11. COUNTERPART EXECUTION: The Parties may execute this MOU in counterparts which together will constitute the entire MOU.

TPL

The Trust for Public Land, a California nonprofit public benefit corporation

By: _____
Its: _____

CSD

Cayucos Sanitary District, a political subdivision of the State of California

By: _____
Its: _____

CHEVRON

Chevron Land and Development Company, a Delaware Corporation

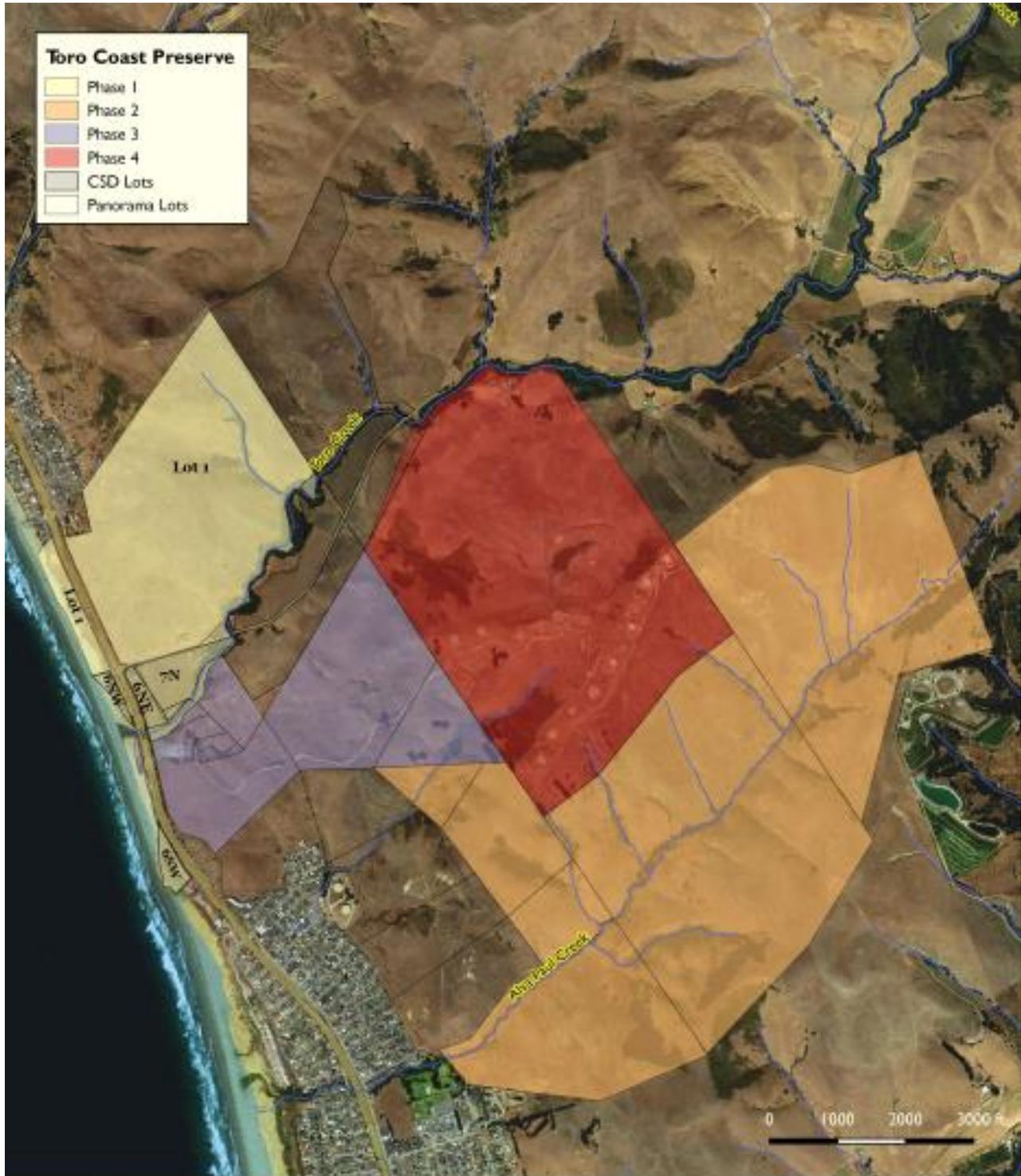
By: _____
Its: _____

MORRO BAY

City of Morro Bay, a municipal corporation

By: _____
Its: _____

Exhibit A



Toro Coast Preserve

SAN LUIS OBISPO COUNTY, CALIFORNIA





AGENDA NO: A-8

MEETING DATE: January 28, 2020

Staff Report

TO: Honorable Mayor and City Council

DATE: January 22, 2020

FROM: Jennifer Callaway, Finance Director

SUBJECT: Citizen's Finance Advisory Committee Meeting Schedule

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 07-20 approving the Citizen's Finance Advisory Committee's request to meet seven times per year.

DISCUSSION

On December 10, 2019 the City Council adopted Resolution No. 105-19 approving the Advisory Bodies Handbook and By-laws. In addition, the Council approved a reduced meeting schedule for the Advisory Bodies, specifically for the Citizen's Finance Advisory Committee (CFAC) to meet nine times per year.

During the January 21, 2020 CFAC meeting, staff updated the Committee members with the proposed budget calendar (previously approved by Council) and recommended that the Committee not meet during the months of June, August and September. While the Committee was supportive of less meetings and agreed with taking the months of June, August and September off, the members of CFAC also felt that they did not need to meet during the months of March and November. After discussion, a determination was made that meeting seven times per year would be sufficient to fulfill the work plan of the Committee, and further would substantially reduce staff time dedicated to preparing for, and supporting, monthly meetings.

The Committee voted 6-0 (with one member absent) to recommend to the City Council that the Citizen's Finance Advisory Committee meet seven times per year during the months of January, February, April, May, July, October and December. Staff supports this recommendation and believes that it will not interfere with completion of the Committee's work plan. Therefore, staff recommends that the City Council adopt Resolution No. 07-20 approving the Citizen's Finance Advisory Committee's request to meet seven times per year.

CONCLUSION

Staff recommends that the City Council adopt Resolution No. 07-20 approving the Citizen's Finance Advisory Committee's request to meet seven times per year.

ATTACHMENT

1. Resolution No. 07-20

Prepared By: JC

Dept Review: _____

City Manager Review: SC

City Attorney Review: CFN

RESOLUTION NO. 07-20

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING THE ADVISORY BODIES HANDBOOK AND BY-LAWS
REGARDING MEETING FREQUENCY OF THE CITIZENS OVERSIGHT COMMITTEE
ACTING IN THE CAPACITY OF A CITIZENS FINANCE ADVISORY COMMITTEE**

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

WHEREAS, to ensure all Advisory Board Members are familiar with and understand the City of Morro Bay's philosophies and policies regarding serving on an Advisory Board, and to establish consistency throughout the by-laws for all commissions and advisory boards, the City of Morro Bay adopted the Advisory Boards Handbook and By-Laws on August 12, 2002; and

WHEREAS, the Advisory Boards Handbook and By-Laws for the City of Morro Bay is a composite of the City Council actions, policies, references, and information regarding the City Advisory Boards; and

WHEREAS, the Handbook has been amended several times throughout the years, the Council reviewed and provided direction for further Handbook edits at its December 12, 2017 and March 27, 2018 meetings, and the Council most recently readopted an amended Handbook on December 10, 2019; and

WHEREAS, at a regular meeting of the Citizens Finance Advisory Committee ("Committee") held on January 21, 2020, the Committee voted 6-0-1 to forward a request to the City Council to reduce the number of regular meetings from nine to seven times per year during the months of January, February, April, May, July, October and December.

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Morro Bay does hereby amend the Citizens Finance Advisory Committee Bylaws Procedure section regarding meeting frequency to read as follows:

PROCEDURE

Regular meetings shall be held monthly on a regular schedule during the months of January, February, April, May, July, October and December. The meetings shall be open to the public. The date, time and location along with the meeting agenda shall be noticed in accordance with Government Code Sections 54970-54975. If the Committee desires to change its meeting times, dates, or location, it must also seek prior approval from the Council.

PASSED AND ADOPTED by the City Council, City of Morro Bay at a regular meeting thereof held on the 28th day of January 2020 by the following vote:

AYES:
NOES:
ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk



AGENDA NO: C1

MEETING DATE: January 28, 2020

Staff Report

TO: Honorable Mayor and City Council

DATE: January 22, 2020

FROM: Rob Livick, PE/PLS – Public Works Director/City Engineer
Eric Casares, PE – Water Reclamation Facility (WRF) Program Manager

SUBJECT: Review WRF Capital Project Quarterly Update Report and Potential Modification to the Report, Review Roles of the Public Works Advisory Board (PWAB) and Citizens Finance Advisory Committee (CFAC) Regarding the WRF, and adopt Resolution No. 08-20 Authorizing A Budget Adjustment For Temporary Part-Time Staffing To Assist With Records Management for the Project

RECOMMENDATION

It is recommended that City Council:

- 1) Receive WRF Capital Project Quarterly Update Report,
- 2) Review the recommendation from CFAC to modify the WRF Capital Project Quarterly Update Report,
- 3) Review and provide direction regarding the roles of PWAB and CFAC regarding the WRF Project, and
- 4) Adopt Resolution No. 08-20 authorizing a budget adjustment for temporary part-time staffing to assist with records management for the Project.

FISCAL IMPACT

The fiscal impact for recommended a temporary part-time records clerk is \$13,500 for the remainder of Fiscal Year 2019/20 for the WRF Capital Project Operating Budget.

DISCUSSION

Provided as Attachment 1 is the WRF Capital Project Quarterly update report (report) for the period ending December 30, 2019. Project team staff will provide the presentation and be available for questions.

Proposed Modification to the Quarterly Report

CFAC formally recommended, at its December 2019 meeting, City Council add one more table to the report, to address confusion regarding consultant costs on the WRF project. Specifically, CFAC recommended the City Council include the estimate of completion, the proposed Table 3 (provided as Attachment 2 for reference), to future quarterly WRF reports. This motion carried by a vote of 6-0.

Roles of CFAC and PWAB

In addition, CFAC, at their January 2020 meeting, formally recommended City Council provide clarity as to the role of CFAC in reviewing the aforementioned report (passed on a 5-1 vote). They

Prepared By: JC

Dept Review:

City Manager Review: SC

City Attorney Review: jwp

would like to understand the purpose of reviewing the reports and any other role(s) CFAC should assume in reviewing the WRF finances. The CFAC was originally assigned the role of reviewing the financial components of the WRF in January 2019. That was further refined by City Council on August 13, 2019 to mean reviewing the quarterly WRF reports. CFAC plays a vital role in reviewing the quarterly reports as they have the financial acumen and experience to review the report and provide feedback as another set of representatives of the community in addition to the City Council. Like the Council WRF sub-committee, the CFAC has the ability to raise concerns with staff and the full City Council regarding the quarterly report. That is very important service they provide for the City and community. Council can either confirm that should be the continued role of CFAC or further refine or add responsibilities to the CFAC in this regard.

As Council considers the role of CFAC, it is also an opportune time to define the role of PWAB regarding review of the WRF. PWAB assumed responsibility of reviewing the technical components of the WRF after City Council terminated the special advisory committee - WRF Citizens Advisory Committee (WRFCAC) in December 2019. Special advisory committees are developed to tackle specific issues on a temporary basis. The WRFCAC performed admirably in assisting the City in reviewing WRF location alternatives, technology and reclamation opportunities as well as providing another opportunity for the community to engage on the project. However, as City Council identified, WRFCAC achieved the mission established when it was formed and the project has moved into a new phase, as largely all the major decisions about project location, technology and reclamation have been made. Given the relative importance of the WRF Project, Council determined it prudent for there to be continued advisory review of the WRF technical components by the standing committee assigned review of Public Works operations and projects (PWAB). In order to ensure the PWAB best serves the City's and community's needs on the project, staff recommend the Council clearly define the role of PWAB at this time. PWAB receives general updates from Public Works staff at each PWAB meeting and those updates include general information about the WRF. Staff recommends that tradition continue. In addition, it is recommended PWAB also review major technical decisions that necessitate a recommendation to the City Council. Council may choose to refine that role further or add responsibilities regarding WRF review.

Records Management Staffing Needs

- 1) In recent months, the City Clerk's office has received more than 60 Public Records Act ("PRA") requests related to the WRF Project, requiring a significant amount of staff time to search for, review and prepare responsive records. In an effort to improve transparency and make key project documents readily accessible to the public, thereby reducing the time spent responding to PRA requests, staff recommends hiring a temporary part-time records clerk to organize and assist with the development of document repository available via the City and/or WRF website. The person identified for this position has a background in web design and is well suited to act in a support role for Katz and Associates (WRF community outreach specialists) as they update the WRF website. Staff recommends the City Council adopt Resolution No. 08-20 authorizing a budget adjustment of \$13,500 to the WRF Capital Project for temporary part-time staffing (20-hours per week) to assist with records management for the WRF Project for the remainder of the fiscal year.

ATTACHMENT:

1. City of Morro Bay Water Reclamation Facility Project Quarterly Report December 30, 2019
2. CFAC Proposed Addition to the City of Morro Bay Water Reclamation Facility Project Quarterly Report (page 93 of the agenda packet)
3. Resolution No. 08-20



MORRO BAY
OUR WATER
RELIABLE. CLEAN. FOR LIFE.

City of Morro Bay
Water Reclamation Facility Project

QUARTERLY REPORT DECEMBER 2019

FINAL | January 2020





City of Morro Bay
Water Reclamation Facility Project

QUARTERLY REPORT DECEMBER 2019

FINAL | January 2020

This document is released for the purpose of information exchange review and planning only under the authority of Eric T. Casares, October 2019, State of California, P.E. 73351

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Abbreviations

APE	Area of Potential Effect
BDR	Basis of Design Report
BOD	Biochemical Oxygen Demand
CCC	California Coastal Commission
CDP	Coastal Development Permit
CDR	Concept Design Report
CEQA	California Environmental Quality Act
CPT	Cone Penetration Test
CPUC	California Public Utilities Commission
CWSRF	Clean Water State Revolving Fund
DDW	Division of Drinking Water
Design Build Team	Filanc and Black & Veatch
EPA	Environmental Protection Agency
ESCP	Enhanced Source Control Program
ESDC	engineering service during construction
FEIR	Final Environmental Impact Report
GMP	Guaranteed Maximum Price
IPR	Indirect Potable Reuse
IUP	Intended Use Plan
IWS	Industrial Waste Survey
KPI	Key Performance Indicator
MBPFC	Morro Bay Public Facilities Corporation
MBR	Membrane Bioreactor
NEPA	National Environmental Policy Act
NOI	Notice of Intent
NPDES	National Pollution Discharge Elimination System
NTP	notice to proceed
PA	Programmatic Agreement
PCO	Potential Change Order
PPP	Pollution Prevention Program
Program Manager	Carollo Engineers
Project	Water Reclamation Facility Project
RWQCB	Regional Water Quality Control Board
SHPO	State Historic Preservation Office
SPI	Schedule Performance Index
TSO	Time Schedule Order
TSS	Total Suspended Solids

USACE	United States Army Corps of Engineers
USBR	United States Bureau of Reclamation
UVAOP	Ultraviolet Advanced Oxidation Process
Vistra	Vistra Energy
WIFIA	Water Infrastructure Finance and Innovation Act
WRF	Water Reclamation Facility
WRFCAC	Water Reclamation Facility Citizens Advisory Committee
WWE	Water Works Engineers

Section 1

PROJECT OVERVIEW

1.1 General Project Status Update

All components of the Water Reclamation Facility Project (Project) are currently in progress. City staff and Carollo (Program Manager) are actively working with the design-build team and the pipeline designer to advance the design of the Water Reclamation Facility (WRF) and Conveyance Facilities, respectively.

During the last quarter, the design-build team and the pipeline designer advanced the 90-percent design deliverable for the WRF and Conveyance Facilities, respectively. The 90-percent design deliverables for the WRF and Conveyance Facilities components of the Project will be delivered in early 2020. Construction for the WRF component of the Project is anticipated to start in February/March 2020 following the completion of the Environmental Protection Agency's (EPA's) environmental review, which is required by the Water Infrastructure Finance and Innovation Act (WIFIA) program. The environmental review is being held-up by consultation with the United States Fish and Wildlife Service (USFWS). Construction for the Conveyance Facilities component of the Project is anticipated to start in July 2020.

On July 11, 2019, the California Coastal Commission (CCC) approved the City's Coastal Development Permit (CDP) with special conditions. On July 19, 2019, the City received a Notice of Intent (NOI) to issue the CDP 3-19-0463 that included several conditions that must be met before either the CDP can be issued or before construction can be started. In order to receive the CDP, the City was required to satisfy Special Condition 1 (Revised Final Plans) and Special Condition 2 (Construction Plans). Additional conditions, including Special Condition 6 (Recycled Water Management Plan) and Special Condition No. 13 (Other Authorizations), must be satisfied before construction of the Project can begin. In October 2019, the Program Manager finalized the documents for Special Condition No. 1, No. 2, and No. 6 with CCC staff and the fully executed CDP was received in November 2019. The City will deliver the final Special Condition No. 13 document in January 2020.

Since the City is receiving federal funds through both the WIFIA and Clean Water State Revolving Fund (CWSRF) programs, the Project is subject Section 106 consultation with the State Historic Preservation Office (SHPO). The City delivered the programmatic agreement (PA) to SHPO in the fall of 2019 and met with SHPO staff in October 2019 in Sacramento to finalize the PA. The City received the executed agreement from SHPO in December 2019.

City staff and the Program Manager have been working closely with the EPA's WIFIA staff to complete the Section 7 consultation process with the USFWS regarding the California Red Legged Frog (CRLF). The City and Program Manager have developed the avoidance measures and provided the information necessary for the consultation to be completed. USFWS has indicated that they will make every effort to comply with the EPA's request to expedite completion of the formal consultation by January 22, 2020. Within a week of closing the consultation, the EPA will close their environmental review and the City can issue a notice to proceed (NTP) for construction to the design-build team. Closing the EPA's environmental review is the last obstacle to issuing a construction NTP and beginning construction of the WRF at the South Bay Boulevard site.

Table 1 summarizes some of the key accomplishments and critical challenges identified for the Project through December 2019.

Table 1 Project Accomplishments and Challenges

Project Component	Key Accomplishments	Critical Challenges	Actions to Overcome Challenges	Likely Outcomes
General Project	Receipt of the executed PA from SHPO.			
	Receipt of the fully-executed CDP.			
	Execution of the purchase agreement for the Tri-W property and right of entry agreement with the Shepherd Trust, which gives the City the access needed to start construction of the WRF.			
Water Reclamation Facility	Continued development of the 90-percent design deliverable.			
		As design has continued, additional PCOs have been identified that are being evaluated by the City.	In order to minimize the impacts of future PCOs, the City needs to critically evaluate the need for PCOs and identify cost-saving measures to help offset cost increases.	The overall impact of the PCOs will lead to an increase in the Guaranteed Maximum Price (GMP), but every effort will be made to maintain cost increases within the contingency identified for the WRF component of the Project.
		Missing the 12-month construction Notice to Proceed (NTP) milestone due to CRLF issues..	Complete the consultation with United States Fish and Wildlife (USFW) as expeditiously as possible.	Missing the 12-month NTP milestone in October 2019 will result in some increase to the DB team’s GMP as a result of delay and escalation costs.

Conveyance Facilities	Continued development of the 90-percent design deliverable.			
		Expediting completion of the final design for the Conveyance Facilities.	Possible elimination of intermediate design deliverables.	Further delays in the start of construction could impact the start-up of the WRF and delay compliance with the time schedule order (TSO).
		Receipt of easements necessary to construct the pipelines in the City's existing bike path.	Work closely with Vistra, PG&E, and California Public Utilities Commission (CPUC) to obtain the easements.	Delayed receipt of the easements could complicate or delay construction of the Conveyance Facilities.
Recycled Water Facilities		Schedule recovery due to issues access Vistra and PG&E property.	Work with GSI to expedite the completion of the Phase 2 hydrogeology work.	Without expediting the schedule, the completion of the injection wells will be delayed (does not impact compliance with the TSO).

1.2 Quarterly Budget Revision

The original \$126 million baseline budget was developed in June 2018 (Q4 Fiscal Year 2017/2018) and was used as the basis for the rate study prepared by Bartle Wells Associates (Bartle Wells). At the beginning of each fiscal year, the budget is updated and used as the measure of performance for the Project during that upcoming fiscal year. The budget is then reviewed and reconciled on a quarterly basis so it can be compared to both the current fiscal year and baseline budgets. The next budget reconciliation will occur at the end of Q3 Fiscal Year 2019/2020 (March 31, 2020). A summary of the baseline, reconciled quarterly, and fiscal year budgets are summarized in Table 2. Subsequent budget reconciliations (quarterly) and fiscal year budgets (annual) will also be presented in this table for reference.

Table 2 Budget Revision Summary

Project Component	Baseline (Q4 FY 17/18)	Quarterly Reconciliation (Q3 FY 18/19)	Current Fiscal Year (Q4 FY 18/19)	Quarterly Reconciliation (Q1 FY 19/20)	Quarterly Reconciliation (Q2 FY 19/20)
Water Reclamation Facility	\$62,414,000	\$74,059,000	\$72,891,000	\$72,598,000	\$72,231,000
Conveyance Facilities	\$21,087,000	\$27,108,000	\$28,864,000	\$28,524,000	\$29,224,000
Recycled Water Facilities	\$8,593,000	\$5,366,000	\$5,250,000	\$5,212,000	\$5,353,000
General Program	\$24,403,000	\$11,614,000	\$11,801,000	\$11,625,000	\$11,701,000
Construction Contingency	\$9,444,000	\$6,450,000	\$7,132,000	\$7,131,000	\$7,364,000
Total	\$125,941,000	124,597,000	\$125,938,000	\$125,090,000	\$125,873,000

Notes:

(1) Breakdown of the current contingency (\$7,364,000) is as follows: WRF = \$4,605,000; Conveyance Facilities = \$2,458,000; and Recycled Water Facilities = \$300,000

Changes to the Project budget since the completion of the fiscal year budget reconciliation in Q1 Fiscal Year 2018/2019 can be attributed to the following:

- Addition of biological monitoring and mitigation to the Conveyance Facilities and Recycled Water Facilities components of the Project associated with avoidance of the CRLF
- Addition of pre-construction archeological investigations outlined in the PA for the Conveyance Facilities and Recycled Water Facilities components of the Project
- Addition of archeological and tribal representative monitoring for the Conveyance Facilities and Recycled Water Facilities components of the Project

Section 2

PROJECT COSTS

2.1 Performance Measures

A set of five (5) Key Performance Indicators (KPIs) were established to readily measure the progress of the Project. These KPIs represent various success factors associated with the WRF project management and delivery that were established by the Program Manager and City staff and are summarized as Table 3. The Project's performance is also illustrated graphically in Figures 1 and Figure 2.

Table 3 WRF Project Performance Measures

Performance Measure	Data	Baseline (Q4FY 18/19)	Current (Q1 FY 19/20)	Delta	Status	G	Y	R
1: Total Project Costs	Total Project Projected Cost at Completion versus the Baseline Budget (budget as of 12/31/19)	\$125.9 M	\$125.9 M	0.0%	G	Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
1.1: WRF Costs	On Site WRF Projected Cost at Completion versus the Baseline Budget (budget as of 12/31/19)	\$77.3 M	\$76.8 M	-0.6%	G	Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
1.2: Conveyance Facilities Costs	Conveyance Facilities Projected Cost at Completion versus the Baseline Budget (budget as of 12/31/19)	\$31.3 M	\$31.7 M	1.3%	G	Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
1.3: Recycled Water Facilities Costs	Off Site Injection Facilities Projected Cost at Completion versus the Baseline Budget (budget as of 12/31/19)	\$5.6 M	\$5.7 M	1.8%	G	Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
1.4: General Project Costs	General Project Projected Cost at Completion versus the Baseline Budget (budget as of 12/31/19)	\$11.7 M	\$11.7 M	0.0%	G	Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
2: Program Manager Earned Value	Ratio of Program Manager Earned Value to Actual Invoiced Cost-to-Date (as of 12/31/19)	1.00	1.14	0.14	G	>= 1.00	0.99 to 0.90	< 0.90
3: Schedule Performance Index⁽¹⁾	Ratio of Planned Percent Complete to Actual Percent Complete (as of 12/31/19)	1.00	0.92	-0.08	Y	>=1.00	0.99 to 0.80	<0.80
4: Conveyance Pipeline Installed	Feet of conveyance pipeline installed (thru 12/31/19)	18,500 LF	0.0 LF	0.0%	G	<= 5%	> 5% and <=7.5%	> 7.5%
5: Compliance Date Countdown	Days Remaining to Compliance Date (as of 12/31/19)	1,155 days	832 days	-323 days	Y	<= 365 days	364 days and 180 days	> 179 days

Notes:

(1) Delays associated with access to Vistra and PG&E property have resulted in schedule delays impacting hydrogeology work and completion of the Conveyance Facilities final design.

Section 3

PROJECT COSTS

3.1 Project Budget

The overall budget status for the Project is summarized in Table 4. The top half of the table provides a summary of total estimated Project costs, including original and current estimated costs for the entire Project. The bottom half of Table 4 shows the total amount of work currently under contract and provides a summary of total charges.

Table 4 WRF Project Overall Budget Status (thru December 2019)

Summary of Total WRF Project Cost	
Original Baseline WRF Project Budget ⁽¹⁾	\$125,941,000
Current Fiscal Year WRF Project Budget (as of 6/30/19) ⁽²⁾	\$125,884,000
Current WRF Project Budget (as of 12/31/19) ⁽³⁾	\$125,873,000
Budget Percent Change (Current versus Fiscal Year)	0.0%
Total Expenditures for December 2019 ⁽⁴⁾	\$47,064
Total Expenditures to Date (thru 12/31/19 invoices)	\$15,476,603
Percent of Current WRF Project Budget Expended	12.30%
Summary of Contracted Work	
Total Contracted Amount	\$80,084,640
Percent of Current WRF Project Budget Contracted	63.6%
Total Contracted Amount Expended	\$13,475,585
Percent of Contracted Amount Expended	16.8%
Remaining WRF Project Contracted Amount	\$66,609,055

Notes:

- (1) Developed in June 2018 as the basis of the approved rate surcharge that took effect in July 2019.
- (2) The budget for the Project is reviewed on an annual basis at the end of each fiscal year (June 30th) and is used as the basis of performance for the Project for the upcoming fiscal year.
- (3) The Project budget is reconciled on a quarterly basis and compared to the current fiscal year budget (i.e., September 30th, December 31st, and March 31st)
- (4) Monthly expenditure is significantly less than expected due to the timing of the preparation of this report. Monthly expenditures do not include invoices from the design-build team (Overland Contracting) or Program Manager (i.e., Carollo).

3.2 Project Cash Flow

Figure 1 presents the projected and actual expenditures for the Project through December 2019 compared to the Fiscal Year 2019/2020 budget developed at the end of Q4 Fiscal Year 2018/2019. The line graph shows the cumulative values for the Project and the bars show the discrete monthly values. Actual and budgeted expenditures from 2013 to the end of Fiscal Year 2018/2019 have been combined to improve readability. Milestones have been added to the cumulative fiscal year budget and cumulative forecasted expenditures to show changes in the Project schedule that have occurred between development of the fiscal year budget from June

2019 and the current, reconciled budget developed at the end of December 2019. The milestone corresponds to the substantial completion of the WRF, which coincides with the City being in compliance with the TSO issued by the Regional Water Quality Control Board (RWQCB) in June 2018. It should be noted that the cash flow in Figure 1 reflects the latest schedule revisions as a result of delays in completion of the hydrogeological work due to issues with access to the Vistra property and delays in receipt of the CDP. While, the compliance with the TSO has been delayed several months due to consultation with the USFWS, completion of construction of the injection wells has been impacted more significantly.

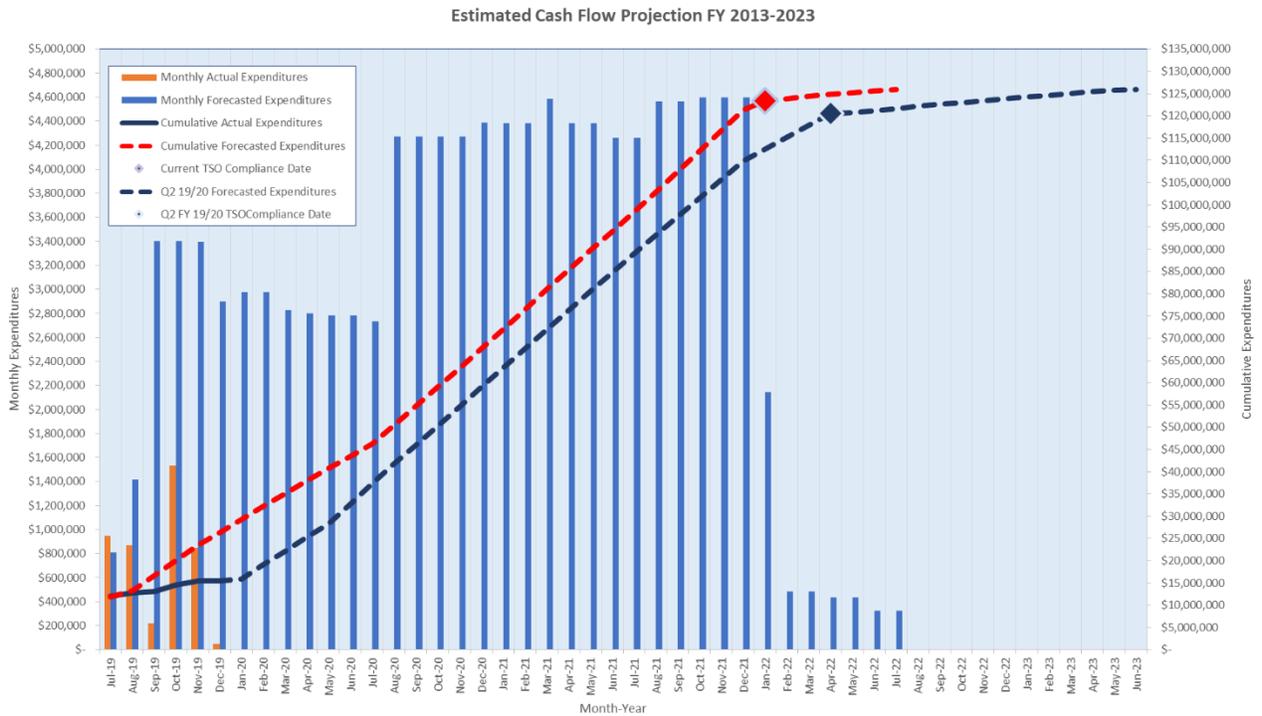


Figure 1 Project Cash Flow Projections and Actual Expenditures

A breakdown of the current Q1 Fiscal Year 2019/2020 budget by fiscal year is included in Table 5.

Table 5 WRF Project Cost Fiscal Year Projections

Project	Actual Expenditures to Date	Remainder FY 19/20	FY 20/21	FY 21/22	FY 22/23	Total Project
General Project	\$7,935,000	\$918,000	\$1,137,000	\$855,000	\$855,000	\$11,701,000
WRF	\$6,206,000	\$13,545,000	\$31,429,000	\$25,656,000	\$-	\$76,837,000
Conveyance Facilities	\$1,018,000	\$2,706,000	\$18,907,000	\$9,050,000	\$-	\$31,682,000
Recycled Water Facilities	\$317,000	\$138,000	\$622,000	\$733,000	\$3,842,000	\$5,653,000
Total	\$15,476,000	\$17,307,000	\$52,095,000	\$36,294,000	\$4,697,000	\$125,873,000

Notes:

(1) Cost includes the total anticipated cost for each element of the Project.

3.3 Project Cost Summary

Table 6 summarizes the cost-to-date and contracted amounts for each of the elements of the Project. This table also provides the current cost estimate for each project. Detailed information on the individual elements of the Project is provided in Section 7 of this Report.

Table 6 WRF Project Cost Summary (through December 2019)

Project	Actual Expenditures to Date	Total Contracted Cost	Contract Expended to Date (%)	Total Project Cost (Est.) ⁽¹⁾	Cost Expended to Date (%)
General Project	\$5,992,000	\$8,780,000	68.2%	\$11,701,000	51.2%
WRF	\$6,230,000	\$68,895,000	9.0%	\$76,837,000	8.1%
Conveyance Facilities	\$1,018,000	\$2,052,000	49.6%	\$31,682,000	3.2%
Recycled Water Facilities	\$236,000	\$358,000	65.9%	\$5,653,000	4.2%
Total⁽²⁾	\$13,476,000	\$80,085,000	16.8%	\$125,873,000	10.7%

Notes:

- (1) Cost includes the total anticipated cost for each element of the Project.
- (2) Actual total expenditures are equal to \$15,476,000 (Table 4), but includes \$2,000,000 of City costs (i.e., labor, expenses, etc.)

3.4 Detailed Project Costs

The following tables show the detailed costs to date for active contracts for each element of the Project.

Table 7 General Project Activities Cost Summary (through December 2019)

Consultant / Contractor	Actual Expenditures to Date	Total Contracted Cost	Contract Expended to Date (%)
ESA	\$412,080	\$412,920	99.8%
Far Western	\$124,212	\$130,113 ^{(1),(2)}	95.5%
Kestrel	\$194,823	\$219,872	88.6%
Bartle Wells Associates	\$61,908	\$64,000	96.7%
JoAnn Head Land Surveying	\$97,693	\$102,644	95.2%
JSP Automation	\$21,778	\$63,500	34.3%
Carollo Engineers, Inc. ⁽³⁾	\$1,765,115	\$4,280,812	41.2%
Total	\$2,677,608	\$5,273,861	50.8%

Notes:

- (1) Cost includes planned or anticipated amendments to active consultant agreements including a \$5,469 amendment that will be executed in January 2020 by City staff.
- (2) An additional amendment for pre-construction investigations for the Conveyance Facilities component of the project is currently being negotiated.
- (3) Total estimate at completion for Program Management/Construction Management is projected at \$9.8 million.

Table 8 WRF Cost Summary (through December 2019)

Consultant / Contractor	Actual Expenditures to Date	Total Contracted Cost	Contract Expended to Date (%)
Overland Contracting	\$6,205,848	\$68,870,572 ⁽¹⁾	9.0%
Total	\$6,205,848	\$68,870,572	9.0%

Notes:

(1) Cost includes final value for Amendment No. 1 of \$1,636,060 and the original contract value of \$67,234,512.

Table 9 Conveyance Facilities Cost Summary (through December 2019)

Consultant / Contractor	Actual Expenditures to Date	Total Contracted Cost	Contract Expended to Date (%)
Water Works Engineers (WWE)	\$1,018,474	\$2,052,387	49.6%
Total	\$1,018,474	\$2,052,387	49.6%

Table 10 Recycled Water Facilities Cost Summary (through December 2019)

Consultant / Contractor	Actual Expenditures to Date	Total Contracted Cost	Contract Expended to Date (%)
GSI	\$387,020	\$508,947	76.0%
Middle Earth	\$6,570	\$6,810	96.5%
Total	\$393,590	\$515,757	76.3%

3.5 Change Orders

In May 2019, City staff and the Program Manager presented seventeen (17) potential change orders (PCOs) with a total value of \$1.9 million for the WRF to the Water Reclamation Facility Citizens Advisory Committee (WRFCAC) and the City Council. The City Council approved these PCOs and authorized City staff to update the design-build team's contract and associated guaranteed maximum price (GMP). Since that time, the City and Program Manager have worked with the design-build team to value engineer Change Order No. 10 and reduce the cost by more than \$200,000. The City therefore amended the value for Amendment No. 1 to \$1,636,060 that was executed by the City in January 2020. While no new change orders were approved in Q2 FY 2019/2020, the City and Program Manager have been negotiating several potential change orders (PCOs) with the design-build team that will be brought to the Public Works Advisory Board (PWAB) in February 2020 for review and the City Council in March 2020 for approval. The seventeen (17) approved change orders are summarized in Table 11.

Table 11 Summary of Approved Change Orders

Contract	Change Order No.	Description	Value
WRF	01	New Sodium Hypochlorite Feed for Plant Water	\$78,576
WRF	02	Change Architecture of Operations Building	\$(21,623)
WRF	03	Headworks Odor Control	\$18,422
WRF	04	Remove Canopy and Monorail at MBR	\$(185,434)
WRF	05	Consolidate Chemical Facilities	\$218,978
WRF	06	Modify Chemical Piping	\$(15,856)
WRF	07	Remove Solids Dumpster Lid	\$14,543
WRF	08	Add SAFE Equalization Tank	\$504,116
WRF	09	Instrumentation and Control Changes	\$75,266
WRF	10	Revise Maintenance Building Layout and Size	\$516,583
WRF	11	Influent Piping and Metering	\$411,766
WRF	12	Install Outdoor-Rated Positive Displacement Blowers at BNR Facility	\$(58,210)
WRF	13	Remove Bypass of Coarse Screens	\$(37,137)
WRF	14	SAFE Diversion Box Additions	\$58,304
WRF	15	Size Dewatering as a Building in the Future	\$30,983
WRF	16	Stairs for the Coarse Screens and Grit Basins (total of 4)	\$52,870
WRF	17	IPR Product Water Tank Bypass	\$(26,087)
Total			\$1,636,060

3.6 Reimbursement from Funding Agencies

In 2017, the City was awarded a \$10.3 million planning loan from the CWSRF. To date, the City has applied for a three reimbursement requests that will exhaust the planning loan. A summary of these requests are summarized in Table 12.

Table 12 Summary of Reimbursement Requests

Agency	Description	Date	Value
State Water Board	CWSRF Planning Loan	December 2018	\$289,595
State Water Board	CWSRF Planning Loan	November 2019	\$6,431,925
State Water Board	CWSRF Planning Loan	December 2019	\$3,860,506
Total			\$10,582,026

Section 4

PROJECT SCHEDULE

A summary of the Project schedule is presented in Figure 2. The light blue bars for each major task represent the planned progress based on the baseline schedule. The dark blue bars represent the current actual progress through December 2019. For each major line item, the schedule performance index (SPI) has been provided as well as an overall SPI for the entire Project. The SPI is a ratio of the planned percent complete versus the current actual percent complete. A SPI of greater than 1.00 indicates that the Project is on or ahead of schedule and a SPI of less than 1.00 indicates the Project is running behind the planned schedule.

4.1 Project Milestones

In June 2018, the City received a TSO from the RWQCB. The TSO requires the City to comply with a time schedule that will, within five years of adoption, allow the City to achieve full compliance with biochemical oxygen demand (BOD) and total suspended solids (TSS) final effluent limitations established in Order No. R3-2017-0050. In addition to the final compliance date, a number of intermediate milestones are provided in Table 3 (Compliance Schedule) of the TSO. Presented in Table 13 are the milestones in the TSO.

Table 13 Time Schedule Order Milestone Summary

Required Actions	Compliance Due Date	Planned Compliance Date	Actual Compliance Date
Release of Public Draft EIR	March 30, 2018	-	March 30, 2018
Release of Updated Rate Study	June 30, 2018	-	July 05, 2018
Proposition 218 Hearing	August 30, 2018	-	September 11, 2018
Certification of Final EIR	June 30, 2018	-	August 14, 2018
Award of Contract for WRF	September 30, 2018	-	October 23, 2018
Develop, Implement, and Submit Pollution Prevention Plan (PPP) for BOD and TSS	December 01, 2018	TBD ⁽¹⁾	-
Award of Contract for Construction of Conveyance Facilities	November 30, 2019	June 17, 2020	-
Completion of WRF Improvements with Completion Report	December 30, 2022	April 11, 2022	-
Full compliance with final effluent limitations	February 29, 2023	April 11, 2022	-

Notes:

- (1) The City and Program Manager have noted this requirement in the previous quarterly progress reports sent to the RWQCB (as required by the TSO). The City has requested that the Enhanced Source Control Program required as part of the Title 22 Engineer's Report be considered acceptable for this requirement in lieu of the PPP identified in the TSO.

An expanded milestone schedule has also been developed for outstanding Project activities.

Table 14 Expanded Milestone Schedule

Milestone	Baseline Schedule due Date	Planned Completion Date
<u>General Project</u>		
Compliance with the TSO ⁽¹⁾	November 11, 2021	April 11, 2022
<u>Water Reclamation Facility</u>		
Begin Construction	August 08, 2019	February 03, 2020
Deliver 90 Percent Design	October 24, 2019	February 03, 2019
Substantial Completion	November 11, 2021	April 11, 2022
Final Completion	June 09, 2022	October 27, 2022
<u>Conveyance Facilities</u>		
Deliver 90 Percent Design	October 15, 2019	January 24, 2020
Deliver 100 Percent Design	December 17, 2019	March 27, 2020
Bid Advertisement	February 21, 2020	April 01, 2020
Award Construction Contract	May 08, 2020	June 17, 2020
Substantial Completion	September 17, 2021	October 22, 2021
Final Completion	November 19, 2021	December 24, 2022
<u>Recycled Water Facilities</u>		
Select Preferred Injection Area	May 28, 2019	February 28, 2020
Deliver 30 Percent Design	August 04, 2020	July 09, 2021
Deliver 60 Percent Design	November 10, 2020	October 15, 2021
Deliver 90 Percent Design	February 16, 2021	January 21, 2022
Deliver 100 Percent Design	April 27, 2021	April 01, 2022
Award Construction Contract	July 21, 2021	June 24, 2022
Substantial Completion	April 21, 2022	April 28, 2023
Final Completion	June 21, 2022	June 23, 2023

Notes:

(1) The TSO requires compliance with full secondary treatment by February 28, 2023.

Section 5 DESIGN AND PROCUREMENT

5.1 Design Status

No new design contracts for the Project were executed in Q2 Fiscal Year 2019/2020. A summary of the existing design contracts is included in Table 15 below.

Table 15 Procurement Status (through December 2019)

Project Name	Current Contract Amount	Amount Expended	30%	60%	90%	100%	Final
WRF	\$4,821,229 ⁽¹⁾	\$6,205,849	✓	✓		NA	
Conveyance Facilities	\$1,869,707 ⁽²⁾	\$1,018,473	✓	✓			
Recycled Water Facilities	\$0	\$0					

Notes:

- (1) The total value of the Overland Contracting contract is \$68,870,572, but includes \$4,821,229 allocated for design.
- (2) The total value of the Water Works Engineers contract is \$2,052,387, but includes \$182,680 for engineering services during construction (ESDC).

5.2 Procurement

No design or design-build contract procurements were performed in Q2 FY 2019/2020. Table 16 presents a summary of the procurement activity for the Project.

Table 16 Procurement Status (through December 2019)

Project Name	Circulate Request for Proposals	Proposal Opening Date	Council Award Date	Notice to Proceed Date	Consultant
WRF	January 24, 2018	May 08, 2018	October 23, 2018	November 01, 2018	Overland Contracting (Filanc-Black & Veatch)
Conveyance Facilities	January 31, 2017	March 08, 2017	November 14, 2017	November 15, 2017	Water Works Engineers
Recycled Water Facilities	Design Engineer to be Selected in 2020				

Section 6

CONSTRUCTION STATUS

6.1 Construction Summary

During Q2 Fiscal Year 2019/2020, design activities continued for the WRF component of the Project. However, construction for the WRF is not anticipated to start until early February 2019. Table 17 presents a summary of project construction progress and costs through December 2019.

Table 17 Project Construction Costs

Project Name	Amount Expended	Initial Contract Amount	Current Contract Amount	% Change in Contract Amount
WRF	\$0	\$62,413,335	\$64,281,242	3.0%
Conveyance Facilities	\$0	\$0	\$0	0%
Recycled Water Facilities	\$0	\$0	\$0	0%
Construction Total	\$0	\$62,413,335	\$64,281,242	3.0%

Notes:

(1) The total value of the Overland Contracting contract is \$68,870,572, but includes \$4,821,229 for design.

6.2 Upcoming Traffic Control

6.2.1 Planned Impacted Areas

6.2.2 Hours of Planned Lane/Road Closures

6.3 Construction Safety

The Project safety goal is zero reportable incidents. There has been a total of zero reported incidents through December 2019.

Section 7

OTHER PROGRAM ACTIVITIES

7.1 Public Outreach

In November and December 2019, outreach activities were focused around the underground utility location work (i.e., potholing) for the Conveyance Facilities component of the Project. Information about the work was developed and posted online and given to the Chamber of Commerce for distribution and front desk at City Hall. No calls were received through the Project information line about the underground utility location activities.

To date, contact has been made with about 70 businesses along the Conveyance Facilities pipelines alignment, including one-on-one meetings and pop-ins to drop off Project information. The purpose of the one-on-one meetings is to give businesses a status update and gather business access and operations information that can help inform the development of construction work restrictions and traffic control guidelines. Important information gathered includes parking information, driveway access and off-street circulation, large delivery/pick up vehicle scheduling, hours of operation and peak business times, types of customer traffic (e.g., appointments and walk-ins, vehicle and pedestrian) and point of contact verification.

Currently, the information gathered from the business outreach is being compiled for use by the Conveyance Facilities design engineer in determining construction work restrictions that will be included in the bid packages and used by the contractor to finalize the traffic control plans. During the one-on-one meetings with businesses, it became clear that businesses would like more regular updates about the Project. An e-newsletter will be used to help provide regular updates to stakeholders. The first e-newsletter will be distributed to businesses by the end of January 2020.

The Program Manager's outreach team is preparing a new public website to house project updates, documents and resources. The website will be more user-friendly and will include space for construction information in the future.

A City email address (wrfinfo@morrobayca.gov) has been established alongside the information line (877-MORROBAYH2O) to field stakeholder inquiries.

7.2 Permitting Activities

Permit compliance is an important aspect of the Project. The current permitting activities include:

- Continued developing the Enhanced Source Control Program (ESCP) required by the Division of Drinking Water (DDW) for potable reuse projects.
 - Followed-up with businesses that were initially contacted during the Industrial Waste Survey (IWS) but did not receive a reply.
- Consultation with SHPO is needed for compliance with the National Environmental Policy Act (NEPA) required to secure WIFIA and CWSRF funding.

- The City received the final, executed PA from SHPO in December 2019 and is ready to start construction for the WRF portion of the Project.
- The City received a letter from USFWS in October 2019 indicating they did not agree with the EPA's finding to not adversely affect the CRLF. This finding was communicated in a letter sent to USFWS in July 2019. Receipt of this letter extended the consultation process and prevented the EPA from closing their environmental review. In late December 2019, the EPA received a letter from the USFWS indicating they would make every effort to expedite the formal consultation process by January 22, 2020. The City and Program Manager have supported the EPA with USFWS consultation with the following activities:
 - Preparing an initial response letter to the USFWS in October 2019.
 - Participating in numerous conference calls to discuss the details of the consultation process with the EPA and USFWS.
 - Providing additional information to USFWS in December 2019 to complete the consultation process.

7.3 Funding Status

- Coordination with WIFIA staff to facilitate the environmental review and finalize loan terms. The City will be bringing the final loan terms and applicable resolutions to the Morro Bay Public Facilities Corporation (Corporation) and City Council in January 2020.
- Coordination with CWSRF staff to facilitate the environmental, technical and financial review. The City anticipates signing a loan with CWSRF in spring 2020.
- Continued development of the project report for the United States Bureau of Reclamation (USBR) Title XVI Grant Program. The City plans to apply for the Title XVI Grant Program in 2020.

7.4 City Operations Activity

The current City Operations activities include:

- Significant City Operations activities are not anticipated until start-up of the WRF begins in October 2021.

Section 8

PROJECT DETAILS

8.1 Water Reclamation Facility

8.1.1 Design/Build

In October 2018, the City executed a contract with Overland Contracting consisting of a joint venture of Filanc and Black & Veatch (i.e., design-build team) for design and construction of the WRF located at the South Bay Boulevard site. The WRF will be delivered using the design-build process.

8.1.2 Project Scope

The scope of this element of the Project includes a preliminary, secondary, and advanced treatment facilities. The secondary treatment processes will consist of a MBR and have the ability to exceed the anticipated discharge requirements for the City's new National Pollution Discharge Elimination System (NPDES) permit. The advanced treatment facilities include RO and UVAOP. Purified water from the advanced treatment facilities will be injected into the Lower Morro Groundwater Basin.

8.1.3 Current Progress

The design-build team delivered the 60-percent design deliverable in August 2019. The design-build team has continued development of the design and anticipates delivering the 90-percent design deliverable in February 2020.

8.1.4 Upcoming Activities

The next step in the design-build process is the start of construction. In addition, the design-build team is continuing to advance the design and is planning to deliver the 90 percent submittal in November 2019.

8.1.5 Project Challenges

The goal is to move this element of the Project into construction as soon as possible. At this time, the construction is being held-up by the two items are on the critical path for WRF construction. These include issuance of a CDP by the CCC (anticipated October 2019) and completion of the SHPO consultation process (anticipated October 2019).

Table 18 WRF Performance Measures

Performance Measures	Target	Current	Status
Construction Cost ^{(1),(2)}	\$67.2M	\$68.9M	
Construction Contingency ^{(3),(4)}	\$6.2M	\$4.6M	

Notes:

(1) Project budget and current contract amount (≤5% over target = Green, between 5% and 10% over target = Yellow, >10% over target = Red).

- (2) The GMP includes costs for both design and construction of the WRF.
- (3) Project budget and current amount (≤50% of target = Green, between 0% and 50% of target = Yellow, ≤0% of target = Red).
- (4) The Program Manager initially allocated \$6.2 million for contingency for the WRF component of the project. With execution of Amendment No. 1, \$1.6 million has been moved from contingency to the GMP leaving \$4.6 million in contingency.

Table 19 WRF Construction Summary

Schedule					
Request for Bid / Bid Advertisement	January 24, 2018				
Bid Opening Date	May 08, 2018				
Contract Award / Council Award Date	October 23, 2018				
Notice to Proceed for Construction	NA				
Original Final Completion Date	June 09, 2022				
Original Duration (Non-Working Days)	1,316				
Days Changed by Change Order	0				
Actual Final Completion Date (including Non-Working Days)	October 27, 2022				
Schedule Percent Complete	29.6%				
Budget					
Engineer's Estimate (Construction Cost + 10% Construction Contingency)	\$73,475,845				
Award Amount (including Design Cost)	\$67,234,512				
Change Order Total	\$1,636,060				
Current Contract Value	\$68,870,572				
Percent Change	2.4%				
Work Completed					
Actual Cost -to-Date	\$6,205,848				
Percent Complete (Percent Expended)	9.0%				
Construction Management Statistics					
	RFIs	Submittals	PCOs	COs	NOPCs
Total Received	0	0	68	17	1
Total Responded To ⁽¹⁾	0	0	17	17	1
Total Pending	0	0	25	0	1
Average Turnaround (calendar days)	0	0	N/A	N/A	N/A

Acronym List:

- (1) RFI – Request for Information
- (2) PCO – Proposed Change Order
- (3) CO – Change Order
- (4) NOPC – Notice of Potential Claim

Notes:

- (1) 13 of the PCOs that were reviewed were eventually eliminated or resulted in a no-cost change.

8.2 Conveyance Facilities

8.2.1 Designer

In November 2017, the City executed a contract with Water Works Engineers (WWE) for design and engineering support for the facilities necessary to connect the existing WWTP and the new WRF.

8.2.2 Contractor

This element of the Project is being delivered via a conventional design-bid-build procurement process. The Conveyance Facilities are currently under design and will begin construction in the summer of 2020.

8.2.3 Project Scope

The Conveyance Facilities originally included the design of approximately 3.5 miles of pipelines and a lift station located near the existing WWTP. The pipelines include two raw wastewater force mains and a wet weather/brine discharge force main. Several changes to the Conveyance Facilities have occurred since the contract was executed with WWE including the addition of a second, smaller lift station near the intersection of Main Street and Highway 1 and the addition of the potable reuse transmission main to either the east or west injection site.

8.2.4 Current Progress

WWE, City staff, and Carollo presented the preferred lift station orientation (dual) and the recommended pipeline alignment (west of Highway 1 along Quintana Road) to WRFAC and the City Council in December 2018 and January 2019, respectively. In June 2019, WWE, City staff, and the Program Manager presented the Final-Draft CDR to both WRFAC and City Council. WWE delivered the 60 percent design submittal in September 2019 and is currently preparing the 90-percent submittal.

8.2.5 Upcoming Activities

WWE recently completed the utility investigations (i.e., potholing) in November/December 2019. During this time, a total of 82 potholes were completed to support the development of the 90-percent design of the Conveyance Facilities.

8.2.6 Project Challenges

Access to private property has caused delays in this element of the property. Access to the PG&E and Vistra properties is no longer an issue and the field work needed to advance the design of the Conveyance Facilities has been completed. The City is now working to secure the easements necessary to construct the pipelines in the City’s existing bike path.

Table 20 Conveyance Facilities Performance Measures

Performance Measures	Target	Current	Status
Construction Cost ⁽¹⁾	\$0.0M	\$0.0M	
Construction Contingency ⁽²⁾	\$2.5M	\$0.0M	
Number of Feet of Pipelines Constructed ⁽²⁾	18,500 LF	0 LF	

Number of Days of Full Road Closures ⁽¹⁾	0 Days	0 Days	
Number of Hours of Night Work	0 Hours	0 Hours	

Notes:

- (1) Project budget and current contract amount (≤5% over target = Green, between 5% and 10% over target = Yellow, >10% over target = Red).
- (2) Project budget and current amount (≤50% of target = Green, between 0% and 50% of target = Yellow, ≤0% of target = Red).

Table 21 Conveyance Facilities Summary

Schedule					
Request for Bid / Bid Advertisement	NA				
Bid Opening Date	NA				
Contract Award / Council Award Date	NA				
Notice to Proceed for Construction	NA				
Original Final Completion Date	NA				
Original Duration (Non-Working Days)	NA				
Days Changed by Change Order	0				
Actual Final Completion Date (including Non-Working Days)	NA				
Schedule Percent Complete	0%				
Budget					
Engineer's Estimate (Construction Cost + 10% Construction Contingency)	\$26,475,000				
Award Amount	\$0				
Change Order Total	\$0				
Current Contract Value	\$0				
Percent Change	0%				
Work Completed					
Actual Cost -to-Date	\$0				
Percent Complete (Percent Expended)	0%				
Length of Pipe Installed (actual to date / planned total)	0 LF / 18,500 LF				
Construction Management Statistics					
	RFIs	Submittals	PCOs	COs	NOPCs
Total Received	0	0	0	0	0
Total Responded To	0	0	0	0	0
Total Pending	0	0	0	0	0
Average Turnaround (calendar days)	0	0	N/A	N/A	N/A

Acronym List:

- (1) RFI – Request for Information
- (2) PCO – Proposed Change Order
- (3) CO – Change Order
- (4) NOPC – Notice of Potential Claim

8.3 Recycled Water Facilities

8.3.1 Designer

Procurement activities for the designer for the Recycled Water Facilities have not yet been started, but it is anticipated that design will begin in 2020 following completion of the Phase 1, Phase 2, and Phase 3 hydrogeological work by GSI.

8.3.2 Contractor

This element of the Project is being delivered via a conventional design-bid-build procurement process. The Recycled Water Facilities are currently under design and will begin construction in the spring of 2020.

8.3.3 Project Scope

Since the potable reuse pipeline from the WRF to the selected injection site was moved into WWE's scope for design of the Conveyance Facilities, this element of the Project consists primarily of full-scale injection wells at either the west or east injection sites.

8.3.4 Current Progress

Since beginning work in November 2018, GSI has completed several of the tasks necessary to recharge 800 to 825 acre-feet per year of recycled water with a series of injection wells in the Lower Morro Groundwater Basin. To this end, GSI has:

- Installed groundwater monitoring devices in all of the City's active production wells and seawater wells.
- Utilized the numerical groundwater model of the Lower Morro Groundwater Basin for particle tracking and solute transport modeling.
- Characterized the eastern (Narrows) area of the basin with cone penetration testing, characterized the hydrogeologic characteristics of the Narrows area with installation of a monitoring well and conducting aquifer testing.
- Began coordination with Vistra for the evaluation of the western injection site.

8.3.5 Upcoming Activities

In the coming months, GSI will complete the evaluation of the western injection site, including aquifer testing, conducting a pilot injection testing program in coordination with the RWQCB and DDW requirements. This injection testing will occur over a period of several weeks and will include tracer, travel time and clogging analyses. Based on results of the injection testing and travel time analyses, the groundwater model will be updated, the results of which will be incorporated into a summary report, documenting the findings, conclusions and recommendations for full-scale injection well system. We anticipate completing this work by the end of September 2020.

8.3.6 Project Challenges

As mentioned previously, access challenges for the Vistra property have prevented the Recycled Water Facilities from advancing through Phase 3. A work plan was submitted to Vistra in May 2019 and was anticipated that characterization of the west injection area would begin shortly after receipt of the CDP for the Project in November 2019. However, the City has continued to have problems accessing the Vistra property and the Morro Bay Mutual Water Company Well

Table 22 Recycled Water Facilities Performance Measures

Performance Measures	Target	Current	Status
Construction Cost ⁽¹⁾	\$0.0M	\$0.0M	
Construction Contingency ⁽²⁾	\$0.3M	\$0.0M	

Notes:

- (1) Project budget and current contract amount (≤5% over target = Green, between 5% and 10% over target = Yellow, >10% over target = Red).
- (2) Project budget and current amount (≤50% of target = Green, between 0% and 50% of target = Yellow, ≤0% of target = Red).

Table 23 Recycled Water Facilities Summary

Schedule					
Selection of the Injection Site					NA
Request for Bid / Bid Advertisement					NA
Bid Opening Date					NA
Contract Award / Council Award Date					NA
Notice to Proceed for Construction					NA
Original Final Completion Date					NA
Original Duration (Non-Working Days)					NA
Days Changed by Change Order					0
Actual Final Completion Date (including Non-Working Days)					NA
Schedule Percent Complete					0%
Budget					
Engineer's Estimate (Construction Cost + 10% Construction Contingency)					\$3,300,000
Award Amount					\$0
Change Order Total					\$0
Current Contract Value					\$0
Percent Change					0%
Work Completed					
Actual Cost -to-Date					\$0
Percent Complete (Percent Expended)					0%
Work Completed					
	RFIs	Submittals	PCOs	COs	NOPCs
Total Received	0	0	0	0	0
Total Responded To	0	0	0	0	0
Total Pending	0	0	0	0	0
Average Turnaround (calendar days)	0	0	N/A	N/A	N/A

Acronym List:

- (1) RFI – Request for Information
- (2) PCO – Proposed Change Order
- (3) CO – Change Order
- (4) NOPC - Notice of Potential Claim

ATTACHMENT 2

Table 3 Estimates at Completion

Project Component	Original Estimates	Initial Contract Value	Current Contract Value	Expenditures to Date	Estimate at Completion
General Project	\$24,403,000			\$2,344,024	\$13,503,000
City Costs ⁽¹⁾				\$962,983	\$3,673,000
Program Management ⁽²⁾ (Carollo Engineers)		\$293,000	\$4,269,916	\$1,381,041	\$9,830,000
Water Reclamation Facility	\$62,414,000			\$4,557,743	\$69,112,000
Design/Build (Filanc/Black & Veatch)		\$67,234,512	\$69,112,470	\$4,557,743	\$69,112,000
Conveyance Facilities	\$21,087,000			\$1,018,474	\$26,068,000
Design (Water Works Engineers)		\$1,360,565	\$2,052,387	\$1,018,474	\$2,052,000
Construction				-	\$24,016,000
Recycled Water Facilities	\$8,593,000			-	\$3,450,000
Design				-	\$450,000
Construction				-	\$3,000,000
Contingency	\$9,444,000				\$7,131,000
Water Reclamation Facility					\$4,373,000
Conveyance Facilities					\$2,458,000
Recycled Water Facilities					\$300,000
Other Contracts⁽³⁾				\$5,126,967	\$5,826,000
Total	\$125,941,000			\$13,047,209	\$125,090,000

Notes:

- (1) City costs include staff salaries and benefits, legal services, land acquisition, supplies and equipment, etc.
- (2) Includes total program management costs including public outreach and construction oversight/management
- (3) Other Contracts includes previous consultants including MKN and Black & Veatch and current consultants including Far Western, ESA, Kestrel, GSI, Bartle Wells Associates, etc.

RESOLUTION NO. 08-20

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
APPROVING AMENDMENTS TO THE CITY'S FISCAL YEAR 19/20 BUDGET
TO AUTHORIZE TEMPORARY STAFFING TO ASSIST
WITH RECORDS MANAGEMENT
FOR THE WATER RECLAMATION FACILITY ("WRF") CAPITAL PROJECT**

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

WHEREAS, the City of Morro Bay has received over 60 public records requests for WRF related documents and records; and

WHEREAS, staff cannot continue to support responding to those public records requests without additional staff support dedicated to compiling and responding to WRF related public records requests; and

WHEREAS, City staff requests approval to hire a temporary, part-time employee at 20-hours per week to support compiling records and responding to WRF related public records requests through the remainder of the fiscal year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, the WRF Capital Project Operating Budget (922-8312) be amended to include additional expenditures of \$13,500 in temporary staffing and benefits to assist staff with records management and website improvements for the WRF Capital Project and responding to and compilation of the public records requests regarding that Project.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 28th day of January 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

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AGENDA NO: C-2

MEETING DATE: January 28, 2020

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 21, 2020

FROM: Rob Livick, PE/PLS – Public Works Director/City Engineer
Eric Casares, PE – WRF Program Manager

SUBJECT: Approval of Amendment No. 2 to Far Western’s 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 amended agreement with Far Western Anthropological Research Group, Inc. (Far Western), dated December 1, 2019, for continued archeological support of the Water Reclamation Facility (WRF) Project in an increased amount of \$130,809 and for an extended term through April 30, 2020.

FISCAL IMPACT

The amendment results in no fiscal impact to the WRF Project budget, as this additional expenditure was anticipated during preparation of the Q2 Fiscal Year 2019/2020 budget reconciliation.

BACKGROUND

In April 2015, the City executed an agreement with Far Western to support the selection of the WRF site by providing a fatal flaw cultural analysis of the MacElvaine property (Rancho Colina). That agreement was amended in November 2015 to provide a similar analysis for additional sites including the Righetti property (Amendment No. 1) and again in June 2016 for the Madonna and South Bay Boulevard properties (Amendment No. 2). Their scope of work was further expanded to include an evaluation of potential lift station sites and pipeline routes (Conveyance Facilities) in January 2017 in support of the development of the WRF Project’s Draft Environmental Impact Report (DEIR) (Amendment No. 3). To further support the development of the DEIR, their agreement was again amended in December 2017 to include development of the area of potential effects (APE), Native American Consultation, assessment of the potential for buried archeological resources, and a pedestrian study of the various components of the WRF Project (Amendment No. 4).

Following certification of the Final Environmental Impact Report (FEIR) by the City Council on August 14, 2018, the City negotiated an updated agreement with Far Western to support the required Section 106 consultation with the State Historic Preservation Office (SHPO) (New Agreement). This New Agreement included development of an Archeological Research Design and Treatment Plan (ARDTP) and assistance in preparation of a Programmatic Agreement (PA) with SHPO. The City received the executed PA from SHPO in December 2019, which marks a major milestone for the WRF Project. Another amendment with Far Western was executed in January

Prepared By: RL

Dept Review:

City Manager Review: SC

City Attorney Review: JWP

2020 and included additional effort to develop the Cultural Resources Monitoring and Mitigation Program (CRMMP) as required by the FEIR's Mitigation Measure CUL-5 (New Amendment No. 1). The total amount of the New Agreement, as amended to date, is \$130,113.01.

Far Western has been an invaluable member of the WRF Project technical team and has been serving as the Project Archeologist for nearly five years.

NEW AMENDMENT NO. 2

The PA finalized with SHPO in December 2019 allows construction for the WRF, located at the South Bay Boulevard site, to commence without any additional cultural resource investigations due to the nature of the site geology and the results of previous surveys that have been completed. However, the ARDTP included in the PA requires additional investigation for the Conveyance Facilities and Recycled Water Facilities (i.e., injection wells) components of the WRF Project before construction of those project components can begin.

The scope of work included in this amendment (New Amendment No. 2) includes the work necessary for Far Western to meet the requirements in the PA and complete the continued cultural resource studies necessary before construction of the Conveyance Facilities can begin. This work includes:

- Drilling hydraulic continuous cores at roughly 75-foot intervals throughout the sensitive portions of the Conveyance Facilities component of the WRF Project (total of 70 borings)
- Collection and field analysis of the core samples for identification of archeological material
- Preparation of a draft and final testing report
- Native American monitoring of the fieldwork and field analysis

CONCLUSION

Completion of the additional pre-construction cultural resource investigations for the Conveyance Facilities component of the WRF Project is required by the PA executed with SHPO before construction of those off-site improvements can proceed. Construction of the on-site improvements for the WRF Project by the design-build team will not be delayed by this. Staff recommends the City Council approve Amendment No. 2 to the existing agreement with Far Western in the amount of \$130,809, for a total of \$260,922.01 and extend that agreement through April 30, 2020.

ATTACHMENT

1. New Amendment No. 2, including Exhibit A (Scope of Services and Fee)

CITY OF MORRO BAY

AMENDMENT NO. 2 TO THE AGREEMENT
FOR CONSULTANT SERVICES
BETWEEN THE CITY OF MORRO BAY AND
FAR WESTERN ANTHROPOLOGICAL RESEARCH GROUP, INC.

This Amendment No. 2 is entered by and between the City of Morro Bay, a municipal corporation ("City") and Far Western Anthropological Research Group, Inc., a California corporation ("Consultant").

RECITALS

WHEREAS, City and Consultant entered into an agreement as of January 1, 2019, for consulting services related to the Water Reclamation Facility (the "Project") for a not to exceed amount of \$124,644.01 (the "Agreement"); and

WHEREAS, the Parties amended the Agreement as of December 1, 2019, to include additional services and established a not to exceed amount of \$130,113.01 for the entire Agreement (Amendment No. 1); and

WHEREAS, the Agreement and Amendment No. 1 are hereinafter referred to as the "Amended Agreement"; and

WHEREAS, the Parties now agree it is time to again amend the Amended Agreement to provide for additional pre-construction archeological exploration for the Conveyance Facilities component of the Project, which work requires an expansion of the tasks to be provided by Consultant and extension of the term of the Amended Agreement pursuant to this Amendment No. 2; and

WHEREAS, Consultant has specific knowledge and experience to provide technical oversight needed to accomplish necessary tasks required to meet the City Council's goals for the Project; and

WHEREAS, due to the expansion of the tasks to be provided, 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 amended by this Amendment No. 2, 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 commenced immediately upon execution of this Amendment No. 2, and satisfactorily completed within 90 days after commencement.

2. The compensation to be paid for the Additional Work described in Exhibit A shall not exceed \$130,809, as described on page 4 of Exhibit A, for a total not to exceed amount of \$260,922.01 for the Amended Agreement.

3. The Amended Agreement is also amended so it will remain and continue in effect until all tasks are satisfactorily completed, but in no event later than April 30, 2020, unless sooner terminated pursuant to the provisions of the Amended Agreement.

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 February 1, 2020 (Effective Date).

IN WITNESS WHEREOF, the parties will be deemed to have caused this Amendment No. 2 to be executed by their duly authorized representatives as of the Effective Date.

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



December 10, 2019

Rob Livick
Public Works Director
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

Re: Continued Cultural Resources Studies for the New Water Reclamation Facility Project, Morro Bay, San Luis Obispo County, California (REVISED).

Dear Rob:

Per your request, the following serves as a REVISED Scope of Work and Cost Estimate for additional cultural resources studies for the Water Reclamation Facility (WRF) Project in Morro Bay, San Louis Obispo County, California. In 2019, Far Western prepared an Archaeological Survey, Research Design and Treatment Plan for the project (Kaijankoski et al. 2019), and a Programmatic Agreement (PA) will soon be in place among the City, the Environmental Protection Agency (EPA; federal lead agency), and the State Historic Preservation Officer. The PA divided the project construction components into the following phases: new WRF (Phase 1); new collection system including lift stations and pipelines (Phase 2); a new distribution system to convey recycled water from the WRF to new injection wells in the Morro Valley (Phase 3); and decommission the existing wastewater treatment plant (Phase 4). This scope of work includes preconstruction testing for Construction Phase 2 as required under the PA and is summarized below. Preparation of a monitoring plan for Construction Phase 1 (also required by the PA) is presented under separate cover.

SCOPE OF WORK

Project Management

Far Western Principal Investigators will insure quality control, scheduling, adherence to regulatory guidelines, costs, project administration, staff coordination, billing, and other administrative duties.

Preconstruction Testing for Construction Phase 2

Far Western will conduct preconstruction testing for the new conveyance system (pipelines and lift stations) connecting the new WRF with the existing water treatment plant (Construction Phase 2) in accordance with the Treatment Plan (Kaijankoski et al. 2019) and PA. The Area of Direct Impact (ADI) will be tested within or near previously recorded prehistoric archaeological sites and areas modeled to have a high sensitivity for buried sites. Specifically, this includes the pipeline alignment and lift stations between Main Street and the existing water treatment plant where many known sites are located, and a segment of Quintana Road east of South Bay

Boulevard adjacent to two known sites. This will require pre-field coordination and field and lab work followed by full documentation. Additionally, testing conducted in the California Department of Transportation (Caltrans) right-of-way will require a proposal for presence/absence (Extended Phase I) testing for Caltrans' approval.

Prior to fieldwork, a boring permit will be acquired from the San Luis Obispo County Environmental Health Services Division for cores to be drilled below 25 feet. Encroachment permits will also be acquired from Caltrans and the City of Morro Bay, which will include traffic control plans. Up to three field days by one person will be needed to mark core locations for Underground Service Alert, and meeting with underground utility operators and city staff. Other pre-excavation tasks include general logistics and scheduling.

Fieldwork will entail drilling hydraulic continuous cores with a truck-mounted Geoprobe 6600 at roughly 75-foot intervals throughout the sensitive portions of the Construction Phase 2 ADI. Crew will consist of two drill rig operators overseen by an archaeologist. Cores will be drilled to the maximum depth of anticipated project impacts, estimated to be 10 feet below surface for the pipeline alignment, 35 feet below surface for Lift Station A, and 25 feet below surface for Lift Station B. This will require up to 70 shallow (10-foot deep) cores for the pipeline and four deep (25 to 35-foot deep) cores for the lift stations, estimated to take five days. Up to three of these days will require traffic control for testing in Atascadero Road, the Highway 1 southbound on-ramp, and Quintana Road.

As cores are drilled, soil samples will be contained in three-inch-diameter, five-foot-long plastic liners that will be capped and transported to a field laboratory to be provided by the City. Holes left in the roadway from coring will be backfilled with a cement slurry capped with either concrete or cold patch asphalt. At the field laboratory, cores will be opened, photographed, visually examined for archaeological materials, sampled, and processed by either wet-screening or flotation. A total of three archaeologists will be present during coring and field lab processing, one of whom will be an osteologist qualified to identify human bone. A Native American monitor will also be present for core processing. The field lab will include a rented shipping container, portable toilet, and wet-screening equipment. Any cultural deposits recovered will be transported to the Far Western lab for cataloguing and further analysis. Non-cultural unprocessed soil from the cores can be discarded at a location to be determined by the City. If no such location is available, soil will be stored in 55-gallon drums at the field laboratory and later tested for hazardous materials and discarded appropriately. Processing of cores will be ongoing during coring and expected to continue for up to five days after coring is complete.

Following fieldwork and laboratory analysis, a draft testing report for Construction Phase 2 will be prepared and submitted to the City, EPA, and Caltrans for review. It will include testing methods and results; recommendations for additional cultural resources identification, evaluation, and/or mitigation; archaeological site record updates on California Department of Parks and Recreation 523 series forms; and a monitoring plan for Construction Phase 2. The draft report will be revised based on comments and a final report submitted to the City, EPA, Caltrans, and the Central Coast Information Center of the California Historical Resources Information System.

Native American Participation

We anticipate that a qualified consultant will handle Native American consultation, monitoring schedules, and payment. We assume that Native Americans will be given the opportunity to review all draft reports. Per the Environmental Impact Report for the project (ESA 2018), a Native American monitor is required during all archaeological testing and any earth-disturbing construction. A monitor will also oversee opening test cores in the field lab. Both Salinan and Chumash groups have indicated interest in monitoring and it is anticipated that they will rotate field time, with each keeping detailed logs to share with other groups. If human remains are identified, the Native American Heritage Commission will appoint a Most Likely Descendant who will decide how to deal with the remains and any associated artifacts.

We have budgeted a Native American monitoring rate of \$100 per hour for Construction Phase 2; however, the City may choose to subcontract directly with the Native American monitors and negotiate rates accordingly as is being done with Mr. Collins for Construction Phase 1.

Budget and Schedule

Far Western will undertake this contract for a not-to-exceed amount of \$130,809.00 billed on a time and materials basis (see enclosed cost estimate). Far Western will initiate work within five working days of receipt of a signed contract and notice to proceed from the client. The Caltrans testing proposal will be submitted within 45 days of notice to proceed. Final documents will be submitted within one month of receipt of comments. The draft report on presence/absence testing methods and results will be submitted four months from the end of field work and the final document one month following receipt of comments. This schedule may alter should there be significant changes to the project area or plans.

ASSUMPTIONS

Far Western has prepared this scope of work with the following assumptions:

- A cost-of-living increase of up to 3.0% will be applied for tasks completed after September 30, 2020.
- The City shall address all access issues to the project area.
- Testing will be conducted shortly after utility potholing for the project and therefore a private utility locator will not be necessary.
- A city representative will approve all core locations prior to coring; Far Western will not be held liable for any damages to underground utilities or structures.
- City to provide a location for a temporary field laboratory with water where cores can be opened and sediment samples wet-screened.
- No soils containing hazardous materials requiring special treatment and disposal will be recovered.
- Curation of cultural materials is not included as it is assumed any discovery will require additional testing.
- Major changes to project design will result in additional costs.
- The draft reports will undergo two rounds of edits - with the City and/or EPA.
- Up to three copies each of the draft and final report will be produced.

- No additional identification efforts, evaluation or mitigation proposals, resource evaluation, or data recovery investigations are included in the attached cost estimate.

If you have any questions, please contact me at phil@farwestern.com or 530-756-3941. Thank you for your consideration.

Best Regards,

A handwritten signature in black ink, appearing to read "Philip Kaijankoski".

Philip Kaijankoski
Principal Investigator

Enclosure: Cost Estimate

References Cited

Environmental Science Associates (ESA)

- 2018 *Morro Bay Water Reclamation Facility Final Environmental Impact Report*. June 2018. Environmental Science Associates, Los Angeles, California. Prepared for the City of Morro Bay.

Kaijankoski, Philip, Laurel Engbring, and Patrica Mikkelsen

- 2019 *Archaeological Survey, Research Design, and Treatment Plan for the Morro Bay Water Reclamation Facility Project, San Luis Obispo County, California*. Far Western Anthropological Research Group, Inc., Davis, California. Submitted to City of Morro Bay, Morro Bay, California.

BUDGET SUMMARY

PROJECT TITLE: Morro Bay Water Reclamation Facility
TASK: Testing and Reporting

CONTRACTOR: City of Morro Bay
CONTRACTOR CONTACT: Rob Livick, Eric Caseras

TASK	LABOR HOURS	LABOR COST	OTHER DIRECT COSTS	SUBCONSULTANTS	SUBTOTAL
Management	42	\$ 5,352	\$ -	\$ -	\$ 5,352
Caltrans Proposal	60	\$ 6,146	\$ 55	\$ -	\$ 6,201
Prefield	76	\$ 7,559	\$ 2,108	\$ -	\$ 9,666
Coring and Field Lab	288	\$ 26,305	\$ 40,267	\$ 8,800	\$ 75,372
Archaeological Lab Analysis	68	\$ 5,646	\$ 3,850	\$ -	\$ 9,496
Testing Report	232	\$ 24,447	\$ 275	\$ -	\$ 24,722
GRAND TOTAL					\$ 130,809

BUDGET SUMMARY

Rates valid until September 30, 2020.

A Cost of Living adjustment of up to three percent will be applied annually on October 1.

PROJECT TITLE: Morro Bay Water Reclamation Facility
 TASK: Testing and Reporting

 CONTRACTOR: City of Morro Bay
 CONTRACTOR CONTACT: Rob Livick, Eric Caseras

Position/Classification	Employees Name	Contract	Management	Caltrans Proposal		Prefield		Coring and Field Lab		Archaeological Lab Analysis		Testing Report		Total		
		Rate	Hours	(\$)	Hours	(\$)	Hours	(\$)	Hours	(\$)	Hours	(\$)	Hours	(\$)	Hours	(\$)
Principal Investigator	Mikkelsen, Pat	\$181.83	14	\$ 2,546	2	\$ 364	-	\$ -	-	\$ -	-	\$ -	16	\$ 2,909	32	\$ 5,819
Principal Investigator	Wohlgemuth, Eric	\$113.74	-	\$ -	-	\$ -	-	\$ -	-	\$ -	4	\$ 455	-	\$ -	4	\$ 455
Geoarchaeologist/Principal Invest.	Kajjankoski, Phil	\$129.25	14	\$ 1,810	24	\$ 3,102	40	\$ 5,170	96	\$ 12,408	8	\$ 1,034	100	\$ 12,925	282	\$ 36,449
GIS Supervisor	DeArmond, Shannon	\$108.57	-	\$ -	2	\$ 217	-	\$ -	-	\$ -	-	\$ -	4	\$ 434	6	\$ 651
GIS Analyst	Bradeen, Jill	\$68.50	-	\$ -	8	\$ 548	-	\$ -	-	\$ -	-	\$ -	20	\$ 1,370	28	\$ 1,918
Lab Director	Harold, Laura	\$95.65	-	\$ -	-	\$ -	-	\$ -	-	\$ -	4	\$ 383	-	\$ -	4	\$ 383
Lab Assistant	Armstrong-Ingram, Angela	\$80.14	-	\$ -	-	\$ -	-	\$ -	-	\$ -	20	\$ 1,603	-	\$ -	20	\$ 1,603
Lab Assistant	Eubanks, Jill	\$68.50	-	\$ -	-	\$ -	-	\$ -	-	\$ -	16	\$ 1,096	-	\$ -	16	\$ 1,096
Lab Assistant	Galindo Arias, Patricia	\$67.21	-	\$ -	-	\$ -	-	\$ -	-	\$ -	16	\$ 1,075	-	\$ -	16	\$ 1,075
Production Director	Downey, Daniel	\$116.33	-	\$ -	4	\$ 465	-	\$ -	-	\$ -	-	\$ -	4	\$ 465	8	\$ 931
Production Assistant	Kramm, Jacqueline	\$75.17	-	\$ -	12	\$ 902	-	\$ -	-	\$ -	-	\$ -	24	\$ 1,804	36	\$ 2,706
Production Assistant	Montgomery, Kathleen	\$68.50	-	\$ -	8	\$ 548	-	\$ -	-	\$ -	-	\$ -	24	\$ 1,644	32	\$ 2,192
Staff Archaeologist	Davis, Kathy	\$72.38	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	8	\$ 579	8	\$ 579
Osteologist	Engbring, Laurel	\$72.38	-	\$ -	-	\$ -	-	\$ -	96	\$ 6,948	-	\$ -	24	\$ 1,737	120	\$ 8,686
Staff Archaeologist	Lindley, Stephen	\$72.38	-	\$ -	-	\$ -	24	\$ 1,737	96	\$ 6,948	-	\$ -	8	\$ 579	128	\$ 9,265
Technician B	Anibaba, Jammil	\$49.12	-	\$ -	-	\$ -	8	\$ 393	-	\$ -	-	\$ -	-	\$ -	8	\$ 393
Logistics Coordinator	Townsend, Valarie	\$64.63	-	\$ -	-	\$ -	4	\$ 259	-	\$ -	-	\$ -	-	\$ -	4	\$ 259
Asst. Financial Analyst	Lopez, Estrella	\$71.19	14	\$ 997	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	14	\$ 997
LABOR TOTAL			42	\$ 5,352	60	\$ 6,146	76	\$ 7,559	288	\$ 26,305	68	\$ 5,646	232	\$ 24,447	766	\$ 75,454

Other Direct Costs	Unit	Unit Rate	Qty	(\$)	Qty	(\$)	Qty	(\$)	Qty	(\$)	Qty	(\$)	Qty	(\$)	TOTAL	
Per Diem (Motel)	day	\$ 99.00	-	\$ -	-	\$ -	2	\$ 198	24	\$ 2,376	-	\$ -	-	\$ -	-	\$ 2,574
Meals/Incidentals	day	\$ 46.00	-	\$ -	-	\$ -	2	\$ 92	30	\$ 1,380	-	\$ -	-	\$ -	-	\$ 1,472
Mileage	mile	\$ 0.58	-	\$ -	-	\$ -	1200	\$ 696	1500	\$ 870	-	\$ -	-	\$ -	-	\$ 1,566
Vehicle Rental	week	\$ 430.00	-	\$ -	-	\$ -	1	\$ 430	6	\$ 2,580	-	\$ -	-	\$ -	-	\$ 3,010
Lab Rental Space			-	\$ -	-	\$ -	-	\$ -	-	\$ 1,000	-	\$ -	-	\$ -	-	\$ 1,000
Communication			-	\$ -	-	\$ 50	-	\$ -	-	\$ -	-	\$ -	-	\$ 50	-	\$ 100
Reproduction			-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 200	-	\$ 200
Toilet Rental	month	\$ 300.00	-	\$ -	-	\$ -	-	\$ -	1	\$ 300	-	\$ -	-	\$ -	-	\$ 300
Coring Rig (prevailing wage)	day	\$ 5,000.00	-	\$ -	-	\$ -	-	\$ -	5	\$ 25,000	-	\$ -	-	\$ -	-	\$ 25,000
Coring/Drilling Permit			-	\$ -	-	\$ -	-	\$ 500	-	\$ -	-	\$ -	-	\$ -	-	\$ 500
AMS Radiocarbon		\$ 350.00	-	\$ -	-	\$ -	-	\$ -	-	\$ -	10	\$ 3,500	-	\$ -	-	\$ 3,500
Traffic Control (prevailing wage)	day	\$ 700.00	-	\$ -	-	\$ -	-	\$ -	3	\$ 2,100	-	\$ -	-	\$ -	-	\$ 2,100
Soil drum testing/disposal			-	\$ -	-	\$ -	-	\$ -	-	\$ 1,000	-	\$ -	-	\$ -	-	\$ 1,000
SUBTOTAL DIRECT COSTS						\$ 50		\$ 1,916		\$ 36,606		\$ 3,500		\$ 250		\$ 42,322
FEE ON DIRECT COSTS		10%				\$ 5		\$ 192		\$ 3,661		\$ 350		\$ 25		\$ 4,232
TOTAL DIRECT COSTS						\$ -		\$ 55		\$ 2,108		\$ 40,267		\$ 3,850		\$ 46,554

Subconsultants	Unit	Unit Rate	Qty	(\$)	Qty	(\$)	Qty	(\$)	Qty	(\$)	Qty	(\$)	Qty	(\$)	TOTAL	
Native American Monitor	hour	\$ 100.00	-	\$ -	-	\$ -	-	\$ -	80	\$ 8,000	-	\$ -	-	\$ -	-	\$ 8,000
SUBTOTAL SUBCONSULTANTS						\$ -		\$ -		\$ 8,000		\$ -		\$ -		\$ 8,000
FEE ON SUBCONSULTANTS		10%				\$ -		\$ -		\$ 800		\$ -		\$ -		\$ 800
SUBCONSULTANT TOTAL						\$ -		\$ -		\$ 8,800		\$ -		\$ -		\$ 8,800

TOTAL PRICE				\$ 5,352		\$ 6,201		\$ 9,666		\$ 75,372		\$ 9,496		\$ 24,722		\$ 130,809
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AGENDA NO: C-3

MEETING DATE: January 28, 2020

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 23, 2020

FROM: Scott Collins, City Manager

SUBJECT: Visitor Center Relocation Opportunity

RECOMMENDATION

Receive status update from the City Manager regarding the potential opportunity to relocate the City's Visitor Center to 575 Embarcadero and provide direction as appropriate.

ALTERNATIVES

City Council may choose not to direct staff to review this opportunity.

FISCAL IMPACT

Approval of this recommendation will not result in an immediate fiscal impact to the City. However, should the City Council decide at a later date to relocate the Visitor Center to 575 Embarcadero, there would be some initial start up costs, and ongoing operations, estimated at \$21,000 for the remainder of Fiscal Year (FY) 2019/20 and potentially up to \$45,000 annually beginning in FY 2020/21. It is likely that funding for the remainder of FY 2019/20 would come from the Tourism Business Improvement District (TBID) FY 2019/20 Budget and/or TBID Accumulation Fund. Those numbers are strictly for order of magnitude purposes and require further refinement prior to bringing a future item back to Council for discussion on the matter.

BACKGROUND

The City's Visitor Center is currently located at 695 Harbor Street, and is operated by the Chamber of Commerce ("Chamber"). The City contracts with the Chamber to provide this service for annual payment of \$50,000, serving approximately 5,000 visitors in the past year.

While the Chamber staff have provided excellent service to our visitors, the Visitor Center is not ideally located. It is located outside the visitor serving areas of the City and is not on a major road in town. The City along with Chamber and tourist industry representatives initially explored the opportunities to relocate the service in early 2019, but no formal recommendations regarding location were brought forward by the group.

DISCUSSION

There now exists an opportunity to consider an ideally located and sized commercial space in the Embarcadero that is currently vacant (575 Embarcadero) to relocate the Visitor Center. That space is located in a tourist service location, its store front is on ground level, has an ADA restroom on the premises and is near on-street and off-street parking. It is located where our visitors already are, providing an opportunity for them to learn about other Morro Bay destinations to visit during their stay here.

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

575 Embarcadero is approximately 550 square feet, and is on the market for a minimum 5-year lease at \$1,650/month plus utilities. Staff needs to review other associated costs with a potential relocation, such as set-up costs. One Visitor Center employee would work during normal business hours, with additional staffing on summer weekends.

The Tourism Business Improvement District (TBID) Advisory Board and Chamber Board have both expressed formal interest in reviewing the opportunity to relocate. Staff is bringing this item forward for Council to review and provide direction whether staff should spend time further reviewing the opportunity.

Staff will need to work with the Chamber to determine how a staffing model can work in this location, better understand the costs and lease terms, and develop a transition plan to occur between the existing and potential new Visitor Center location.

Staff recommends that Council direct staff to work with Chamber and TBID representatives to further review this opportunity and bring it back for Council discussion later in February 2020.

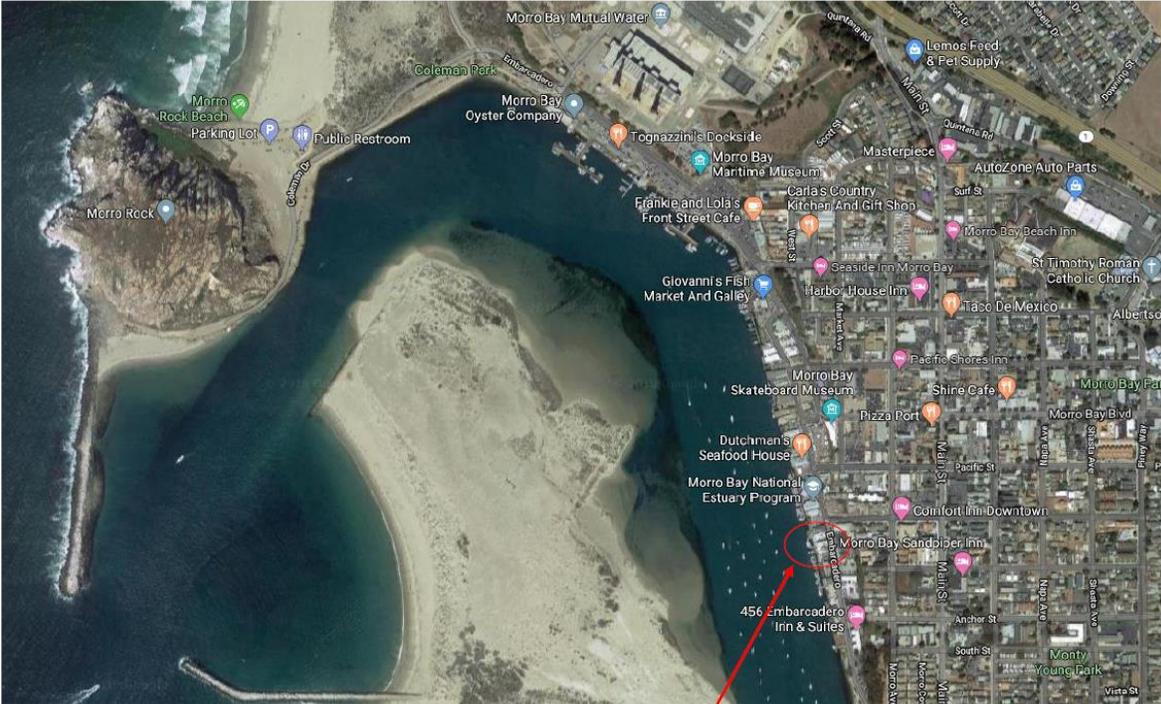
ATTACHMENTS

1. Potential Visitor Center New Location and Mock-up (575 Embarcadero)
2. Map
3. Staff Presentation

ATTACHMENT 1



ATTACHMENT 2



575 Embarcadero

Visitor Center Relocation Opportunity

SCOTT COLLINS, CITY MANAGER

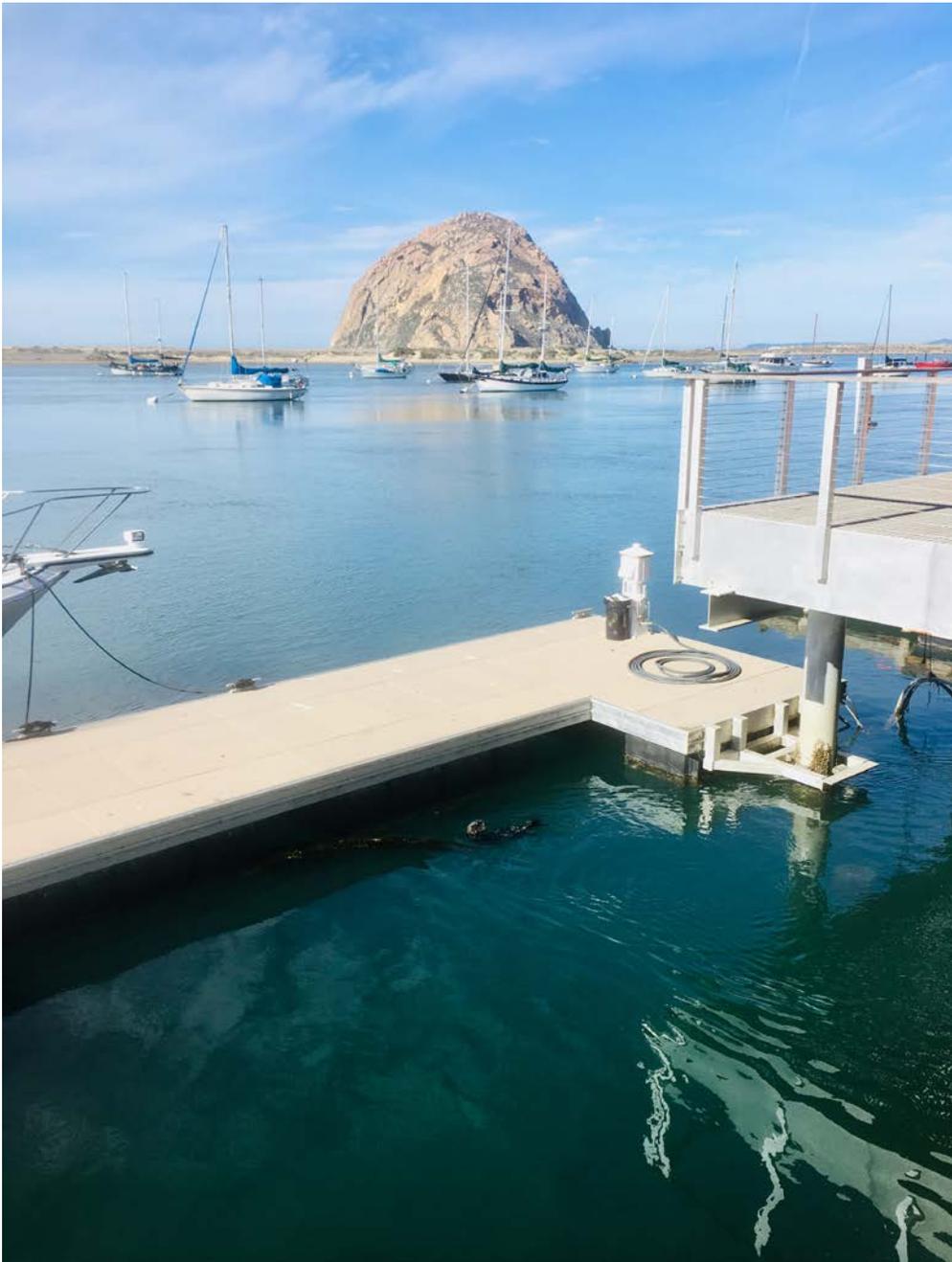
JENNIFER LITTLE, TOURISM MANAGER

JANUARY 28, 2020

Morro Bay Visitors Center

- 575 Embarcadero

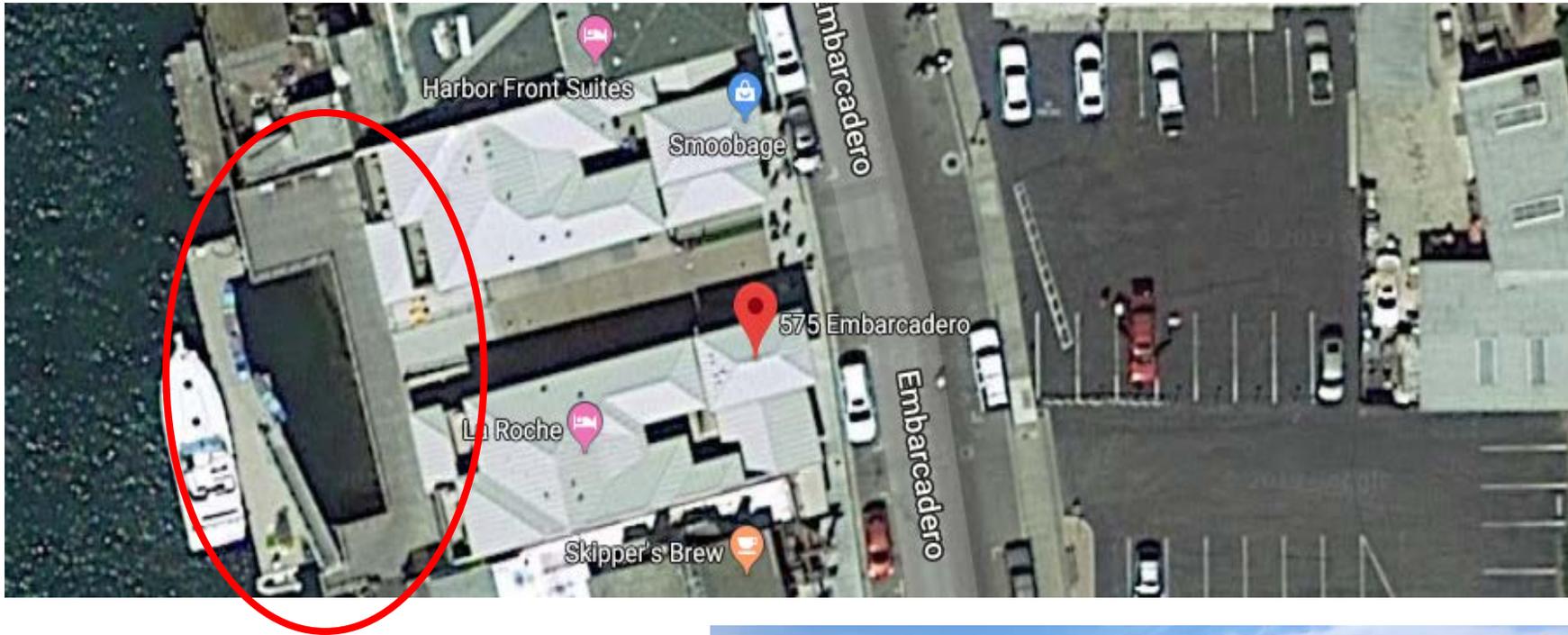




575 Embarcadero

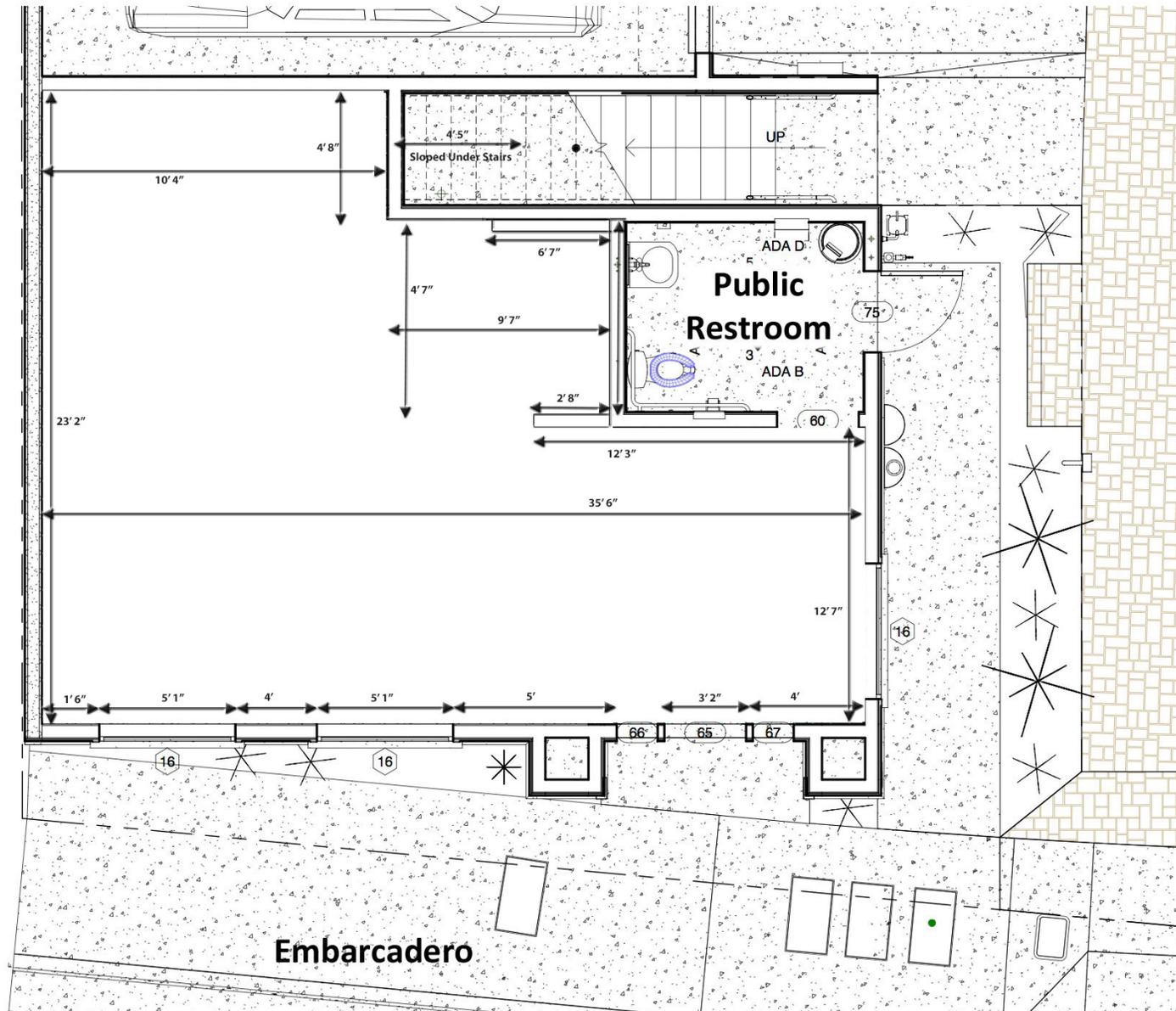
ADA walkway and public view-deck and public boat dock.

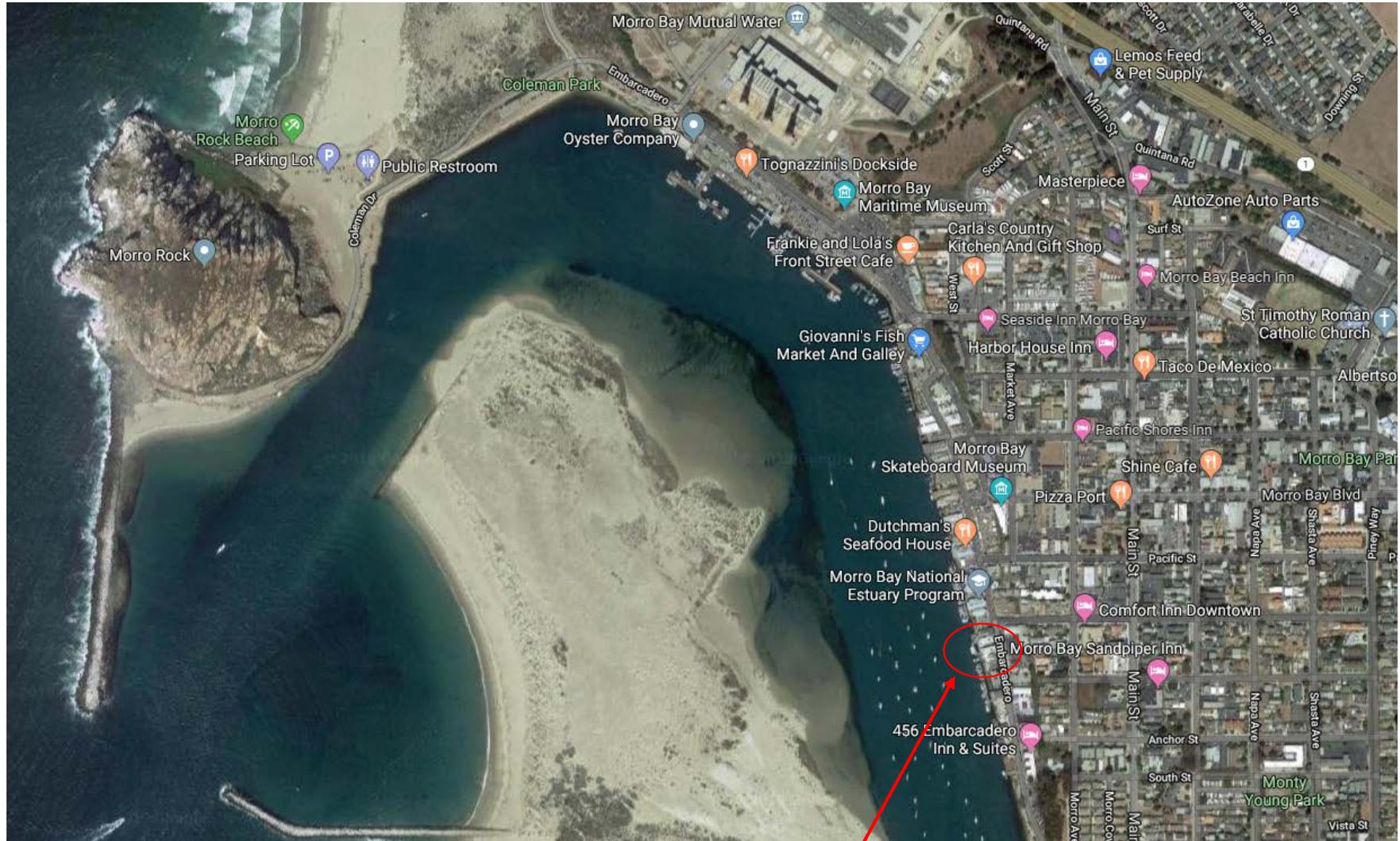




Public View Deck and Boat Dock Very large and extremely accessible







575 Embarcadero

FINANCIAL IMPACT:

The City of Morro Bay's contract with Chamber to run the Visitors Center which would stay in-place but additional funds would be needed to support the building lease and additional staff (up to \$45K from TBID annually).

RECOMMENDATION:

- Staff to continue forward with reviewing 575 Embarcadero space for use at a Visitors Center. Return to City Council with refined numbers and proposal in Feb. 2020.

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AGENDA NO: C-4

MEETING DATE: January 28, 2020

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 22, 2020

FROM: Rob Livick, PE/PLS – Public Works Director/City Engineer
Mike Wilcox – Consolidated Maintenance Superintendent

SUBJECT: Adoption of Resolution No. 09-20 Authorizing Submittal of an Application for, and Receipt of, Alternative Fuel and Electric Vehicle Infrastructure Grant (AB 617) Through the San Luis Obispo (SLO) County Air Pollution Control District (APCD) for the Installation of Six Electric Vehicle Charging Ports, and Resolution No. 10-20 Authorizing Submittal of an Application for, and Receipt of, A Local Road Safety Plan (LRSP) Grant Through the California Department of Transportation (CalTrans), District 5

RECOMMENDATION

Staff recommends the City Council:

1. Adopt Resolution No. 09-20 authorizing staff to submit a completed grant application(s) for the amounts of \$13,000 and \$8,200, for Alternative Fuel and Electric Vehicle Infrastructure improvements, administered through the San Luis Obispo (SLO) County Air Pollution Control District (APCD), and authorizing staff to implement installation of such infrastructure through the grant funding; and,
2. Adopt Resolution No. 10-20 authorizing staff to submit a completed grant application(s) for an amount up to \$72,000 (or 90 percent of the total cost) for the preparation of a Local Road Safety Plan (LRSP) through the California Department of Transportation (CalTrans), District 5, upon funding implement preparation of an LRSP, and expend \$8,000 in City matching funds.

ALTERNATIVES

Staff does not recommend any alternatives.

FISCAL IMPACT

APCD-Ev Charging Grant

Acceptance of the grant requires a forty percent (40%) match from the City of the total installation costs (General Fund or Harbor Fund). Based on an estimated construction cost of approximately \$47,644 the City's share would be \$21,277.60 including the \$2220.00 in non-grant fundable warrantee services. The City would either need to contribute its share through financial contribution or through in-lieu services, or combination of the two. With regard to the ongoing operations and maintenance of the charging stations, or a combination of both, those costs can be recovered through the fee charged to users of the charging stations. Staff will either bring forward any needed budget authorization for matching funds through the Fiscal Year (FY) 2019/2020 mid-year budget process or through the FY 2020/21 budget development process for this new capital project

Prepared By: <u> mw/rl </u>	Dept Review: <u> RL </u>
City Manager Review: <u> </u>	City Attorney Review: <u> CFN </u>

CalTrans-LRSP Grant

The State's LRSP grant program is a reimbursement grant with a maximum grant of \$72,000. The grant also requires a ten percent (10%) match or a maximum of \$8,000 with local funds. As previously stated, this LRSP grant reimburses the City 90% of the cost of the preparation of the plan as with the EV charging grant "in-kind" services or staff time are grant eligible costs.

BACKGROUND/DISCUSSION

APCD-Ev Charging Grant

In 2012 Morro Bay Public Works Department installed the first two publicly accessible electric vehicle chargers in Morro Bay to help meet the demands of the growing number of electric vehicles on the road. In 2012 there were approximately 51,000 electric vehicles sold nationwide. In 2019 there were over 655,000 electric vehicles sold in California alone, accounting for approximately 46% of all electric vehicles sold nationwide.

As of October 7, 2019, there were only 21,948 publicly accessible electric vehicle chargers available to drivers across a California. The ratio of vehicles to chargers has become so disproportionate that the State of California is offering grant funding through AB 617 to facilitate improvements to the electric vehicle infrastructure to help offset the deficiency of charging stations.

(Ev data retrieved from: <https://afdc.energy.gov/data/10567> and <https://www.veloz.org/sales-dashboard/>.)

CalTrans-LRSP Grant

Federal regulations require that each State have a Strategic Highway Safety Plan (SHSP). An SHSP is a statewide data-driven traffic safety plan that coordinates the efforts of a wide range of organizations to reduce traffic accident fatalities and serious injuries on all public roads. In coordination with federal, state, local and private sector safety stakeholders, the SHSP establishes goals, objectives, and emphasis (or challenge) areas. The SHSP address the 4Es of traffic safety: Engineering, Enforcement, Education, and Emergency Services.

While the SHSP is used as a statewide approach for improving roadway safety, A Local Road Safety Plan (LRSP) can be a means for providing local and rural road owners with an opportunity to address unique highway safety needs in their jurisdictions while contributing to the success of the SHSP. The process of preparing an LRSP creates a framework to systematically identify and analyze safety problems and recommend safety improvements. Preparing an LRSP facilitates the development of local agency partnerships and collaboration, resulting in a prioritized list of improvements and actions that can demonstrate a defined need and contribute to the statewide plan. The LRSP offers a proactive approach to addressing safety needs and demonstrates agency responsiveness to safety challenges. An LRSP provides a framework for organizing stakeholders to identify, analyze, and prioritize roadway safety improvements on local and rural roads. The process of developing an LRSP can be tailored to local protocols, needs, and issues.

In the future Highway Safety Improvement Project (HSIP) Calls-for-Projects, an LRSP (or its equivalent such as Systemic Safety Analysis Report (SSAR) or Vision Zero Action Plan) will be preferred or required for an agency to be eligible to apply for federal HSIP funds:

- HSIP Cycle 10 (around April 2020): an LRSP (or its equivalent) will be highly recommended but not required for an agency to apply;
- HSIP Cycle 11 (around April 2022) and into the future: an LRSP (or its equivalent) will be required for an agency to be eligible to apply.

Limited State funding is currently available for local agencies for developing their LRSPs. Based on discussions with the Caltrans District Local Assistance Engineer, Caltrans has the capacity to fund only five more LRSP grants, therefore time is of the essence in submitting the proposed application.

CONCLUSION

Staff recommends the City Council adopt Resolution No. 09-20 authorizing the submittal of grant applications for the amount of \$13,000 and \$8,200 for Alt Fuel and Electric Vehicle Infrastructure Funds from the Air Pollution Control District (APCD) of San Luis Obispo County to improve the infrastructure for electric vehicles both in and visiting our community, authorizing installation of such infrastructure, and authorizing the execution of related documents as specified; and, adopt Resolution No. 10-20 Authorizing Submittal of an Application for, and Receipt of, A Local Road Safety Plan (LRSP) Grant Through the California Department of Transportation (CalTrans), District 5 to fund up to \$72,000 or 90-percent of the preparation of the plan, authorizing expenditure of up to \$8,000 in City matching funds, and authorizing staff to implement preparation of an LRSP upon receipt of the grant.

ATTACHMENTS

1. Resolution No. 09-20
2. Resolution No. 10-20

RESOLUTION NO. 09-20

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AUTHORIZING SUBMITTAL OF AN APPLICATION FOR,
AND RECEIPT OF, SAN LUIS OBISPO COUNTY CARL MOYER INCENTIVE PROGRAM
GRANT FUNDS FOR THE INSTALLATION OF ALTERNATIVE FUEL AND ELECTRIC
VEHICLE INFRASTRUCTURE**

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

WHEREAS, between January 1, 2019 and October 7, 2019, 655,088 of the 1,354,820 electric vehicles sold in the United States were sold in California (from <https://www.veloz.org/sales-dashboard/>), and

WHEREAS, as of October 7, 2019 there were a total of only 21,948 public charging ports available for electric vehicles in California (from <https://www.veloz.org/sales-dashboard/>), and

WHEREAS, the City of Morro Bay is a California city deficient in public charging stations/ports with only two in service within the city limits, and

WHEREAS, the San Luis Obispo (SLO) County Air Pollution Control District (APCD) has grant funding through the SLO County Carl Moyer Incentive Program available to help install infrastructure for alternative fueling stations and electric vehicle charging stations, and

WHEREAS, the City of Morro Bay has completed a preliminary application and received confirmation from SLO County APCD that a complete application package will be approved when submitted, and

WHEREAS, the City of Morro Bay has two locations in waterfront parking lots where City owned electrical services are adjacent to existing parking stalls and available for adaptation into electrical vehicle charging stations, and

WHEREAS, electric vehicles charging stations are mapped (Exhibits A and B) and updated on vehicle navigation systems and the addition of charging stations near the waterfront amenities reasonably will attract travelers otherwise destined to charging stations farther South of Morro Bay, thus promoting the local economy through potentially increasing visitors to Morro Bay.

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

1. Authorizes and directs the City Manager to apply for, and submit to the San Luis Obispo County APCD for, Alternative Fuel and Electric Vehicle Infrastructure Grant funds in the amount of \$32,000.
2. Authorizes and directs the Public Works Director to execute such an Alternative Fuel and Electric Vehicle Infrastructure Grant application, and any amendments

thereto, on behalf of the City of Morro Bay, as required by the San Luis Obispo County APCD.

3. Authorizes and directs the Public Works Director to implement the installation of said electric vehicle charging stations upon the successful acquisition of such grant funds.

PASSED AND ADOPTED by the City Council of the City of Morro Bay, at a regular meeting held on this 28th day of January 2020 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk



LEASE SITES MAP
 CITY OF MORRO BAY, SAN LUIS OBISPO CO., CALIF
 Scale 1" = 50'

NOTE All Courses preceded by an asterisk (*) are based on the Calif Coord. System, Zone V.

GARING, TAYLOR, & ASSOC., INC.
 Arroyo Grande, California
 Rev. 2nd Feb 76



LEASE SITES MAP
 CITY OF MORRO BAY, SAN LUIS OBISPO CO., CALIF.
 Scale: 1" = 50'

GARING, TAYLOR, & ASSOC., INC.
 Arroyo Grande, California
 Nov '96
 Feb '97

REVISIONS		
No	Date	Description
1	3-18-97	Add Lease Site 113W
2	12-9-97	Extend Lease Line 2' from shore line
No	Date	Description
		Authority

RESOLUTION NO. 10-20

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AUTHORIZING SUBMITTAL OF AN APPLICATION FOR, AND RECEIPT OF, A LOCAL
ROAD SAFETY PLAN (LRSP) GRANT THROUGH THE CALIFORNIA DEPARTMENT OF
TRANSPORTATION (CALTRANS), DISTRICT 5**

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

WHEREAS, Federal regulations require each State has a Strategic Highway Safety Plan (SHSP), and

WHEREAS, An SHSP is a statewide data-driven traffic safety plan that coordinates the efforts of a wide range of organizations to reduce traffic accident fatalities and serious injuries on all public roads, and

WHEREAS, The SHSP addresses the 4Es of traffic safety: Engineering, Enforcement, Education, and Emergency Services, and

WHEREAS, the SHSP is used as a statewide approach for improving roadway safety, and a Local Road Safety Plan (LRSP) can be a means for providing local and rural road owners with an opportunity to address unique highway safety needs in their jurisdictions while contributing to the success of the SHSP, and

WHEREAS, the process of preparing an LRSP creates a framework to systematically identify and analyze safety problems and recommend safety improvements, and

WHEREAS, Preparing an LRSP facilitates the development of local agency partnerships and collaboration, resulting in a prioritized list of improvements and actions that can demonstrate a defined need and contribute to the statewide plan, and

WHEREAS, the LRSP provides a framework for organizing stakeholders to identify, analyze, and prioritize roadway safety improvements on local and rural roads. The process of developing an LRSP can be tailored to local protocols, needs, and issues, and

WHEREAS, beginning April 2020 the Highway Safety Improvement Program (HSIP) Cycle 11 will preference having an LRSP, or its equivalent, when considering applications for federal Highway Safety Improvement Program (HSIP) funds, and

WHEREAS, beginning April 2022 the Highway Safety Improvement Program (HSIP) Cycle 11 will require an LRSP, or its equivalent, to be eligible to apply for federal Highway Safety Improvement Program (HSIP) funds, and

WHEREAS, to assist local agencies developing their safety plans, a total of \$10 million from the HSIP was set aside and exchanged for state funds, and

WHEREAS, the HSIP funds will be awarded to the applicants on a "first come first serve" basis. Caltrans will continue to accept applications as long as the funding is available.

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

1. Authorizes and directs the Public Works Director to apply for, and submit an application to the California Department of Transportation (CalTrans), District 5 for, a Local Road Safety Plan (LRSP) Grant not to exceed \$72,000.
2. Authorizes and directs the Public Works Director to execute a Local Road Safety Plan (LRSP) Grant application, and any amendments thereto, on behalf of the City of Morro Bay.
3. Authorizes the expenditure of up to \$7,200 in City Transportation Impact Fees or the appropriate amount of in-kind services for the required 10 percent match.
4. Authorizes and directs the Public Works Director to implement the preparation of the LRSP upon receipt of such grant funding.

PASSED AND ADOPTED by the City Council of the City of Morro Bay, at a regular meeting held on this 28th day of January 2020 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk