



# CITY OF MORRO BAY CITY COUNCIL AGENDA

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*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.*

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## **Regular Meeting Tuesday, June 23, 2020 – 5:30 P.M. Held Via Teleconference**

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

- Juneteenth Day Proclamation

### PUBLIC COMMENT

*Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this Meeting will be conducted telephonically through Zoom and broadcast live on Cable Channel 20 and streamed on the City website (click [here](#) to view). Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Veterans' Hall will not be open for the meeting.*

### Public Participation:

*In order to prevent and mitigate the effects of the COVID-19 pandemic, and limit potential spread within the City of Morro Bay, in accordance with Executive Order N-29-20, the City will not make available a physical location from which members of the public may observe the meeting and offer public comment. Remote public participation is allowed in the following ways:*

- *Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the City Clerk's office at [cityclerk@morrobayca.gov](mailto:cityclerk@morrobayca.gov) prior to the meeting and will be published on the City website with a final update one hour prior to the meeting start time. Agenda correspondence received less than an hour before the meeting start time may not be posted until after the meeting.*
- *Members of the public may watch the meeting either on cable Channel 20 or as streamed on the City [website](#).*
- *Alternatively, members of the public may watch the meeting and speak during general Public Comment or on a specific agenda item by logging in to the Zoom webinar using the information provided below. Please use the "raise hand" feature to indicate your desire to provide public comment. Each speaker will be allowed three minutes to provide input.*

Please click the link below to join the webinar:

- <https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcwTHlRTk9xaTlmWVNWRFUQT09>

Password: 135692

- Or Telephone Attendee: (408) 638-0968 or (669) 900 6833 or (346) 248 7799; Webinar ID: 827 2274 7698; Password: 135692; Press \* 9 to "Raise Hand" for Public Comment

#### 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 MAY 14, 2020, CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

- A-2 APPROVAL OF MINUTES FOR THE JUNE 9, 2020, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

- A-3 AUTHORIZATION TO PROVIDE A TOTAL OF \$500,000 OF FINANCIAL ASSISTANCE TO THE HASLO AFFORDABLE HOUSING PROJECT TO BE LOCATED AT 405 ATASCADERO ROAD. THE PROPOSED FINANCIAL ASSISTANCE WILL BE IN THE FORM OF \$150,000 LOAN FROM THE AFFORDABLE HOUSING IN-LIEU FUND AND \$350,000 DEFERRED PERMIT FEE LOAN; (COMMUNITY DEVELOPMENT)

**RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 46-20 authorizing a loan in the amount of \$150,000 from the Affordable Housing In-Lieu Funds and a deferred permit fee loan in the amount of \$350,000 to assist with the funding required for the Housing Authority of the City of San Luis Obispo (HASLO) affordable rental housing development located at 405 Atascadero Road.**

- A-4 ADOPTION OF ORDINANCE NO. 634; AMENDMENTS TO MORRO BAY MUNICIPAL CODE FOR SIDEWALK VENDING PERMIT REQUIREMENTS (COMMUNITY DEVELOPMENT)

**RECOMMENDATION: Staff recommends Council adopt, by second reading by title only and with further reading waived, Ordinance No. 634, entitled "An Ordinance of the City Council of the City of Morro Bay, California, creating a program to regulate and permit sidewalk vending pursuant to California Senate Bill 946."**

- A-5 GENERAL MUNICIPAL ELECTION RESOLUTIONS FOR NOVEMBER 3, 2020 ELECTION; (CITY CLERK)

**RECOMMENDATION: Staff recommends Council adopt Resolution No. 51-20 calling a general municipal election for November 3, 2020, and requesting consolidation of the election with the County, and Resolution No. 52-20 adopting regulations for candidate statements.**

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

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

- A-7 ANNUAL WATER REPORT 2019 AND RECOMMENDATION FOR ALLOCATION OF WATER EQUIVALENCY UNITS (WEU) FOR FY 2020-21; (PUBLIC WORKS DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council review the 2019 annual water report and the proposed allocation of the FY 2020/21 Water Equivalency Units (WEU) and adopt Resolution No. 53-20 allocating a total of 115 WEUs for FY 2020/21, comprised of a total of 50 WEUs for residential development (30 for Single Family Residences (SFR) and 20 for Multi-Family Residences (MFR)) and 65 for commercial development.**

- A-8 APPOINTMENT OF COUNCIL MEMBER ADDIS AS THE CITY OF MORRO BAY'S CHILD CARE LIAISON; (CITY CLERK)

**RECOMMENDATION: Staff recommends the Council appoint Council Member Addis as the City's Child Care Liaison and point of contact for the We Are the Care Initiative.**

- A-9 ADOPTION OF RESOLUTION NO. 54-20 APPROVING AMENDMENT #5 TO THE NEW MASTER LEASE AGREEMENT BETWEEN THE CITY OF MORRO BAY AND BOATYARD LLC FOR LEASE SITE 89/89W, LOCATED AT 845 EMBARCADERO, AND COMMONLY KNOWN AS "THE BOATYARD"; (HARBOR DEPARTMENT)

**RECOMMENDATION: Staff recommend the City Council adopt Resolution No. 54-20, approving Amendment #5 to the new Master Lease Agreement (MLA) for Lease Site 89/89W.**

- A-10 APPROVAL OF SB1 FUNDING PROJECT LIST FOR PAVEMENT MANAGEMENT PLAN PROJECT; (PUBLIC WORKS DEPARTMENT)

**RECOMMENDATION: Adopt Resolution No. 55-20 approving the Fiscal Year 2020/21 project list for Senate Bill 1 (Road Repair and Accountability Act of 2017) Road Maintenance and Rehabilitation Account (RMRA) funding.**

- A-11 ADJUSTMENT TO CALIFORNIA FIRE SERVICE AGREEMENT (CFAA) TO ADD POSITION OF FIRE MARSHALL TO PERSONNEL ELIGIBLE FOR MUTUAL AID REIMBURSEMENT, BY ADOPTION OF RESOLUTION NO. 56-20; (FIRE DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 56-20 approving the addition of the Fire Marshal position as an eligible position for mutual aid, applicable when the Fire Department responds away from the official duty station on assignment to a mutual aid emergency incident. Passage of this resolution ensures the City of Morro Bay will be fully reimbursed for out-of-county mutual aid responses.**

A-12 PROCLAMATION DECLARING SATURDAY, JUNE 20, 2020 AS “JUNETEENTH DAY”; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

B. PUBLIC HEARINGS

B-1 ADOPTION OF RESOLUTION NO. 57-20 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council conduct the final public hearing and adopt Resolution No. 57-20, approving the levy of the annual assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District for FY 2020/21.**

B-2 ADOPTION OF RESOLUTION NO. 58-20 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council conduct the public hearing and approve the levy of the annual assessment for the North Point Natural Area Landscaping and Lighting Maintenance District by adopting Resolution No. 58-20.**

B-3 ADOPTION OF RESOLUTION NO. 59-20 CONTINUING THE PROGRAM AND LEVYING THE ASSESSMENTS FOR THE 2020/21 FISCAL YEAR FOR THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (MBTBID); (ADMINISTRATION)

**RECOMMENDATION: Staff recommends the City Council conduct the public hearing, consider public comments and adopt Resolution No. 59-20 continuing the MBTBID activities and assessments for Fiscal Year (FY) 2020/21.**

B-4 ADOPTION OF RESOLUTION NO. 60-20, WHICH RESCINDS RESOLUTION NO. 36-20 TO AMENDS THE ADOPTED FY 20/21 MASTER FEE SCHEDULE BY ADDING A NEW FEE FOR SIDEWALK VENDING PERMITS AND REVISING COST RECOVERY LANGUAGE RELATED TO CALIFORNIA PUBLIC RECORDS ACT REQUESTS ; (COMMUNITY DEVELOPMENT DEPARTMENT)

**RECOMMENDATION: Staff recommends that the City Council conduct the formally noticed public hearing, review the proposed modifications to the adopted master fee schedule, and adopt Resolution No. 60-20, which rescinds Resolution No. 36-20 so as to amend the adopted City’s Master Fee Schedule for FY 20/21, to include a new fee of \$331.00 for Sidewalk Vending Permits, and to modify the cost recovery language associated with California Public Records Act requests to bring it into conformance with a recent ruling by the California Supreme Court.**

C. BUSINESS ITEMS

- C-1 ADOPT RESOLUTION NO. 61-20 APPROVING THE FISCAL YEAR 2020/21 OPERATING AND CAPITAL BUDGETS AND RESOLUTION NO. 62-20 ADOPTING THE CITY'S SALARY SCHEDULE AND RESOLUTION NO. 63-20 AMENDING COMPENSATION AND BENEFITS FOR THE UNREPRESENTED MANAGEMENT DESIGNATED EMPLOYEES TO ADD THE CITY ENGINEER JOB CLASSIFICATION; (FINANCE DEPARTMENT)

**RECOMMENDATION: Staff Recommends the City Council: 1) Adopt Resolution No. 61-20, authorizing the Fiscal Year (FY) 2020/21 Operating and Capital Budgets, including any amendments approved by the City Council, prior to the adoption of that Resolution; and 2) Adopt Resolution No. 62-20 approving the City's Salary Schedules for FY 2020/21; and 3) Adopt Resolution No. 63-20 amending the Compensation and Benefits Resolution for Unrepresented Management Designated Employees to add the City Engineer job classification. 4) Discuss and consider providing direction to staff on options from Roundtable Group of community members, including: a) RV camping; b) paid parking; c) sale/lease of surplus City property; and, d) a variety of other options to address the City's budget challenges**

- C-2 APPROVAL OF AMENDMENT NO. 3 TO THE WATER RECLAMATION FACILITY PROGRAM MANAGEMENT CONTRACT AND AUTHORIZATION FOR THE PUBLIC WORKS DIRECTOR TO SIGN THE AGREEMENT TO COVER PLANNED PROGRAM MANAGEMENT COSTS FOR FISCAL YEAR 2020/2021; (PUBLIC WORKS DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council approve, and authorize the City Manager to sign, Amendment No. 3 to the existing agreement with Carollo Engineers, Inc., (Carollo), dated April 11, 2018, for continued program management of the Water Reclamation Facility (WRF) Project in an increased amount of \$2,073,133 to cover estimated program management scope of work and costs for FY 2020/21.**

- C-3 CONSIDERATION OF TEMPORARY EMBARCADERO STREET CLOSURE – SOUTHBOUND LANE BETWEEN HARBOR STREET AND MARINA STREET; (CITY MANAGER/FINANCE DIRECTOR)

**RECOMMENDATION: Council receive staff presentation and provide direction regarding a potential closure of Embarcadero.**

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, July 14, 2020 at 5:30 p.m.** via teleconference.

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 UPON REQUEST BY CALLING THE CITY CLERK'S OFFICE AT 805-772-6205.

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.

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MINUTES - MORRO BAY CITY COUNCIL  
SPECIAL MEETING – MAY 14, 2020  
TELECONFERENCE – 2:00 P.M.

AGENDA NO: A-1  
MEETING DATE: June 23, 2020

*City Council conducted this meeting in accordance with Section 3 of California Governor Newsom’s Executive Order N-29-20 issued on March 17, 2020 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.*

PRESENT:	John Headding	Mayor
	Dawn Addis	Council Member
	Robert Davis	Council Member
	Jeff Heller	Council Member
ABSENT:	Marlys McPherson	Council Member
STAFF:	Scott Collins	City Manager
	Dana Swanson	City Clerk
	Chris Neumeyer	City Attorney
	Jennifer Callaway	Finance Director/Acting Public Works Director
	Scot Graham	Community Development Director
	Jody Cox	Police Chief
	Steve Knuckles	Fire Chief
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding established a quorum and called the meeting to order at 2:00 p.m. with all but Council Member McPherson member present.

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

[https://youtu.be/FqZkiriOB\\_k?t=55](https://youtu.be/FqZkiriOB_k?t=55)

John Weiss, Morro Bay resident and business owner, expressed concern for businesses affected by the COVID-19 pandemic and appreciated the City Manager’s decision to form a budget committee.

Carole Truesdale, Morro Bay, concurred with the previous speaker’s comments and urged the County and City to mandate the wearing of face masks.

Erica Crawford, Morro Bay Chamber of Commerce, provided an overview of survey results submitted as agenda correspondence and encouraged the Council to empower staff to move forward with adaptations to support businesses post-COVID-19.

Melanie Williams-Mahan, Morro Bay, expressed concern the COVID-19 pandemic was not over and urged the City to slow the reopening process.

Penny, Morro Bay business owner, has been offering curbside pick-up and expressed concern it may be too early to reopen businesses.

Meredith Bates, Morro Bay, agreed with the Chamber’s recommendation not to close the Embarcadero to vehicle traffic but disagreed with their recommendation to open the Rock parking lot. She also suggested imposing fines on those who do not observe social distancing guidelines.

Steven Peck, Morro Bay business owner, shared the County and State have issued guidelines for business reopening at the appropriate time and encouraged the City to be ready to provide outdoor dining opportunities.

Dan Sedley, Morro Bay, expressed concern for those who had been harmed financially by COVID-19 and urged the City to begin planning for a stepped and thoughtful reopening. He discouraged closing of roads and requiring masks.

Jeff Eckles, Morro Bay business owner, supported opening the Rock parking lot and increasing trash receptacles, particularly along the waterfront. He suggested not being overly restrictive with regard to masks and allow business owners to impose that restriction, if desired.

John, Morro Bay, asked the Council to consider a mandate requiring face masks in situations where social distancing cannot be maintained.

The public comment period was closed.

#### SPECIAL MEETING AGENDA ITEM:

- I. DISCUSSION AND CONSIDERATION OF POSSIBLE ACTIONS TO MITIGATE COMMUNITY IMPACTS RELATED TO COVID-19 PANDEMIC; (CITY MANAGER)  
[https://youtu.be/FqZkiriOB\\_k?t=1721](https://youtu.be/FqZkiriOB_k?t=1721)

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

Council Member Addis left the meeting at 3:02 p.m.

Following individual comments, there was consensus on the following:

- Staff to continue messaging through social media Morro Bay is not open for business
- Provide signage and informational handouts reminding residents and visitors about the importance of social distancing and good sanitary practices as recommended by the Department of Health.
- Support for opening of the Rock parking lot and placement of additional trash enclosures as recommended by staff.
- Request staff to return with proposals for re-routing traffic in the north Embarcadero parking lot from the Coast Guard building to Morro Bay Landing and between Harbor and Pacific Streets.
- There was not majority support to bring forward a mask ordinance at this time.

#### ADJOURNMENT

The meeting adjourned at 4:21 p.m.

Recorded by:

Dana Swanson  
City Clerk

MINUTES - MORRO BAY CITY COUNCIL  
SPECIAL CLOSED SESSION MEETING  
JUNE 9, 2020 – 3:30 P.M.  
TELECONFERENCE

AGENDA NO: A-2  
MEETING DATE: June 23, 2020

*City Council conducted this meeting in accordance with Section 3 of California Governor Newsom’s Executive Order N-29-20 issued on March 17, 2020 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.*

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  
                         Joseph Pannone                  Special Legal Counsel  
                         June S. Ailin                      Special Legal Counsel  
                         Eric Endersby                     Harbor Director  
                         Rob Livick                         City Engineer

**ESTABLISH QUORUM AND CALL TO ORDER**

Mayor Headding called the meeting to order at 3:30 p.m. with all members present.

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

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

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

**CS-1 GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR:**  
Property:                    Lease Sites 89/89W & 90/90W, Boatyard/Port House Restaurant, 845/885 Embarcadero  
Property Negotiators:    Cliff Branch  
Agency Negotiators:    Scott Collins, City Manager; Eric Endersby, Harbor Director; Chris Neumeyer, City Attorney; and Joseph Pannone, Special Legal Counsel  
Negotiation:                Price and Terms of Payment

**CS-2 CONFERENCE WITH REAL PROPERTY NEGOTIATOR – GOVERNMENT CODE SECTION 54956.8**  
Property:                    Assessor Parcel No. 068-411-007  
Property Negotiators:    Dan Shepard et al  
Agency Negotiators:    Scott Collins, City Manager; Rob Livick, City Engineer; Eric Casares, WRF Program Manager and Chris Neumeyer, City Attorney  
Under Negotiation:        Price and Terms of Payment

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

**ADJOURNMENT** - The meeting adjourned at 4:04 p.m.

Recorded by:

Dana Swanson  
City Clerk

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AGENDA NO: A-3

MEETING DATE: June 23, 2020

# Staff Report

**TO:** Honorable Mayor and City Council **DATE:** June 16, 2020

**FROM:** Scot Graham, Community Development Director  
Nancy Hubbard, Contract Planner

**SUBJECT:** Authorization to provide a total of \$500,000 of financial assistance to the HASLO affordable housing project to be located at 405 Atascadero Road. The proposed financial assistance will be in the form of \$150,000 loan from the Affordable Housing In-Lieu Fund and \$350,000 deferred permit fee loan.

## RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 46-20 authorizing a loan in the amount of \$150,000 from the Affordable Housing In-Lieu Funds and a deferred permit fee loan in the amount of \$350,000 to assist with the funding required for the Housing Authority of the City of San Luis Obispo (HASLO) affordable rental housing development located at 405 Atascadero Road.

## ALTERNATIVES

1. Council may choose not to award Affordable Housing In-Lieu Funds or approve the deferred fee loan request for the project.
2. Council may choose to award different amounts of In-Lieu Funds or for the deferred fee loan total.

## FISCAL IMPACT

The City's Affordable Housing In-Lieu account balance is approximately \$222,000. Award of money from that fund, in the form of a loan, will lower the balance of Affordable Housing In-Lieu Funds with no payment due for 55 years. The deferred permit loan will result in a delay in receipt for fees that would typically have been due and payable in the year the project is issued a building permit. Any repayment of the deferred fees may not occur until after the deed restriction period has lapsed (55 years). Loan terms are proposed to include 3% simple interest with no payment due for 55-years.

## BACKGROUND

The HASLO project proposed for 405 Atascadero Road will include 35 apartments all reserved for tenants who are at or below 80% of the Area Median Income (AMI). The project will be a deed restricted affordable housing project for a minimum term of 55 years. The project was reviewed and approved by the Planning Commission on June 2, 2020 and was subsequently

Prepared By: \_\_\_NH\_\_\_

Dept Review: \_\_\_sg\_\_\_

City Manager Review: \_\_\_SC\_\_\_

City Attorney Review: \_\_\_CFN\_\_\_

appealed on June 12, 2020 to the City Council. The appeal hearing is scheduled for Council review on July 14, 2020.

Project funding is proposed to include Federal Low-Income Housing Tax Credits (LIHTC) as well as other grants and tax credits as available and necessary to fund the project.

## **DISCUSSION**

The HASLO project at 405 Atascadero will provide much needed 100% low income housing that will make a substantial impact towards achieving the City of Morro Bay housing goals. The site is appropriate for the use and the project is well designed and will be a welcome addition to one of the gateways to the city. The project, which will include one, two- and three-bedroom apartments, will provide much needed affordable housing that will provide a greater opportunity for small and large families of low income to live and work in Morro Bay.

The estimated permit and impact fees to the City of Morro Bay for this project are approximately \$650,000, not including an estimated \$100,000 in School impact fees which are payable to San Luis Coastal Unified School District (SLCUSD) and are not available for deferral. The deferred permit loan will include deferral of building permit, plan check and development impact fees.

Financial assistance, such as fee deferral loans and Housing In-Lieu fund loans are critical to a project's success in the highly competitive funding round for 9% low income housing tax credits. This upcoming 9% tax credit round (applications are due July 1, 2020) is unique in that there are approximately \$100 million of annual additional "disaster zone" credits available (almost \$1 billion of total tax credits) to certain California Counties who were affected by the last few years of critical wildfires; especially Butte and Sonoma Counties. Many of the proposed projects located in those counties would have been in direct competition with this HASLO project's application since Morro Bay is currently designated for LIHTC "rural set aside"; however, for this tax credit round, those other projects will compete for the disaster set aside first, providing a higher likelihood of success for the HASLO Morro Bay project to be approved for a tax credit award. Additionally, this HASLO project is located in a "high resource" opportunity area that allows this project to benefit from competitive "tiebreaker advantage" in the application process. The 9% LIHTC funding rounds are highly competitive, and this project has several advantages this year that may not exist in future LIHTC funding rounds.

The Federal LIHTC program will accept an application that has a pending appeal as long as it is resolved within 30 days of the application deadline (July 1, 2020). We have this item scheduled for review by Council on July 14, 2020 to meet that deadline. If the appeal is not resolved in 30 days, the application will not be funded and this project will lose the competitive advantage that is unique to this year because of the disaster set-aside funding and other potential changes in designations for rural areas.

## **CONCLUSION**

The City of Morro Bay has not had a new 100% affordable housing project added to the housing stock since the 2015 Morro Del Mar Senior Housing project that included 21 affordable housing apartments for seniors. Morro Del Mar received approximately \$600,000 in Housing In Lieu funds from in the form of a similar deferred loan which aided in the project being successful in its tax credit application. Prior to the Morro Del Mar project, the City has not had a 100% affordable project since 1996 (Oceanside Gardens) and has not had any project this large since 1989 (Ocean View Manor Apartments). Projects that provide 100% low income rental units require multiple funding sources to be successful. The proposed HASLO affordable housing project will be a great addition to the community, and it needs loan assistance from the City of Morro Bay to be successful. Staff recommends approval of the HASLO funding assistance request.

## **Attachments:**

1. Resolution No. 46-20
2. May 22, 2020 Request Letter from HASLO

**RESOLUTION NO. 46-20**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA  
AUTHORIZING A \$150,000 LOAN OF CITY AFFORDABLE HOUSING  
IN-LIEU FUNDS AND A \$350,000 DEFERRED FEE LOAN TO PROVIDE FINANCIAL  
ASSISTANCE TO 405 ATASCADERO, AN AFFORDABLE APARTMENT PROJECT  
PROVIDING LOW INCOME HOUSING UNDER THE LOW INCOME HOUSING TAX  
CREDIT PROGRAM**

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

**WHEREAS**, the proposed affordable apartments, sponsored by Housing Authority of San Luis Obispo (HASLO) located at 405 Atascadero Road in the City of Morro Bay, is proposed as a 35-unit affordable rental development; and

**WHEREAS** HASLO expects to apply for an allocation of funding in the July 1, 2020 funding round for Federal and State Low-Income Housing Tax Credit Program, which is a funding program for affordable housing; and

**WHEREAS**, HASLO made a request to the City on May 22, 2020, for a loan in the amount of \$150,000 from the Affordable Housing In-Lieu Funds and a \$350,000 deferred permit fee loan to assist with financing the proposed project; and

**WHEREAS** the City identified affordable housing for families as a goal in the adopted 2014 – 2019 Housing Element as well as in the draft 2020-2028 Housing Element, which will be adopted before the end of the year 2020; and

**WHEREAS**, Per the Inclusionary Housing Program in the 2014 – 2019 Adopted Housing Element the intent of the Housing In Lieu fund is to assist in the construction of housing for rent or sale to very low, low and moderate income families; and

**WHEREAS**, the City Council has duly considered all evidence, including the testimony of the applicant, interested parties, and the evaluation and recommendations by staff, presented at its meeting on June 23, 2020.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Morro Bay order, grants, and authorizes, as follows:

1. A funding allocation of \$150,000 from the City's Affordable Housing In-Lieu fund be granted in the form of a long term loan, and a deferred permit fee loan in the amount of \$350,000 be approved, for total funding assistance to HASLO in the amount of \$500,000, subject to timely and final City approval (as needed) of

underlying actions and conditions of approval for the subject projects, which were approved by Planning Commission prior to date of this resolution.

2. The City Council of the City of Morro Bay authorizes the City Manager or his designee to execute the required documents necessary for the federal Low-Income Housing Tax Credits (LIHTC) funding application, including the agreement between the City and HASLO to memorialize the subject loans, subject to timely and final City approval (as needed) of underlying actions and conditions of approval for the subject projects, which were approved by Planning Commission prior to date of this resolution.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on this 23<sup>rd</sup> day of June 2020 on the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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JOHN HEADDING, Mayor

ATTEST

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DANA SWANSON, City Clerk

# City of Morro Bay Affordable Housing Proposal & Funding Request *405 Atascadero Rd.*

May 21, 2020





Ms. Nancy Hubbard  
Contract Planner  
City of Morro Bay  
955 Shasta Ave  
Morro Bay, CA 93442

Dear Nancy,

The Housing Authority of San Luis Obispo (HASLO) in conjunction with its development partner, Jim Rendler, respectfully submit this affordable housing development proposal and subordinate loan funding request for a new 35 unit affordable rental housing community at 405 Atascadero Rd. Morro Bay, CA 93442. HASLO and Jim Rendler are extremely skilled in affordable housing development and have completed multiple affordable housing projects in the County of San Luis Obispo. This project would feature 55 year+ affordability restrictions for all units, less one onsite manager unit, for individuals and families at or below 80% Area Median Income (AMI) with an average income level of 60% AMI or below. Our intended initial financing plan includes 9% Low Income Housing Tax Credits (LIHTC) which would feature restrictions for all units (less one manager unit) at 30-60% AMI and 55 year initial affordability periods.

HASLO is a community organization based in San Luis Obispo that is committed to improving the communities of San Luis Obispo County by providing quality affordable housing and resident services. Our clients include families, seniors, veterans and the disabled. Our staff is committed to excellence in both program design and service delivery in order to ensure positive community focused outcomes.

HASLO requests the following financial support from the City to help assist with bringing this project to fruition:

1. A \$150,000 Loan from the City of Morro Bay Affordable Housing In-lieu Account.
2. A \$350,000 long term development impact fee loan

The proposed terms of this \$500,000 total loan request are proposed as follows:

1. Subordinate Loan
2. 55 year term
3. 3% Simple Interest
4. Balloon Payment due in 55 years
5. Affordability restrictions as required per California Tax Credit Allocation Committee (TCAC) requirements.

6. Standard Insurance and Indemnity Clauses
7. Compliance with Local, State and Federal Laws
8. A non-discrimination and non-segregation clause

HASLO is committed to using best efforts to use local companies in the development and construction of the project.

We appreciate your time and consideration of our proposal to develop much needed affordable housing in Morro Bay.

Sincerely,



Scott Smith  
Executive Director



Jim Rendler  
Development Partner



AGENDA NO: A-4

MEETING DATE: June 23, 2020

# Staff Report

TO: Honorable Mayor and City Council

DATE: June 15, 2020

FROM: Scot Graham, Community Development Director

SUBJECT: Adoption of Ordinance No. 634; Amendments to Morro Bay Municipal Code for Sidewalk Vending Permit Requirements

## RECOMMENDATION

Staff recommends Council adopt, by second reading by title only and with further reading waived, Ordinance No. 634, entitled "An Ordinance of the City Council of the City of Morro Bay, California, creating a program to regulate and permit sidewalk vending pursuant to California Senate Bill 946."

## ALTERNATIVES

No alternatives are being recommended.

## BACKGROUND/DISCUSSION

Senate Bill 946, filed with the Secretary of State on September 17, 2018 and effective on January 1, 2019 places limits on the ability of cities to regulate sidewalk vendors. Local authorities may establish requirements regulating the time, place, and manner of sidewalk vending, as specified, if the requirements are directly related to objective health, safety, or welfare concerns. The existing provisions in the Morro Bay Municipal Code regulating sidewalk vendors are out of date and need to be revised in order to comply with SB 946. The City of Morro Bay is proposing an amendment to the Morro Bay Municipal Code to add Chapter 5.60 - Sidewalk Vendors and amend Sections 5.08.150(A)(1), 5.40.020 and 10.40.120 to bring the Municipal Code into compliance with Senate Bill 946 and establish regulations on sidewalk vending that will protect the health and safety of those who live in and visit Morro Bay and ensure that they can enjoy outdoor public spaces, while also creating economic opportunities for vendors.

Working with the City Attorney's Office, Staff has prepared an ordinance addressing sidewalk vending in the City and establishing new procedures and regulations to allow vendors on sidewalks and public walkways and parks and other public places consistent with the mandates of SB 946. The ordinance contains findings that detail the objective health, safety or welfare concerns that support the regulations.

The ordinance also contains regulations for both stationary sidewalk vendors and roaming sidewalk vendors. Roaming sidewalk vendors are defined as "a sidewalk vendor who moves from place to place and stops only to complete a transaction." A stationary sidewalk vendor is defined as "a sidewalk vendor who operates from a fixed location."

Given the unique character of Morro Bay, the Ordinance includes Permit requirements that

Prepared By:   NH  

Dept Review:   SG  

City Manager Review:   SC   City Attorney Review:   CFN

regulate the following: time of operation, operational requirements for vending carts, signage, trash receptacles, limitations on the type of merchandise for sale, how vendors are to interact with the public, fire safety, limitations on location, penalties for violation, general liability insurance requirements, and City indemnification requirement. A summary of the proposed sidewalk vending ordinance is provided below.

- Prohibits sidewalk vendors on City streets, on sidewalks less than ten feet in width (does not apply to roaming vendors), beaches, scenic paths, State owned property without State authorization, within 100 feet of a police or fire station, within 15 feet of a fire hydrant, within 15 feet of a transit stop, adjacent to any loading zone, within 100 feet of a farmers market, or within 100 feet of a City permitted special event
- Limited opportunities for sidewalk vending is provided on, or adjacent to, the Embarcadero, Harborwalk, Coleman Drive, and Rock parking lot
- Requires all sidewalk vendors to obtain a City-issued Sidewalk Vendor Permit, City issued business tax certificate, California seller's permit (for tax purposes), and a County Health Department permit (if required)
- Includes restrictions pertaining to proximity to entrances and exits to buildings, and emergency vehicle access ways, and establishes distances between vendors
- Requires vendors to operate only on paved sidewalks/walkways and to maintain at least 4 feet of unobstructed sidewalk/walkway
- Requires vendors to display their sidewalk vendor permit
- Requires vendors to keep vending area clean and litter-free
- Prohibits vendors from connecting to any public utilities
- Prohibits vendors from selling any merchandise or food not listed on the vending permit application
- Requires proof of general liability insurance in the amount of \$100,000 per occurrence and \$200,000 aggregate naming City as additional insured
- Indemnification requirement holding the City, its employees, officers and elected officials harmless.

The Ordinance also includes restrictions specific to City Beaches, Trails, Parks and State-Owned property (see Tables below).

<i>Location</i>	<i>Requirements</i>
Morro Strand Campground	Prohibited
Morro Bay State Park Campground	State Authorization Required
Morro Bay Golf Course	Prohibited
Morro Bay State Park	Prohibited
Embarcadero Road Harborwalk (South of Pacific Street)	Limited Opportunity Area
Embarcadero Road Harborwalk (between Pacific and Beach Street)	Limited Opportunity Area
Embarcadero Road Harborwalk (between Beach Street and Pedestrian Bridge)	Limited Opportunity Area

Coleman Drive (from Embarcadero to Morro Rock Parking Lot)	Limited Opportunity Area
North Point Natural Area	Prohibited
Morro Bay Dog Beach	Prohibited
Public Beaches from Morro Rock to North Point Natural Area (including beach parking lots)	Prohibited
Eagle Rock	Prohibited
Public Launch Ramp	Prohibited
Black Hill Trail	Prohibited
Morro Bay State Park Boardwalk/Harbor	State Authorization Required
Morro Bay Estuary	Prohibited
South Bay Blvd Mountain Bike Trails & Parking Lots (Cerro Cabrillo/Park Ridge Rock)	Prohibited

<i>Park</i>	<i>Sidewalk Vendors Allowed (S=Stationary/ R= Roaming)</i>
Anchor Memorial	0 (S or R)
Bayshore Bluffs	2 (S); Roaming Allowed
Centennial Parkway	1 (S); Roaming Allowed
City Park	2 (S); Roaming Allowed
Cloisters Community Park	2 (S); Roaming Allowed
Coleman	2 (S); Roaming Allowed
Del Mar	2 (S); Roaming Allowed
Lila Keiser Park	2 (S); Roaming Allowed
Mariner Memorial	1 (S); Roaming Allowed
Monty Young	2 (S); Roaming Allowed
North Point	1 (S); Roaming Allowed
Tidelands	4 (S); Roaming Allowed
Franklin Riley	2 (S); Roaming Allowed
Morro Rock Parking Lot	4 (S); Roaming Allowed

Section 17.30.030(T) of the Municipal Code currently includes regulations applicable to sidewalk vendors, but these regulations do not comply with current state law. Section 17.30.030(T) is not being repealed at this time as that requires amending the City's Zoning Code (Title 17). However, the proposed ordinance states that the provisions in the proposed

Chapter 5.60 (Sidewalk Vendors) will supersede any conflicting provisions in Section 17.30.030(T) of the Municipal Code.

**PENALTIES**

The Ordinance includes penalties for vending without a vendor permit or for operating a sidewalk vending business in violation of Chapter 5.60 of the Municipal Code. Fines range from \$100 to \$500 for violation of this chapter of the Municipal Code or from \$250 to \$1,000 for vending without a sidewalk vendor permit.

**NEW FEE**

Staff will be bringing forward an amendment to the Master Fee Schedule, at the meeting of June 23, 2020, to add a \$325 fee for the sidewalk vendor permit.

**ENVIRONMENTAL DETERMINATION**

The Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, sections: 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment); 15060(c)(3) (the activity is not a project as defined in Section 15378); and 15061(b)(3) (the activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment). The proposed ordinance maintains the status quo and prevents directly related changes in the environment. Because there is no possibility that this ordinance may have a significant adverse effect on the environment, the adoption of this ordinance is exempt from CEQA.

**CONCLUSION**

Staff recommends Council adopt, by second reading by title only and with further reading waived, Ordinance No. 634, entitled “An Ordinance of the City Council of the City of Morro Bay, California, creating a program to regulate and permit sidewalk vending pursuant to California Senate Bill 946.”

**ATTACHMENT**

1. Ordinance No. 634

**ORDINANCE NO. 634**

**AN ORDINANCE OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA,  
CREATING A PROGRAM TO REGULATE AND PERMIT SIDEWALK VENDING  
PURSUANT TO CALIFORNIA SENATE BILL 946**

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

**WHEREAS**, the City of Morro Bay is a unique community that takes pride in its community character; and

**WHEREAS**, on September 17, 2018, California Governor Edmund Gerald Brown signed Senate Bill ("SB") 946 into law, which regulates sidewalk vendors throughout the state including within the City of Morro Bay; and

**WHEREAS**, SB 946 took effect January 1, 2019, and limits the authority of the City to regulate sidewalk vendors, except as provided under California Government Code Sections 51038 and 51039; and

**WHEREAS**, the existing provisions in the Morro Bay Municipal Code regulating sidewalk vendors are out of date and need to be revised in order to comply with SB 946; and

**WHEREAS**, the City Council adopts this ordinance under the authority of SB 946 and the City Council finds the regulations and requirements provided in this ordinance are directly related to the City's objective of protecting the health, safety and welfare of its residents, businesses, and visitors; and

**WHEREAS**, the City Council finds the regulations in this ordinance, including, but not limited to those regulations governing minimum sidewalk widths, cart sizes, distance requirements, and food and merchandise storage are necessary to ensure compliance with the federal Americans with Disabilities Act of 1990 and other disability access standards; and

**WHEREAS**, the City Council finds this ordinance is necessary to ensure the public's use and enjoyment of natural resources and recreational opportunities; and

**WHEREAS**, the City Council finds this ordinance is necessary to prevent an undue concentration of commercial activity that unreasonably interferes with the scenic

and natural character of City.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORRO BAY DOES FIND AS FOLLOWS:**

**SECTION 1. Recitals.** The City Council of the City of Morro Bay does hereby find that the above referenced recitals are true and correct and material to the adoption of this Ordinance.

**SECTION 2. Finding Regarding Limitations on Sidewalk Vending.** The City of Morro Bay has unique characteristics that require limitations on sidewalk vending activities for safety, health and accessibility. The limitations and related findings are as follows:

- A. **Sidewalks under 10 feet in width:** The majority of the sidewalks and pathways in the City are narrow, between five (5) feet and ten (10) feet in width and stationary sidewalk vending in these areas would unreasonably interfere with the flow of pedestrians and disrupt access for persons with disabilities in compliance with the American with Disabilities Act (ADA).
- B. **Areas with high levels of pedestrian traffic:** The City's commercial districts along the Waterfront are extremely popular tourist destinations with unusually high pedestrian and vehicular traffic volumes along sidewalks. The sidewalks in these areas are generally under ten (10) feet in width. As such, in order for the City to protect the public from injury and prevent congestion, a limit on the number of sidewalks vending permits issued by the City for commercial districts along the Waterfront is necessary and locations will be approved on a case by case basis.
- C. **Residential areas:** The City's residential districts are generally older developed areas, with narrow streets, many with steep slopes and have a constrained amount of on-street parking. The residential districts generally do not have sidewalks or have narrow sidewalks that cannot safely accommodate pedestrian traffic and a stationary sidewalk vendor. Stationary sidewalk vendors are not allowed in residential districts to protect the health, safety, and welfare of residents who live in residential districts.
- D. **Public Parks:** Morro Bay has numerous public parks, and in order to promote public health, safety and welfare, and to prevent an undue concentration of commercial activity that unreasonably interferes with the scenic and natural character of these parks, the City will review requests for sidewalk vending locations on a case by case basis.

- E. **Police and Fire Stations:** The Police Department and Fire Department facilities contain critical infrastructure and restrictions around the facilities are necessary to ensure the health, safety and welfare of the public. Consequently, no sidewalk vending is permitted within 100 feet of these facilities.
- F. **Public Beaches:** No sidewalk vending is allowed on the public beaches. This restriction is necessary to protect this resource. However, stationary and roaming sidewalk vending locations may be permitted at the entrance to public beaches or within public areas near or adjacent to beach parking lots.
- G. **Pedestrian/Bicycle trails/pathways:** The non-vehicular trails for pedestrians and bicycles are narrow with high pedestrian/bicyclist traffic volumes. Restrictions on sidewalk vending along the path are necessary to protect the public from injury given the popularity of these tourist destinations.
- H. **State Park Owned/Managed Property:** State Parks and other areas owned by the State of California will require a special review and authorization from the state prior to allowing any sidewalk vending permits in those areas.
- I. **State of California (Caltrans) Right of Way:** State Highway 1, State Highway 41 and the related public right of way areas are within the State of California (Caltrans) jurisdiction and will require authorization from the State prior to consideration of any sidewalk vending permit applications for these locations.

**SECTION 3.** Section 5.08.150(A)(1) of the Morro Bay Municipal Code is hereby amended as follows with the rest of Section 5.08.150 remaining unchanged (added text in **bold underline**):

1. "Vendor" means and includes every person not having a fixed place of business in the city, and not an agent of a principal having a fixed place of business in the city, who travels from place to place, or has a stand upon any doorway of any building or unenclosed or vacant private lot or parcel of land, **or any sidewalk vendor as defined in Chapter 5.60,** who sells or offers for sale and retail any goods in his/her possession.

**SECTION 4.** The definition of "Vendor" and "solicitor" in section 5.40.020 of the Morro Bay Municipal Code is hereby amended as follows with the rest of Section 5.40.020 remaining unchanged (added text in **bold underline**; deleted text in **~~bold strikethrough~~**):

**"Vendor" and "sSolicitor"** means and includes every person requesting an immediate donation of money and/or who solicits as defined in Section

5.08.150 of this code and is specifically engaged in solicitation by going from house to house, place to place, or along city streets and on public right-of-way.

**SECTION 5.** Chapter 5.60 of the Morro Bay Municipal Code, entitled “Sidewalk Vendors,” attached hereto as Exhibit A, is hereby added to the Morro Bay Municipal Code. The provisions in Chapter 5.60 supersede any conflicting provisions in Section 17.30.030(T) of the Morro Bay Municipal Code.

**SECTION 6.** Section 10.40.120(C) is hereby added to the Morro Bay Municipal Code and shall read as follows (new text in **bold underline**):

**C. This section does not apply to sidewalk vendors, as defined in Section 5.60.010. Sidewalk vendors shall comply with the provisions of Chapter 5.60.**

**SECTION 7. CEQA Findings.** The Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, sections: 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment); 15060(c)(3) (the activity is not a project as defined in Section 15378); and 15061(b)(3) (the activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment). The proposed ordinance maintains the status quo and prevents directly related changes in the environment. Because there is no possibility that this ordinance may have a significant adverse effect on the environment, the adoption of this ordinance is exempt from CEQA.

**SECTION 8. Severability.** If any section, subsection, phrase, or clause of this ordinance or any part thereof is for any reason held to be unconstitutional or otherwise unenforceable, such decision shall not affect the validity of the remaining portions of this ordinance or any part thereof. The City Council hereby declares that it would have passed this ordinance and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrases, or clauses be declared unconstitutional or otherwise unenforceable.

**SECTION 9. Effective Date.** This Ordinance shall take effect 30 days after its adoption.

**SECTION 10. Certification.** The City Clerk shall certify as to the passage and adoption of this Ordinance and shall cause the same to be posted as the designated locations in the City of Morro Bay.

**INTRODUCED** at a regular meeting of the City Council held on the 9th day of June, 2020, by motion of Council Member Addis and seconded by Council Member Heller.

**PASSED AND ADOPTED** on the \_\_\_\_\_ day of \_\_\_\_\_ 2020, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
JOHN HEADDING, MAYOR

ATTEST:

\_\_\_\_\_  
DANA SWANSON, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CHRIS F. NEUMEYER, City Attorney

STATE OF CALIFORNIA )  
COUNTY OF SAN LUIS OBISPO )  
CITY OF MORRO BAY )

I, Dana Swanson, CITY CLERK FOR THE CITY OF MORRO BAY, HEREBY CERTIFY the foregoing Ordinance Number 634 was duly adopted by the City Council of the City Council of the City Morro Bay at a regularly meeting of said Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2020 and that it was so adopted on by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

IN WITNESS WHEREOF I have hereunto set my hand and affixed the official seal of the City of Morro Bay, California, this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
DANA SWANSON, City Clerk

## Exhibit A

### Chapter 5.60 SIDEWALK VENDORS

#### **5.60.010 – Definitions.**

The following definitions apply to this chapter:

- A. "Beach" means any public oceanfront, or bay front beach within the City.
- B. "Cart" means a pushcart, stand, display, pedal-driven cart, wagon, showcase, rack, or other non-motorized conveyance.
- C. "Certified farmers' market" means a location operated in accordance with Chapter 10.5 (commencing with Section 47000) of Division 17 of the Food and Agricultural Code and any regulations adopted pursuant to that chapter.
- D. "Food" means any item provided in Health and Safety Code Section 113781, or any successor section.
- E. "Harassment" means any form of unauthorized or unpermitted touching, verbal abuse, blockage of pathways or interference with pedestrian traffic.
- F. "Limited Opportunity Area" means an identified area in which a specific location request will need special review by Public Works, Police and Fire prior to permit approval or disapproval.
- G. "Park" means the parks listed in the Open Space and Conservation Element of the General Plan and identified in Table 5.60-2.
- H. "Residential district" means any area zoned exclusively as residential in Title 17 of the Municipal Code or any other area with exclusively residential uses.
- I. "Roaming sidewalk vendor" means a sidewalk vendor who moves from place to place and stops only to complete a transaction.
- J. "Scenic pathway" means a non-vehicular trail or pathway for pedestrian, bicycle or equestrian use.
- K. "Sidewalk vendor" means a person who sells food or merchandise from a cart or from one's person, upon a public sidewalk or other pedestrian path. Sidewalk vendors include roaming sidewalk vendors and stationary sidewalk vendors.
- L. "Special event" means a City permitted event including, but not limited to, festivals, art

shows, and/or cultural events.

- M. "Stationary sidewalk vendor" means a sidewalk vendor who operates from a fixed location.
- N. "Swap meet" means a location operated in accordance with Article 6 (commencing with Section 21660) of Chapter 9 of Division 8 of the Business and Professions Code, and any regulations adopted pursuant to that article.

#### **5.60.020 – Applicability.**

The requirements of this chapter shall not apply to the following persons:

- A. Persons delivering goods, wares, merchandise, or food upon order of, or by agreement with, a customer from a store or other fixed place of business or distribution.
- B. Solicitors, as defined in Section 5.08.150.
- C. Persons selling goods, wares, merchandise, or food from a motorized vehicle, including a food truck.

#### **5.60.030 – Business tax certificate and vender permit required.**

- A. No person shall operate as a sidewalk vendor without first obtaining, and at all times maintaining, a valid City business tax certificate in accordance with Chapter 5.04 of this code, and complying with all requirements of the business license, unless such person qualifies for an exemption under Chapter 5.04 of this code.
- B. No person shall operate as a sidewalk vendor without first obtaining, and all times maintaining, a sidewalk vendor permit in accordance with the requirements of this chapter and complying with all requirements of the permit.
- C. A sidewalk vendor permit is valid for one year unless revoked or suspended prior to expiration. An application to renew a vendor permit under this chapter shall be made not later than 90 days before the expiration of the current permit.
- D. Sidewalk vendor permits are only applicable to the persons named on the permit application and are not transferable.
- E. A separate business tax certificate and sidewalk vendor permit is required for each cart.

#### **5.60.040 – Requirements for permit application.**

An application for a sidewalk vendor permit shall be filed with the community development department and shall include all the following, to the extent applicable:

- A. The name, address, and telephone number of the applicant and each person who will operate the cart.
- B. A photo identification of the applicant and each person who will operate the cart.
- C. If the sidewalk vendor is an agent of an individual, company, partnership, or corporation, the name and business address of the principal.
- D. A description of the cart, including the dimensions (height, width and length) of the cart, a graphic showing any signage to be used and the placement on the cart, identification of any power supply or heating element used by the cart, and a photograph of the cart.
- E. A complete list of the food or merchandise to be sold.
- F. The locations in the City where the sidewalk vendor intends to operate.
- G. The days and hours during which the sidewalk vendor intends to operate.
- H. A plan for the collection and disposal of trash and recyclables generated by the vending operation.
- I. The sidewalk vendor's California seller's permit number (California Department of Tax and Fee Administration sales tax number).
- J. A City business tax certificate.
- K. A copy of any license or permit required from any other state or local agency that is required by law, including, but not limited to, a copy of any required permit from the county health department, if required.
- L. If the sidewalk vendor intends to operate in the state's right of way, evidence of state authorization for such activities.
- M. Proof of a policy of commercial general liability insurance in an amount not less than \$100,000 per occurrence and \$200,000 in the aggregate, issued by an insurance company licensed to do business in California and naming the City of Morro Bay, and its elected officials, officers, and employees, as additional insureds. Such policy shall not terminate or be canceled during the duration of the sidewalk vending permit without 30 days advance written notice to the City of Morro Bay.
- N. An agreement by the sidewalk vendor to defend, indemnify, release and hold harmless the City, its elected officials, officers and employees from and against any and all

claims, demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including without limitation, attorney's fees, disbursements and court costs) of every kind and nature whatsoever which may arise from or in any manner relate (directly or indirectly) to the permit or the vendor's sidewalk vending activities.

- O. A certification by the applicant that, to his or her knowledge and belief, the information contained in the application is true.
- P. Payment of a permit fee as established by City Council resolution.

**5.60.050 – Application review; appeal.**

- A. Within thirty (30) calendar days of receiving an application, the community development department will respond to the applicant with approval, or a list of items required to complete the permit review. Once the application is deemed complete, the community development director will approve or disapprove the application within thirty (30) days. Issuance of sidewalk vending permits does not require public notification. Following administrative approval, a sidewalk vending permit, with appropriate conditions, will be issued.
- B. The community development director's decision to issue or revoke a permit may be appealed by filing a notice of appeal with the city clerk within ten calendar days after the director's decision is issued. The director's decision shall be suspended during the pendency of an appeal. The appeal shall be heard by the city manager and his or her decision shall be final.

**5.60.060 – Identification numbers; confidentiality.**

Notwithstanding any other requirement in this code, an applicant for a business tax certificate or sidewalk vendor permit shall not be required to submit a social security number for the issuance of such certificate or permit. In lieu of an otherwise required social security number, the City shall accept a California driver's license or identification number, an individual taxpayer identification number, or a municipal identification number. Identification numbers submitted under this section shall not be made available to the public for inspection, shall be treated as confidential, and shall not be disclosed except as required to administer the license or permit program or to comply with a state law or state or federal court order.

**5.60.070 – Operational standards.**

- A. Display of and compliance with permit.
  - 1. Each cart used by a sidewalk vendor must always display or have available a valid sidewalk vending permit.

2. All sidewalk vendors shall comply with the terms and conditions of the vending permit.

B. Time restrictions. Sidewalk vending is prohibited after 9:00 pm and before 8:00 am in residential districts.

C. Carts.

1. In order to prevent obstructions of the public right-of-way, the total area footprint of the cart, including the cart itself and any accompanying display, signage, or related items, shall not exceed a length of five (5) feet, a width of three (3) feet, and a height, including roof or awning, of six (6) feet.
2. In order to prevent obstructions of the public right-of-way, no sidewalk vendor may set up or allow the use of an additional structure, including a table, crate, carton, umbrellas, rack, sandwich-board or other free standing signage to increase the selling or display capacity of the cart unless such items are explicitly requested in the permit application and approved by the City. Trash receptacles can be separate from the cart and not included in the cart size restrictions.
3. Carts must be equipped with their own power and water supplies, if needed. Sidewalk vendors shall not use a power source or water source owned by the City or another person without such owner's consent.
4. In order to prevent damage to public property and prevent obstructions of the public right-of-way, no cart may be chained or fastened to any pole, sign, tree, or other object in the public right-of-way.
5. In order to preserve the safety of the public, and prevent misuse of carts, no cart may be left unattended at any time.
6. In order to preserve the safety of the public, to prevent misuse of carts, and to prevent obstructions of the public right-of-way, no cart may be stored, parked, or left overnight on any public street or right-of-way, or in any public park.

D. Signage.

1. In order to prevent obstructions of the public right-of-way, all signage related to the vending operation shall be affixed to the cart, shall not protrude beyond the physical limits of the cart and shall not exceed three (3) square feet.
2. In order to preserve the safety of vehicular travelers and pedestrians, and to preserve public peace and welfare, no cart may be outfitted with any equipment, signage, or mechanism that endangers or detracts from the health, safety, or welfare of the public by causing an excessive distraction to motorists or interfering with nearby residences, business, or pedestrians, including but not limited to, sound amplification, flashing lights, smoke, steam, bubbles, gas-

powered generators, animation, or excessive fumes. Sidewalk vendors shall also comply with the noise regulations in Chapter 9.28 of this code.

E. Trash and cleanliness.

1. In order to preserve sanitary conditions in all public rights-of-way, all sidewalk vendors shall provide a trash receptacle for customers and must ensure proper disposal of customer trash. The trash receptacle must be large enough to accommodate customer trash without resort to existing trash receptacles located on any block for use by the general public. A sidewalk vendor may not dispose of customer trash in existing (public or private) trash receptacles on sidewalks.
2. In order to preserve sanitary conditions in all public rights-of-way, all sidewalk vendors shall maintain a clean and trash-free area within a 10-foot radius around the vendor's cart during hours of operation and shall ensure that such area is always clean and trash-free.
3. Sidewalk vendors shall immediately clean up any food, grease or other fluid or item related to the vending operation that is discharged on public property. Failure to comply will result in the City taking appropriate action to clean the discharge at the vendor's expense and will result in the suspension of the vending permit until the vendor reimburses the City for the cleanup costs.

F. Sales and merchandise.

1. Vendors shall not sell any food or merchandise that was not listed in the vending permit application.
2. Vendors may not rent merchandise to customers.
3. Vendors shall not sell alcohol, cannabis products, adult oriented material, or vaping or tobacco products or paraphernalia.

G. Interactions with the public.

1. In order to preserve the safety of vehicular travelers, no sidewalk vendor may solicit business from or conduct business with persons in motor vehicles on a public street.
2. In order to ensure the public's enjoyment of natural resources and recreational opportunities, vendors shall not approach members of the public to sell food or merchandise in a park.
3. Vendors shall not block or impede the path of any member of the public, or block or impede the entrance to any building, park, beach, or other area.
4. All persons operating a cart shall stay within ten (10) feet of the cart while the business is operating.

5. Vendors shall not harass any member of the public.
6. Sidewalk vendors shall not approach the entrance of any residence or business with the purpose of soliciting business.

H. Fire safety.

1. Sidewalk vendors shall not cook with, or otherwise use, an open flame without specific approval by the fire department.
  2. In order to protect health and safety, tanks containing propane or natural gas, large batteries, and any other container holding a combustible or flammable material shall be contained within a non-visible portion of the cart to prevent access by the public.
- I. Operations after dark. In order to preserve the safety of vehicular travelers and pedestrians, any cart operated before sunrise or after sunset, or in location with insufficient lighting, shall be equipped with enough lighting or reflectors to alert pedestrians and vehicular travelers to the presence of the cart.
- J. Inspection. Upon request, sidewalk vendors shall allow City personnel to inspect their cart for compliance with this chapter.

**5.60.080 – Location and time restrictions.**

- A. Prohibited locations. Sidewalk vending is prohibited in the following locations and as shown in Table 5.60-1:
1. Any area other than a public sidewalk or other approved area within a public right of way.
  2. On any sidewalk that is less than ten (10) feet wide (does not apply to roaming sidewalk vending).
  3. Beaches.
  4. Scenic pathways.
  5. State-owned property in the City, without state authorization.
  6. Within 100 feet of a police station or fire station.
  7. Within 15 feet of a fire hydrant or 15 feet of a transit stop.
  8. Within 15 feet of the outer edge of a driveway or driveway apron or any location that obstructs visibility for vehicles entering or exiting from a driveway.
  9. Adjacent to any marked loading zone or bus zone.

10. Within five (5) feet of a curb return.
11. Within any residential district (does not apply to roaming sidewalk vending).
12. Any location that impedes the flow of pedestrian traffic by reducing the clear space to less than four (4) feet or impedes access to or the use of abutting property, including, but not limited to, residences and places of business.
13. Within 100 feet in any direction of the nearest vendor or concessionaire participating in a certified farmers' market or swap meet during the operating hours of the certified farmers' market or swap meet.
14. Within 100 feet of a City-permitted special event, including but not limited to, parades, concerts, and movie filming, unless vendor has received a permit to vend as part of the event. For moving events, vending shall be prohibited within 100 feet of any portion of the approved event route. For stationary events, vending shall be prohibited within 100 feet of the parcel boundary for the location of the event.

Table 5.60-1

Sidewalk Vending Restrictions on Beaches, Trails, and State-Owned Land

<i>Location</i>	<i>Requirements</i>
Morro Strand Campground	Prohibited
Morro Bay State Park Campground	State Authorization Required
Morro Bay Golf Course	Prohibited
Morro Bay State Park	Prohibited
Embarcadero Road Harborwalk (South of Pacific Street)	Limited Opportunity Area
Embarcadero Road Harborwalk (between Pacific and Beach Street)	Limited Opportunity Area
Embarcadero Road Harborwalk (between Beach Street and Pedestrian Bridge)	Limited Opportunity Area
Coleman Drive (from Embarcadero to Morro Rock Parking Lot)	Limited Opportunity Area
North Point Natural Area	Prohibited
Morro Bay Dog Beach	Prohibited
Public Beaches from Morro Rock to North Point Natural Area (including	Prohibited

beach parking lots)	
Eagle Rock	Prohibited
Public Launch Ramp	Prohibited
Black Hill Trail	Prohibited
Morro Bay State Park Boardwalk/Harbor	State Authorization Required
Morro Bay Estuary	Prohibited
South Bay Blvd Mountain Bike Trails & Parking Lots (Cerro Cabrillo/Park Ridge Rock)	Prohibited

B. Limited Opportunity Areas. The City of Morro Bay has unique characteristics that require limitations on sidewalk vending activities for safety, health and accessibility. The City’s community development director is authorized to establish additional restrictions on sidewalk vending in Limited Opportunity Areas, provided such restrictions shall comply with state law and shall be reasonably necessary to protect and promote safety, health and accessibility. Such limitations may include, but are not limited to, the number of sidewalk vending permits issued and hours of operation. Applicants will be notified of the limitations or special restrictions applicable to Limited Opportunity Areas upon request and upon review of the sidewalk vending permit application.

C. Parks. The amount and type of sidewalk vendors allowed in City parks is limited as shown in Table 5.60-2.

Table 5.60-2

Vending Restrictions in Parks

<i>Park</i>	<i>Sidewalk Vendors Allowed (S=Stationary/ R= Roaming)</i>
Anchor Memorial	0 (S or R)
Bayshore Bluffs	2 (S); Roaming Allowed
Centennial Parkway	1 (S); Roaming Allowed
City Park	2 (S); Roaming Allowed
Cloisters Community Park	2 (S); Roaming Allowed
Coleman	2 (S); Roaming Allowed
Del Mar	2 (S); Roaming Allowed

Lila Keiser Park	2 (S); Roaming Allowed
Mariner Memorial	1 (S); Roaming Allowed
Monty Young	2 (S); Roaming Allowed
North Point	1 (S); Roaming Allowed
Tidelands	4 (S); Roaming Allowed
Franklin Riley	2 (S); Roaming Allowed
Morro Rock Parking Lot	4 (S); Roaming Allowed

**5.60.090 – Penalties.**

A. Except as provided in subsections B, G, and H, a violation of this chapter may only be punished by the following:

1. An administrative fine not exceeding one hundred dollars (\$100) for a first violation.
2. An administrative fine not exceeding two hundred dollars (\$200) for a second violation within one year of the first violation.
3. An administrative fine not exceeding five hundred dollars (\$500) for each additional violation within one year of the first violation.
4. Rescission of the sidewalk vendor’s permit for the term of that permit upon the fourth violation or subsequent violations.

B. Vending without a sidewalk vendor permit may be punished by the following:

1. An administrative fine not exceeding two hundred fifty dollars (\$250) for a first violation.
2. An administrative fine not exceeding five hundred dollars (\$500) for a second violation within one year of the first violation.
3. An administrative fine not exceeding one thousand dollars (\$1,000) for each additional violation within one year of the first violation.

C. Upon proof of a valid vendor permit, an administrative fine imposed under Section 5.60.090(B) shall be reduced to the respective administrative fine set forth in Section 5.60.090(A).

D. Notwithstanding any other provision of this code, neither a violation of the sidewalk vending program nor a failure to pay an administrative fine imposed by Section 5.60.090(A) or (B) shall be punishable as an infraction or misdemeanor.

- E. Any person who receives an administrative fine under Section 5.60.090(A) or (B) shall have the right to request an ability-to-pay determination.
1. The City shall give any such person written notice of his or her right to request an ability-to-pay determination as well as instructions and other materials for requesting an ability-to-pay determination at the time that the administrative fine citation is issued.
  2. A right-to-pay determination may be requested at any time following the issuance of the administrative fine citation until the fine is paid, including when payment of the fine is delinquent or has been referred to a collection program.
  3. Upon receipt of a request for an ability-to-pay determination, the city manager or his or her designee shall determine whether such person meets the criteria described in subdivision (a) or (b) of Section 68632 of the Government Code. The determination of the city manager or his or her designee shall be final.
  4. If the person meets the criteria described in subdivision (a) or (b) of Section 68632 of the Government Code, the City shall reduce the fine to twenty percent (20%) of the amount of the fine originally imposed.
- F. The city manager may, in his or her discretion, allow a person who receives an administrative fine under Section 5.60.090(A) or (B) to complete community service in lieu of paying the total administrative fine, may waive the administrative fine, or may offer an alternative disposition.
- G. Violations of the requirement to obtain a business tax certificate pursuant to Section 5.60.030(A) may be punished in accordance with the provisions of Chapter 5.04.
- H. Nothing in the chapter shall be construed to limit the City's ability to enforce laws of general applicability against sidewalk vendors, or to take any other enforcement actions against sidewalk vendors that are allowed by state or federal law or this code.

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AGENDA NO: A-5

MEETING DATE: June 23, 2020

# Staff Report

**TO:** Honorable Mayor and City Council

**DATE:** June 12, 2020

**FROM:** Dana Swanson, City Clerk

**SUBJECT:** General Municipal Election Resolutions for November 3, 2020 Election

## RECOMMENDATION

Staff recommends Council adopt Resolution No. 51-20 calling a general municipal election for November 3, 2020, and requesting consolidation of the election with the County, and Resolution No. 52-20 adopting regulations for candidate statements.

## FISCAL IMPACT

Estimated cost for calling and holding a general municipal election on November 3, 2020 for the election of the mayor and two council members is approximately \$16,000. This sum has been provided for in the City Clerk's Proposed FY 2020/21 Budget.

## BACKGROUND

In order to initiate the election process for a general municipal election to be held on Tuesday, November 3, 2020, two resolutions are presented for consideration by the Mayor and City Council. These two resolutions are pursuant to the provisions of law relating to elections in General Law Cities, in the State of California.

The first resolution calls and gives notice of the General Municipal Election to be held on November 3, 2020, for the election of the position of Mayor for a full term of two years, and two members of the City Council for full terms of four years each, and further requests that the County Board of Supervisors consolidate the General Municipal Election with the statewide general election to be held on the same date. Services provided by the County in a consolidated election include ballot creation, printing, mailing, collection, and counting, voter registration, and voting site operation. The City's request for consolidation commits to reimbursing the County for its costs associated with consolidation.

The second resolution adopts regulations pertaining to candidate's statements to be submitted to the electorate prepared by any candidate for a municipal election, including the costs of such materials, foreign language translations as required by state law, and provision that the candidate's statements may be 200 words (the City Council may authorize 200 words or 400 words, pursuant to Election Code § 13307(a)(1)).

The formal nomination period for candidates will run from July 13 through August 7, 2020, and the filing deadline will be extended to August 12, 2020 if an incumbent does not file. Information regarding the 2020 Election is available on the City [website](#).

## CONCLUSION

Staff recommends Council approve the two election resolutions for the holding of a general

Prepared by: DS

City Manager Review: SC

City Attorney Review: CFN

municipal election on November 3, 2020.

**ATTACHMENTS**

- 1) Resolution No. 51-20
- 2) Resolution No. 52-20

**RESOLUTION NO. 51-20**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA,  
CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION  
TO BE HELD ON TUESDAY, NOVEMBER 3, 2020, FOR THE PURPOSE OF ELECTING  
CERTAIN OFFICERS OF SAID CITY AS REQUIRED BY THE PROVISIONS OF THE LAWS  
OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES AND MORRO  
BAY MUNICIPAL CODE SECTION 2.09.010; AND, REQUESTING THE BOARD OF  
SUPERVISORS OF SAN LUIS OBISPO COUNTY TO CONSOLIDATE SAID ELECTION  
WITH THE STATEWIDE GENERAL ELECTION TO BE HELD IN THE COUNTY ON  
TUESDAY, NOVEMBER 3, 2020 PURSUANT TO SECTION 10403 OF THE ELECTION  
CODE; AND, OTHER ELECTION MATTERS AS REQUIRED BY LAW**

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

**WHEREAS**, Measure “J-14” was passed by the citizens of Morro Bay at the election held in November 2014 and codified as Resolution No. 78-14, amending Morro Bay Municipal Code Section 2.09.010 to have the General Municipal Election held at the time of the Statewide General Election; and

**WHEREAS**, under the provisions of the laws relating to the general law cities in the State of California and Morro Bay Municipal Code Section 2.09.010, a General Municipal Election shall be held on Tuesday, November 3, 2020 for the purpose of the election of two (2) members of the City Council of the City of Morro Bay for the full term of four (4) years, and for the election of one (1) Mayor of the City Council of the City of Morro Bay for the full term of two (2) years; and

**WHEREAS**, it is desirable that said General Municipal Election be consolidated with the Statewide General Election to be held on the same date and that within the City of Morro Bay the precincts, polling places and election officers of the two elections be the same, and that the County Election Department of the County of San Luis Obispo canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1.** That pursuant to the requirements of the laws of the State of California and Morro Bay Municipal Code Section 2.09.010, there is called and ordered to be held in the City of Morro Bay, California, on Tuesday, November 3, 2020 a General Municipal Election for the purpose of electing two (2) members of the City Council of the City of Morro Bay for the full term of four (4) years, and for the purpose of electing one (1) Mayor of the City Council of the City of Morro Bay for the full term of two (2) years.

**SECTION 2.** That the ballots to be used at the election shall be in form and content as required by law.

**SECTION 3.** That the City Clerk is authorized, instructed and directed to coordinate with the County of San Luis Obispo Clerk-Recorder to procure and furnish any and all official ballots,

notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

**SECTION 4.** That the voting sites for the election shall be open at such hours and on such days as determined by the San Luis Obispo County Clerk Recorder (Registrar of Voters) provided that the opening and closure of voting sites is conducted in accordance with Sections 10242 and 14401 of the Elections Code of the State of California.

**SECTION 5.** That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

**SECTION 6.** That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form, and manner as required by law.

**SECTION 7.** That pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of San Luis Obispo is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide General Election on Tuesday, November 3, 2020, for the purpose of the election of one (1) Mayor, and two (2) Members of the City Council.

**SECTION 8.** That the County Election Department is authorized to canvass the returns of the General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

**SECTION 9.** That the Board of Supervisors is requested to issue instructions to the County Election Department to take any and all steps necessary for the holding of the consolidated election.

**SECTION 10.** That the City of Morro Bay recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

**SECTION 11.** That the City Clerk is hereby directed to file a certified copy of this Resolution with the Board of Supervisors and the County Election Department of the County of San Luis Obispo.

**SECTION 12.** The City Council authorizes the City Clerk to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill.

**SECTION 13.** That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

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**SECTION 14.** This Resolution is effective on the day of its adoption.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 23<sup>rd</sup> day of June 2020 following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
JOHN HEADDING, Mayor

ATTEST:

\_\_\_\_\_  
DANA SWANSON, City Clerk

**RESOLUTION NO. 52-20**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA,  
ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE,  
PERTAINING TO, AND COSTS OF, CANDIDATE STATEMENTS SUBMITTED  
TO THE VOTERS AT THE CONSOLIDATED GENERAL MUNICIPAL  
ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2020**

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

**WHEREAS**, California Elections Code section 13307 provides the governing body of any local agency shall adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs of each candidate statement.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1. General Provisions.** Pursuant to California Elections Code section 13307, each candidate for elective office to be voted for at the Consolidated General Municipal Election to be held in the City of Morro Bay on November 3, 2020, may prepare a candidate's statement on an appropriate form provided by the City Clerk. Such statement may include the name, age, and occupation of the candidate and a brief description, not exceeding 200 words, of the candidate's education and qualifications expressed by the candidate himself/herself. Such statement shall not include party affiliation of the candidate, nor membership or activity in partisan political organizations. The statement shall be filed in the City Clerk's Office at the time the candidate's nomination papers are filed. The statement may be withdrawn, but not changed, during the period for filing nomination papers and until 5:00 p.m. of the next working day after the close of the nomination period.

**SECTION 2. Foreign Language Policy.**

- a. Candidates have the option to have their statement translated into another language and printed at an additional cost. Translation will be performed by the County of San Luis Obispo prior to publication.
- b. Pursuant to the Federal Voting Rights Act, candidate's statements will be translated into all languages as required by the County of San Luis Obispo.
- c. The County will mail separate sample ballots and candidates' statements in non-English languages (as required by the Federal Voting Rights Act) to only those voters who are on the county voter file as having requested a sample ballot in a particular language. The County will make the sample ballots and candidates statements in the required languages available at all polling places, on the County's website, and in the Election Official's office.

**SECTION 3. Payment.**

- a. Each candidate is required to pay for the cost of translating and printing his/her candidate statement in English and Spanish (and any language as required by

the Federal Voting Rights Act and/or State law) in the voters' pamphlet.

- b. The City Clerk shall estimate the total cost of printing, handling, translating, and mailing each candidate statement filed pursuant to this section, including costs incurred as a result of a candidate choosing to translate a statement into another language, and including costs incurred as a result of complying with the Voting Rights Act of 1965, as amended, and require each candidate filing a statement to pay in advance to the City of Morro Bay his/her estimated pro rata share as a condition of having his/her statement included in the voters' pamphlet. The estimate is an approximation of the actual cost that varies from one election to another and the actual cost may be significantly more or less than the estimate, depending upon the actual number of candidates filing statements. Accordingly, the City Clerk is not bound by the estimate and may, on a pro rata basis, bill each candidate for additional actual expense, or refund any excess paid, depending upon the final actual cost. In the event of underpayment, the City Clerk shall require the candidate to pay the balance of the cost incurred. In the event of overpayment, within 30 days after the election, the City Clerk shall pro-rate the excess amount among the candidates and refund to each candidate his/her share of the excess amount.

**SECTION 4.** Additional Materials. No candidate is permitted to include additional materials in the sample ballot package.

**SECTION 5.** Miscellaneous.

- a. All translations shall be provided by professionally-certified translators pursuant to state and federal law.
- b. The Elections Official shall comply with all recommendations and standards set forth by the California Secretary of State regarding occupational designations and other matters relating to elections.

**SECTION 6.** The City Clerk shall provide each candidate, or his/her representative, a copy of this resolution at the time nominating petitions are issued.

**SECTION 7.** All previous resolutions establishing City Council policy on payment for candidate statements are hereby rescinded.

**SECTION 8.** This resolution applies only to the election to be held on November 3, 2020, and shall then be rescinded.

**SECTION 9.** The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

**SECTION 10. Effective Date.** This Resolution is effective on the day of its adoption.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 23<sup>rd</sup> day of June 2020 by the following vote:

AYES:  
NOES:  
ABSENT:

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JOHN HEADDING, Mayor

ATTEST:

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DANA SWANSON, City Clerk



AGENDA NO: A-6

MEETING DATE: June 23, 2020

## Staff Report

**TO:** Honorable Mayor & City Council **DATE:** June 18, 2020,2020

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

**SUBJECT:** Review and Receive Water Reclamation Facility (WRF) Capital Project Monthly Update Report and Provide Direction, if any, Deemed Appropriate

### **RECOMMENDATION**

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

### **DISCUSSION**

Provided as Attachment 1 is the Monthly WRF Project Report for April 2020 for Council and public review.

### **ATTACHMENT**

1. City of Morro Bay Water Reclamation Facility Project Monthly Report April 2020

Prepared By: \_\_\_\_\_ Dept Review: \_\_\_\_\_  
City Manager Review: \_\_\_\_\_ City Attorney Review: JWP



MORRO BAY  
**OUR WATER**  
RELIABLE. CLEAN. FOR LIFE.

City of Morro Bay  
Water Reclamation Facility Project

MONTHLY REPORT APRIL 2020

FINAL | June 2020







City of Morro Bay  
Water Reclamation Facility Project

MONTHLY REPORT OF PROJECT STATUS AND  
EXPENDITURES THROUGH APRIL 2020

FINAL | June 2020

This document is released for the  
purpose of information exchange review  
and planning only under the authority of  
Eric T. Casares  
June 2020  
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
CWSRF	Clean Water State Revolving Fund
DDW	Division of Drinking Water
EPA	Environmental Protection Agency
ESCP	Enhanced Source Control Program
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
PCO	Potential Change Order
PPP	Pollution Prevention Program
RO	Reverse Osmosis
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
USFW	United States Fish and Wildlife
UVAOP	Ultraviolet Advanced Oxidation Process
WIFIA	Water Infrastructure Finance and Innovation and 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.

#### 1.1.1 Water Reclamation Facility

##### 1.1.1.1 Design

On May 22, 2020, the design-build team completed the design of the Water Reclamation Facility (WRF) with delivery of the Issued for Construction (IFC) drawings and specifications. Together with the final grading plans and final yard piping plans, all elements of the WRF construction can now proceed. The final grading and yard piping drawings were completed in October 2019 and April 2020, respectively. The design for the WRF is now complete.

Throughout the design process, the City and Program Manager have identified the need for changes to the scope of work included in the design-build team's original proposal. The results of these changes are potential change orders (PCOs) that have been presented to various advisory groups including the Public Works Advisory Board (PWAB) and Water Reclamation Facility Citizens Advisory Committee (WRFCAC) and approval by City Council. Most recently, the City and Program Manager presented a group of twenty six (26) PCOs with a value of \$5.99 million to PWAB and City Council on May 20, 2020 and May 26, 2020, respectively. The City Council approved the PCOs and the City is currently finalizing Amendment No. 3 with the design-build team.

##### 1.1.1.2 Construction

Since the construction notice to proceed (NTP) was issued on March 20, 2020, work on the South Bay Boulevard site has progressed. However, the construction has faced several challenges. The City and Program Manager have been in discussions with the California Department of Fish and Wildlife (CDFW) since June 2019. While the need for a Stream Bed Alteration Agreement (SAA) for the Conveyance Facilities component of the Project has always been assumed, the Environmental Impact Report (EIR) clearly stated that no waters of the state or United States were being impacted by the WRF facility component of the Project. The Project has proceeded since 2018 under this assumption. However, the City and Program Manager have been unable to get concurrence with CDFW on an erosional feature on the site. This concurrence is a requirement of the Project's Coastal Development Permit (CDP). In March 2020, the City submitted notification to CDFW for the erosional feature. Recently, CDFW has confirmed that the City will need a SAA for the WRF site. Receipt of the SAA is pending at this time. During coordination with CDFW, the contractor has been unable to access the erosional feature and it has impacted the efficiency and planned sequence for the work. The magnitude of the financial impacts are unknown at this time, but will result in an increase in the cost of the Project. Every day the contractor cannot access the erosional feature is impacting the Project negatively, and the City and Program Manager are doing everything possible to expedite this process.

On May 05, 2020, a crack or separation on the southern tip of the slope being excavated was observed. Shortly after noticing the slip, the Program Manager updated the California Coastal Commission (CCC) on the situation. The event has been classified as a soil slip or landslide with a volume of approximately 30,000 cubic yards. The soil slip was evaluated by several geotechnical firms and the issue has resulted in a change to the grading plans for the upper area of the site. Soon after the evaluations were completed, the contractor began excavating the slip material and stockpiling it for eventual transfer to the erosional feature area (identified above). Dealing with the soil slip and design changes has a cost, but it has not yet been determined who will be responsible for the additional costs (i.e., City or design-build team, or shared cost). Since the issue occurred, the focus for everyone involved has been finding a solution to the problem. Now that the long-term plan for dealing with the soil slip has been finalized, the City and Program Manager will negotiate with the design-build team and will have an update for the City Council once negotiations are complete.

### **1.1.2 Conveyance Facilities**

#### **1.1.2.1 Design**

The pipeline designer delivered the final drawings and technical specifications in May 2020. Since that time, the pipeline designer and Program Manager have been working to finalize the front-end documents before this component of the Project can be advertised for bidding. On June 16, 2020, the Conveyance Facilities component of the Project was advertised, and bids will be opened on July 28, 2020.

### **1.1.3 Recycled Water Facilities**

The Project's hydrogeologist has been working on refinement of the groundwater model and delivered the Draft Phase 2 (Characterization) Technical Memorandum (TM) in March 2020. Based on the review of the Draft TM, the hydrogeologist has performed additional groundwater modeling and has been making updates to the TM. The City expects receipt of the Final TM by June 19, 2020. While the Final TM has not yet been received, it is anticipated the Final TM will include:

- Recommendation to pursue the west injection area solely
- Longer groundwater retention times than what was previously indicated in the Final Lower Morro Valley Basin Screening-Level Groundwater Modeling for Injection Feasibility Report (GSI, 2017)

Once the Final TM is received, the City and Program Manager will present the results to PWAB at their next regularly scheduled meeting.

Table 1 summarizes some of the key accomplishments and critical challenges identified for the Project through April 2020.

Table 1 Project Accomplishments and Challenges

Project Component	Key Accomplishments	Critical Challenges	Actions to Overcome Challenges	Likely Outcomes
General Project	Continued to support the review of the City's construction loan application by the Clean Water State Revolving Fund (CWSRF) staff.			
	Completed the IFC drawings and specifications.			
Water Reclamation Facility	A soil slip on the site occurred with a volume of approximately 30,000 cubic yards that has resulted in additional work for the design-build team		Negotiate with the design-build team to determine responsibility and minimize the financial impacts from dealing with the soil slip.	Pending the result of the negotiations with the design-build team, the soil slip could result in a future PCO.
	Complete the permitting process with CDFW.		Continue to coordinate with CDFW staff to facilitate review.	Avoidance of certain areas on the WRF site is causing construction inefficiencies that will result in a future PCO.
Conveyance Facilities	Completed the final drawings and specifications.			
	Advertised the Conveyance Facilities for bidding.			
Recycled Water Facilities	Receipt of easements necessary to construct the pipelines in the City's existing bike path.		Work closely with Vistra (Vistra Energy), 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.
	Receipt of property necessary to construct the injection wells.		Work with Vistra to obtain the property for the injection wells.	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 Q4 Fiscal Year 2019/2020 (June 30, 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.

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 \$2.9 million in construction contingency for the WRF needed to cover additional PCOs that were approved by the City Council in May 2020.
- Addition of pre-construction archeological investigations outlined in the Programmatic Agreement (PA) negotiated with the State Historic Preservation Office (SHPO) 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.

Table 2 Budget Revision Summary

Project Component	Baseline (Q4 FY 17/18)	Quarterly Reconciliation (Q3 FY 18/19)	Previous Fiscal Year (Q4 FY 18/19)	Quarterly Reconciliation (Q1 FY 19/20)	Quarterly Reconciliation (Q2 FY 19/20)	Quarterly Reconciliation (Q3 FY 19/20)
Water Reclamation Facility	\$62,414,000	\$74,059,000	\$72,891,000	\$72,598,000	\$72,231,000	\$71,856,000
Conveyance Facilities	\$21,087,000	\$27,108,000	\$28,864,000	\$28,524,000	\$29,224,000	\$29,989,000
Recycled Water Facilities	\$8,593,000	\$5,366,000	\$5,250,000	\$5,212,000	\$5,353,000	\$5,526,000
General Program	\$24,403,000	\$11,614,000	\$11,801,000	\$11,625,000	\$11,701,000	\$12,964,000
Construction Contingency	\$9,444,000	\$6,450,000	\$7,132,000	\$7,131,000	\$7,364,000	\$10,264,000
<b>Total</b>	<b>\$125,941,000</b>	<b>124,597,000</b>	<b>\$125,938,000</b>	<b>\$125,090,000</b>	<b>\$125,873,000</b>	<b>\$130,599,000</b>

Notes:

(1) Breakdown of the current contingency (\$10,264,000) is as follows: WRF = \$7,506,000; Conveyance Facilities = \$2,458,000; and Recycled Water Facilities = \$300,000

Table 3 summarizes the positions and estimates at completion (EACs) for the major elements of the Project through the end of Q3 FY 19/20 when the last budget reconciliation was completed.

Table 3 Estimates at Completion

Project Component	Original Estimates	Initial Contract Value	Current Contract Value	Expenditures to Date	Estimate at Completion
<b>General Project</b>	<b>\$24,403,000</b>			<b>\$5,163,233</b>	<b>\$13,917,000</b>
City Costs <sup>(2)</sup>				\$1,883,407	\$4,078,000
Program Management <sup>(3)</sup> (Carollo Engineers)		\$293,000	\$4,280,916	\$3,279,826	\$9,839,000
<b>Water Reclamation Facility</b>	<b>\$62,414,000</b>			<b>\$9,385,408</b>	<b>\$68,871,000</b>
Design/Build (Filanc/Black & Veatch)		\$67,234,512	\$68,870,572	\$9,385,408	\$68,871,000
<b>Conveyance Facilities</b>	<b>\$21,087,000</b>			<b>\$1,807,054</b>	<b>\$26,386,000</b>
Design (Water Works Engineers)		\$1,360,565	\$2,052,387	\$1,807,054	\$2,152,000
Construction				-	\$24,234,000
<b>Recycled Water Facilities</b>	<b>\$8,593,000</b>			-	<b>\$3,575,000</b>
Design				-	\$450,000
Construction				-	\$3,125,000
<b>Contingency</b>	<b>\$9,444,000</b>				<b>\$10,263,000</b>
Water Reclamation Facility					\$7,505,000
Conveyance Facilities					\$2,458,000
Recycled Water Facilities					\$300,000
<b>Other Contracts<sup>(4)</sup></b>				<b>\$4,448,837</b>	<b>\$7,587,000</b>
<b>Total</b>	<b>\$125,941,000</b>			<b>\$20,804,531</b>	<b>\$130,599,000</b>

Notes:

- (1) Total expenditures and EAC are based on the budget reconciliation completed for Q3 FY 19/20.
- (2) City costs include staff salaries and benefits, legal services, land acquisition, supplies and equipment, etc.
- (3) Includes total program management costs including public outreach and construction oversight/management.
- (4) Other Contracts includes previous consultants including MKN and Black & Veatch and current consultants including Far Western, ESA, Kestrel, GSI, Bartle Wells Associates, etc.



## Section 2

# KEY PERFORMANCE MEASURES

### 2.1 Performance Measures

A set of five 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 4. The Project's performance is also illustrated graphically in Figures 1 and Figure 2.



Table 4 WRF Project Performance Measures

Performance Measure	Data	Baseline (Q4FY 18/19)	Current (Q3 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 03/31/20)	\$125.9 M	\$130.6 M	3.7%	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 03/31/20)	\$77.3 M	\$79.4 M	2.7%	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 03/31/20)	\$31.3 M	\$32.5 M	3.6%	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 03/31/20)	\$5.6 M	\$5.8 M	4.4%	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 03/31/20)	\$11.7 M	\$12.9 M	10.7%	R	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 06/17/20)	1.00	1.00	0.00	G	>= 1.00	0.99 to 0.90	< 0.90
3: Schedule Performance Index <sup>(1)</sup>	Ratio of Planned Percent Complete to Actual Percent Complete (as of 06/17/20)	1.00	0.98	-0.02	Y	>=1.00	0.99 to 0.80	<0.80
4: Conveyance Pipeline Installed	Feet of conveyance pipeline installed (thru 06/17/20)	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 06/17/20)	1,034 days	811 days	-223 days	Y	<= 365 days	364 days and 180 days	> 179 days



## Section 3

# PROJECT COSTS

### 3.1 Project Budget

The overall budget status for the Project is summarized in Table 5. 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 5 shows the total amount of work currently under contract and provides a summary of total charges.

Table 5 WRF Project Overall Budget Status (thru April 2020)

Summary of Total WRF Project Cost	
Original Baseline WRF Project Budget <sup>(1)</sup>	\$125,941,000
Current Fiscal Year WRF Project Budget (as of 6/30/19) <sup>(2)</sup>	\$125,938,000
Current WRF Project Budget (as of 03/31/20) <sup>(3)</sup>	\$130,599,000
Budget Percent Change (Current versus Fiscal Year)	3.7%
Total Expenditures for April 2020	\$1,296,000
Total Expenditures to Date (thru 04/30/20 invoices)	\$20,805,000
Percent of Current WRF Project Budget Expended	15.9%
Summary of Contracted Work	
Total Contracted Amount	\$80,357,000
Percent of Current WRF Project Budget Contracted	61.5%
Total Contracted Amount Expended	\$18,121,000
Percent of Contracted Amount Expended	22.6%
Remaining WRF Project Contracted Amount	\$62,236,000

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)

### 3.2 Project Cash Flow

Figure 1 presents the projected and actual expenditures for the Project through April 2020 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. 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 due to property acquisition.

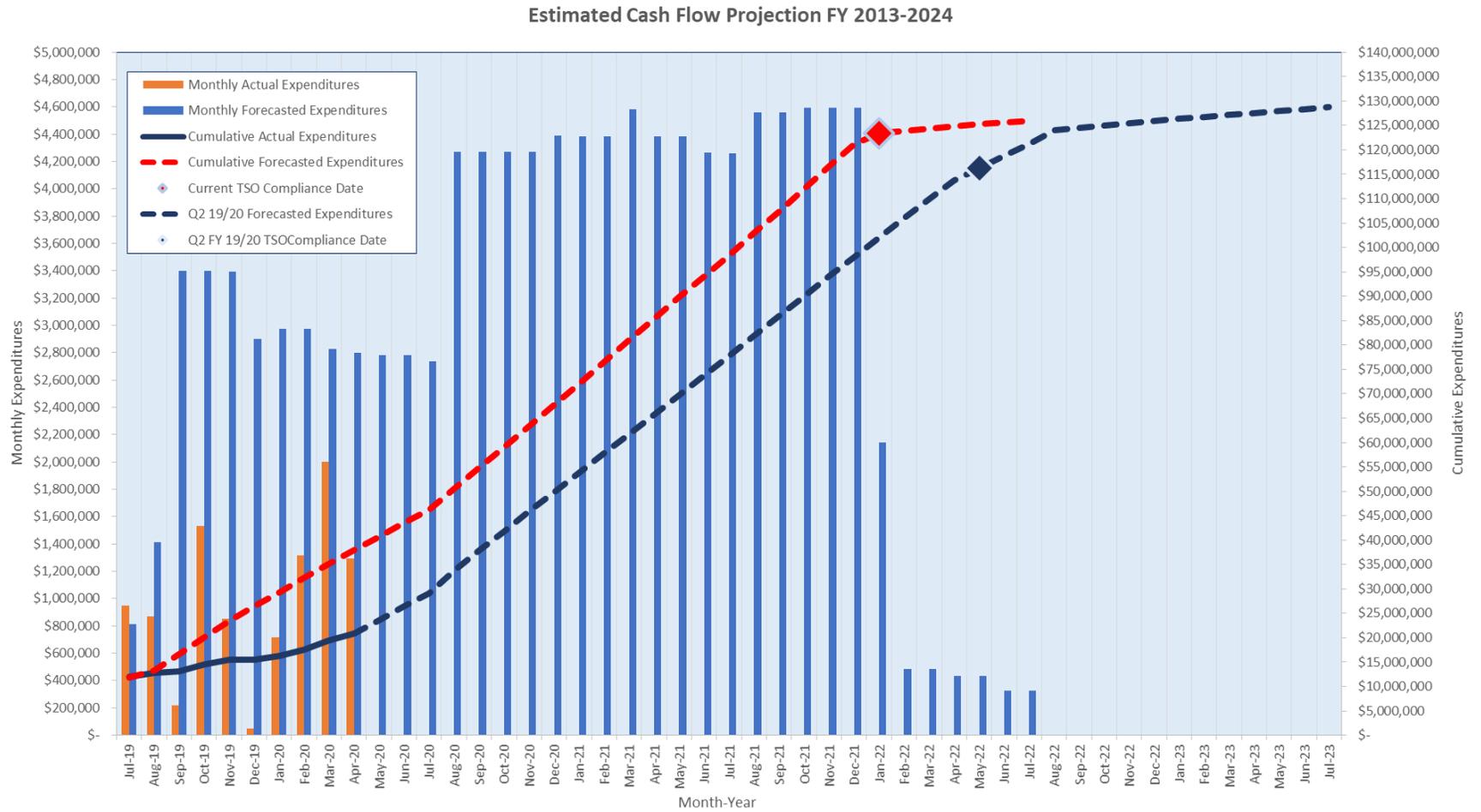


Figure 1 Project Cash Flow Projections and Actual Expenditures





## 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 as of June 2020. 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 4 (Compliance Schedule) of the TSO. Table 6 below provides a summary of the milestones in the TSO.

Table 6 Project Construction Milestones

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 <sup>(1)</sup>	-
Award of Contract for Construction of Conveyance Facilities	November 30, 2019	September 15, 2020	-
Completion of WRF Improvements with Completion Report	December 30, 2022	May 26, 2022	-
Full compliance with final effluent limitations	February 29, 2023	July 20, 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 (ESCP) 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 7 Expanded Milestone Schedule

Milestone	Baseline Schedule due Date	Planned/Actual Completion Date
<b><u>General Project</u></b>		
Compliance with the TSO <sup>(1)</sup>	November 11, 2021	July 20, 2022
<b><u>Water Reclamation Facility</u></b>		
Begin Construction	August 08, 2019	March 20, 2020 (Actual)
Deliver 90 Percent Design	October 24, 2019	March 31, 2020 (Actual)
Substantial Completion	November 11, 2021	July 20, 2022
Final Completion	June 09, 2022	February 17, 2023
<b><u>Conveyance Facilities</u></b>		
Deliver 90 Percent Design	October 15, 2019	February 10, 2020 (Actual)
Deliver 100 Percent Design	December 17, 2019	June 15, 2020 (Actual)
Bid Advertisement	February 21, 2020	June 16, 2020 (Actual)
Award Construction Contract	May 08, 2020	September 15, 2020
Substantial Completion	September 17, 2021	March 23, 2022
Final Completion	November 19, 2021	May 25, 2022
<b><u>Recycled Water Facilities</u></b>		
Select Preferred Injection Area	May 28, 2019	June 17, 2020 (Actual)
Deliver 30 Percent Design	August 04, 2020	December 01, 2021
Deliver 60 Percent Design	November 10, 2020	March 09, 2022
Deliver 90 Percent Design	February 16, 2021	June 15, 2022
Deliver 100 Percent Design	April 27, 2021	August 24, 2022
Award Construction Contract	July 21, 2021	November 16, 2022
Substantial Completion	April 21, 2022	September 20, 2023
Final Completion	June 21, 2022	November 15, 2023

Notes:

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



AGENDA NO: A-7

MEETING DATE: June 23, 2020

# Staff Report

**TO:** Honorable Mayor and City Council **DATE:** June 15, 2020  
**FROM:** Jennifer Callaway, Acting Public Works Director / Finance Director  
Damaris Hanson, Environmental Program Manager  
**SUBJECT:** Annual Water Report 2019 and Recommendation for Allocation of Water Equivalency Units (WEU) for FY 2020-21

## **RECOMMENDATION**

Staff recommends the City Council review the 2019 annual water report and the proposed allocation of the FY 2020/21 Water Equivalency Units (WEU) and adopt Resolution No. 53-20 allocating a total of 115 WEUs for FY 2020/21, comprised of a total of 50 WEUs for residential development (30 for Single Family Residences (SFR) and 20 for Multi-Family Residences (MFR)) and 65 for commercial development.

## **ALTERNATIVES**

As an alternative to the proposed allocation of 115 new WEUs, City Council could modify the allocation of WEUs for FY 2020/21 by increasing or decreasing the total amount allowed by Ordinance No. 266 or direct staff to bring back an agenda item to consider placing a moratorium on the establishment of any new WEUs for FY 2020/21.

## **FISCAL IMPACT**

There are no fiscal impacts directly associated with the allocation of the WEUs. Staff prepares the annual water report and makes the recommendation on the authorization of WEUs as a routine annual task. Although, a moratorium on new WEUs would reduce the amount of revenue the City receives through building and planning fees, property taxes, sales taxes, and other property related revenues.

## **BACKGROUND**

The Public Works Department, Pursuant to Morro Bay Municipal Code (MBMC) Section 13.20, has prepared the Annual Water Report highlighting any significant changes in water availability and reporting the water equivalency units (WEU) from the previous year. This report was reviewed by the Public Works Advisory Board (PWAB) and the Planning Commission. The Planning Commission agreed with staff recommendations at their June 16, 2020 meeting. On June 17, 2020 the PWAB agreed with Staff recommendation with the following addition; "strongly encourage Council to change the allocation to increase the multifamily allocation and decrease the single family allocation".

A WEU is defined as a unit of measure for water use equal to the average amount of water

Prepared By: <u>DH</u> City Manager Review	Dept Review: _____ City Attorney Review: <u>CFN</u>
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used by a single-family residence over the period of one year. Since 2016, this amount is 8,732 cubic feet of water or 90 GPCD (Gallons Per Capita per Day). This amount was lowered from previous years due to the historical trend of lower water use compared to previous years. The intent of the WEU allocations are to regulate the addition of new water users to the City's water system and to ensure the demand for water shall not exceed available water supply.

In 1984, the citizens adopted Measure F (Codified as Ordinance No. 266 in MBMC as Chapter 13.20), a "Growth Management System". This measure set a maximum population of 12,200 by the year 2000. To accomplish the housing needs of this population growth, Measure F set a maximum number of housing units to a limit of 70 new units per year with a maximum variation in the number of units in a year cannot exceed 10 percent or 77 WEUs for residential units. City Council acted on August 27, 2007 to reduce the number of allocated housing units to 50 new housing units. Ordinance No. 266 requires allocation mix of 60-percent SFR and 40-percent MFR. Since housing and population growth has not increased as projected, i.e. the City has yet to reach Measure F population of 12,200, new housing units can still be issued. The population growth estimates in the proposed General Plan predict reaching the Measure F established population in 2040.

## **DISCUSSION**

### **Projected Water Supply FY20/21**

The City of Morro Bay's primary water source is surface water from the State Water Project (SWP). The SWP is administered locally by the San Luis Obispo County Flood Control and Water Conservation District. The water available from the SWP (allocation) is determined every year by the State Department of Water Resources and is based on rainfall and snowpack in the watersheds that serve as a source for the SWP. The SWP annual allocation to contractors for 2020 is 20-percent of the total contracted amount. For Morro Bay, this results in a delivery of 721-acre feet of SWP water. This allocation, in combination with the City's available drought buffer and storage in San Luis Reservoir along with the Countywide excess availability and local production, is enough to make up the difference between delivery requests and the City's estimated demand of 1,030 acre feet.

State Water is an interruptible source of water. If there is a line break/repair or an emergency, Morro Bay could be without water from this source. In 2019, the Chorro Valley pipeline which serves Morro Bay along with the California Men's Colony (CMC), Cuesta Community College and the County Operations Center was unable to provide the requested amounts of water for several months due to a faulty control valve, which has since been repaired. Additionally, the SWP does "shut down" once a year for routine maintenance, typically in October and/or November and has typically been anywhere from 1-2 weeks to a month.

The City's other sources of water are constrained as well, by a variety of water quality, and permitting issues. To use the Chorro Valley wells requires stream flows in Chorro Creek must exceed 1.4 cubic feet per second (cfs) per the City's water rights license/permit; additionally, water pumped from these wells are high in nitrates and cannot be used without treatment or blending. The City would need to perform upgrades to the water system in

order to treat this water from the Chorro Valley. The Morro Valley wells are also high in nitrates and are treated at the City’s Water Treatment Plant, the Brackish Water Reverse Osmosis (BWRO) is used to remove nitrates. There are also upgrades needed at the BWRO plant if this plant was to be used on a continuous basis.

Local Conservation Requirements: In June 2018 City Council revised the water conservation requirements to implement Mandatory Water Conservation Requirements. This is a step down from Severely Restricted Water Supply Conditions. The main difference between these two requirements being the mandatory requirement does not restrict the day in which you can water outdoors. In June 2016, Morro Bay completed the “stress test” and reduced our mandatory water conservation requirements from 12% to 0%. Over 83% of the State had 0% conservation after the stress test was completed. Morro Bay has continued to reduce water use over the years when compared to the base year, 2013. From 2014 to the present, the City’s water conservation rate has continued to decrease. For additional information on the SWP in San Luis Obispo County visit the County’s [website](#).

Water Conservation compared to 2013	
Year	% reduction from 2013
2014	-8
2015	-13
2016	-21
2017	-19
2018	-20
2019	-19

Water Management Planning

The OneWater plan was adopted by the City Council in November of 2018. The OneWater Plan reviewed all the City’s water resources (Potable Water, Wastewater and Stormwater) holistically to have a complete water resource picture. The OneWater plan did a complete study of the City’s water portfolio and determined that due to the restrictions on the Chorro Valley water rights this is not a reliable water source for the City. Additionally, due to the costs associated with seawater desalinization, the plan recommended discontinuation of this as a water supply. On November 27, 2018 City Council adopted Resolution No. 92-18 approving the OneWater Planning document which documented one of the Council’s major goals:

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

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

*long-term capital improvement plan to improve water and sewer infrastructure;”*

and provided the following direction regarding water supply:

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

*Staff is directed to take the following actions regarding specific water supply options:*

*A. Begin the decommissioning of the City’s seawater desalination facility, including but not limited to inactivation of the sea water wells, removal of the seawater pumps and removal of the sea water reverse osmosis pressure vessels, and*

*B. Begin the process to relinquish water rights in the Chorro Valley, including the discontinuation of stream flow monitoring.”*

The new Water Reclamation Facility will provide the City with the ability to provide up to 800 acre-feet per year of water through (indirect) potable reuse (in accordance with Title 22 of California's Code of Regulations) by injecting this highly purified water into the Morro Valley groundwater basin and recovering that water with its existing extraction wells. This water source was determined to be a more reliable, sustainable and cost-effective water source than other options analyzed in the OneWater plan.

#### Potable Water Production Summary

As shown in Attachment 1, *Water production per source 1980-2019*, no water was extracted from Chorro and Morro Basins for direct distribution into the water supply for the current year. Nine hundred thirty-eight acre-feet were delivered from the State Water Project (SWP), and 101 acre-feet of treated Morro Basin well water from the BWRO treatment plant. Attachment 2 provides an historical record of water production and use from 1960 through 2019.

#### Summary of FY 2019-2020 activity:

The Council authorized 115 WEUs for FY 2019-2020. 30 WEUs to be used for single-family dwellings and 20 for multiple-family dwellings with 65 allowed for commercial/Industrial uses. Those WEUs were allocated on a first-come, first-served basis. The tracking of the WEUs utilized for FY 2019-2020 indicates 8.09 of the 115 WEUs allocated were used as follows:

- 0.59 Commercial (Morro Bay Landing)
- 6 Single-Family
- 1.5 Multi-Family (three-unit apartment building, 0.5 WEU per unit)

This is not a comprehensive list of all building activity, but rather a list of those activities which required a WEU allocation.

**CONCLUSION:**

Staff recommends the City Council review the 2019 Annual Water Report and the proposed allocation of the FY 2020/21 Water Equivalency Units (WEU) and adopt Resolution No. 53-20 allocating a total of 115 WEUs for FY 2020/21, comprised of a total of 50 WEUs for residential development (30 for Single Family Residences (SFR) and 20 for Multi-Family Residences (MFR)) and 65 for commercial development.

**ATTACHMENTS**

1. Table 1: Water Production by source
2. Table 2: Per Capita Water Use
3. Resolution No. 53-20

TABLE 1

WATER PRODUCTION PER SOURCE 1980 - 2019  
(Acre Feet - AF)

Year	Chorro Basin	Morro Basin	** R/O Plant	State Water	TOTAL (AF)
1980	1079	672	*	*	1751
1981	1143	584	*	*	1727
1982	1061	526	*	*	1587
1983	995	537	*	*	1532
1984	1097	572	*	*	1669
1985	1108	582	*	*	1690
1986	1059	552	*	*	1611
1987	1124	531	*	*	1655
1988	1120	528	*	*	1648
1989	1047	512	*	*	1559
1990	963	564	*	*	1527
1991	808	449	*	*	1257
1992	1049	270	*	*	1319
1993	994	397	*	*	1391
1994	954	460	*	*	1414
1995	986	420	*	*	1406
1996	1261	240	*	*	1501
1997	985	249	*	301	1535
1998	38	*	*	1288	1326
1999	34	*	*	1359	1393
2000	4	*	*	1396	1400
2001	11	*	*	1399	1410
2002	1	32	48	1373	1454
2003	1	28	13	1379	1421
2004	49	213	10	1205	1477
2005	204	150	0	1007	1361
2006	257	80	25	1009	1371
2007	276	35	19	1116	1446
2008	184	52	28	1175	1439
2009	235	80	64	1069	1448
2010	74	54	258	873	1259
2011	14	0.5	84	1144	1243
2012	0	3.9	70	1129	1203
2013	0	27	107	1137	1271
2014	0	0	41	1141	1183
2015	0	0	138	952	1088
2016	0	0	36	958	994
2017	0	0	106	925	1031
2018	0	0	93	960	1053
2019	0	0	101	938	1039

\*\* R/O Plant Production numbers include both Morro Groundwater treated via Brackish Water Reverse Osmosis (BWRO) as well as Sea Water Reverse Osmosis (SWRO).

TABLE 2

TOTAL HISTORIC WATER PRODUCTION & PER CAPITA USAGE  
FOR THE CITY OF MORRO BAY

Year	Rainfall	City Population	Production in acre feet	Production in millions of gallons	Average daily production in millions of gallons	Average use in gallons per capita per day
1960	10.48	5,599	894	291	0.8	142
1961	8.6	*	842	274	0.75	*
1962	17.22	*	999	326	0.89	*
1963	18.52	*	840	274	0.75	*
1964	11.26	*	881	287	0.79	*
1965	16.08	6,400	1000	326	0.89	140
1966	11.24	6,500	1188	387	1.06	163
1967	20.09	6,600	1194	389	1.07	161
1968	9.64	6,750	1298	423	1.16	172
1969	28.74	6,900	1255	409	1.12	162
1970	9.84	7,109	1534	500	1.37	193
1971	14.2	7,450	1533	500	1.37	184
1972	7.41	7,517	1547	504	1.38	184
1973	27.51	7,725	1424	464	1.27	165
1974	22.35	7,942	1482	483	1.38	167
1975	14.43	8,165	1510	492	1.35	165
1976	11.38	8,394	1574	513	1.41	167
1977	8.35	8,525	1249	407	1.12	131
1978	29.68	8,625	1430	466	1.28	148
1979	17.06	9,150	1614	526	1.44	157
1980	20.99	9,064	1651	538	1.47	162
1981	13.11	9,206	1727	563	1.54	168
1982	20.01	9,297	1586	517	1.42	152
1983	35.01	9,435	1534	500	1.37	145
1984	10.08	9,599	1669	544	1.49	155
1985	10.02	9,747	1691	551	1.51	155
1986	17.17	9,881	1614	526	1.44	146
1987	12.29	9,819	1655	539	1.48	150
1988	15.01	9,975	1648	537	1.47	147
1989	10.88	10,133	1559	508	1.39	137
1990	8.78	9,664	1527	498	1.36	141
1991	16.01	9,806	1256	410	1.12	114
1992	19.63	9,736	1319	430	1.18	121
1993	24.21	9,979	1391	452	1.24	124
1994	11.05	10,071	1414	462	1.26	126
1995	40.01	9,518	1418	462	1.27	133
1996	15.47	9,687	1501	462	1.34	138
1997	18.56	9,696	1535	489	1.37	141
1998	18.01	9,845	1326	432	1.18	120
1999	13.11	9,871	1393	454	1.24	126
2000	19.63	10,410	1400	456	1.25	120
2001	16.04	10,486	1410	459	1.26	118
2002	9.36	10,510	1454	474	1.3	123
2003	13.75	10,485	1421	466	1.28	122
2004	9.48	10,522	1477	481	1.32	125
2005	30.19	10,270	1361	444	1.22	118
2006	18.9	10,491	1371	447	1.23	117
2007	7.24	10,436	1446	471	1.29	118
2008	13.34	10,548	1439	469	1.23	122
2009	12.25	10,555	1448	472	1.29	120
2010	17.26	10,608	1259	410	1.12	106
2011	12.99	10,234	1243	405	1.11	108
2012	10.16	10,327	1203	392	1.07	105
2013	4.05	10,370	1349	440	1.21	117

**TABLE 2**

**TOTAL HISTORIC WATER PRODUCTION & PER CAPITA USAGE  
FOR THE CITY OF MORRO BAY**

Year	Rainfall	City Population	Production in acre feet	Production in millions of gallons	Average daily production in millions of gallons	Average use in gallons per capita per day
2014	12.62	10,234	1183	385	1.05	103
2015	8.55	10,544	1088	354	0.97	92
2016	18.79	10,284	994	324	0.88	86
2017	18.73	10,284	1031	336	0.92	89.5
2018	15.1	10,439	1053	342	0.94	90.0
2019	19.32	10,439	1039	339	0.93	89.0

a: [average] determined from metered water sold, not water produced

**RESOLUTION NO. 53-20**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA,  
RECEIVING THE 2019 ANNUAL WATER REPORT ADOPTING THE WATER  
ALLOCATION PROGRAM FOR FY 2020/21**

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

**WHEREAS**, Chapter 13.20 of the Morro Bay Municipal Code calls for the City Council of the City of Morro Bay to adopt a yearly Water Allocation Program based on a report by the Public Works (Services) Director after review by the City of Morro Bay Planning Commission and Public Works Advisory Board; and

**WHEREAS**, the Local Coastal Program Land Use Plan and Ordinance Number 266, require the City Council to set an annual limit on new residential units and to prescribe the mix of multi-family and single-family residences allowed within that limit; and

**WHEREAS**, in April 2017, California Governor Jerry Brown lifted the drought emergency; and

**WHEREAS**, in March 2020, the California Department of Water Resources informed the State Water Project contractors the allocations for 2020/21 would be 20-percent of the contracted amount; and

**WHEREAS**, Morro Bay expects to receive 940 acre-foot of State Water deliveries; and

**WHEREAS**, on June 23, 2020, City Council did hold a public meeting on the 2019 Annual Water Report and the proposed FY 2020/21 Water Allocation Program; and

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

: A Water Allocation Program for the FY 2018/19 is hereby modified to contain the following elements:

- A. Allocate 115 WEUs in FY2020/21, 50 WEU for residential purposes, 30 SFR 20 MFR and 65 for Commercial/Industrial purposes.

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**SECTION 2: Applicability**

Each development project that requires an allocation of new Water Equivalency Units shall be subject to this revised allocation program, unless a building permit has been issued prior to the date of adoption of this Resolution.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay, at a regular meeting held on this 23<sup>rd</sup> day of June 2020 by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
JOHN HEADING, Mayor

ATTEST:

\_\_\_\_\_  
DANA SWANSON, City Clerk



AGENDA NO: A-8

MEETING DATE: June 23, 2020

# Staff Report

**TO:** Honorable Mayor and City Council

**DATE:** June 12, 2020

**FROM:** Dana Swanson, City Clerk

**SUBJECT:** Appointment of Council Member Addis as the City of Morro Bay's Child Care Liaison

## **RECOMMENDATION**

Staff recommends the Council appoint Council Member Addis as the City's Child Care Liaison and point of contact for the We Are the Care Initiative.

## **ALTERNATIVES**

The Council may choose to appoint another Council Member or staff member as the City's child care liaison.

## **FISCAL IMPACT**

There is no fiscal impact associated with this action.

## **BACKGROUND/DISCUSSION**

At the May 26, 2020 City Council Meeting, Kris Roudebush, Special Projects Administrator with First 5 San Luis Obispo County, introduced the We Are the Care Initiative--a group of parents, early childhood educators and civic leaders, working together in support of child care and early childhood professionals. She requested the Council show its support of this initiative by appointing a member of the Council or staff as a Child Care Liaison to be the first point of contact as they work together to support quality and affordable child care and early childhood professionals for the benefit of the families and the workforce of the Morro Bay community. During discussion of Future Agenda Items at that meeting, there was Council consensus to bring back an agenda item to appoint Council Member Addis as the City's representative.

A letter received from Ms. Roudebush with more information regarding this program is provided as Attachment 1.

## **ATTACHMENT**

1. Letter from We Are the Care Initiative

Prepared By: DS

Dept Review: \_\_\_\_\_

City Manager Review: SC

City Attorney Review: CFN



Greetings from the We Are the Care Initiative,

Now more than ever, we are reminded that access to quality and affordable care is vital for our community to function and support our economy. We can clearly see that child care professionals are now, and always have been, an essential part of our workforce.

The COVID-19 pandemic has impacted and forever changed the life of every member in our community. Parents are no longer working under normal conditions, if at all, and children are no longer attending school or child care centers in the traditional manner. We do not know for certain when our lives will return to normal, but we hold onto the knowledge that someday, we will all go back to work, and children will go back to school. But according to a recent study by the National Association for the Education of Young Children (NAEYC) and the Center for American Progress, almost half of all licensed child care centers and family child care homes are at risk of closing due to COVID-19. This will throw an already in-crisis child care system into utter chaos. In order for our economy to get back on its feet, we NEED child care providers. If we do not support the private sector of child care, many families will be unable to work when the time comes.

This is where we ask you, our community leaders, to act now to support child care and early childhood professionals. Private centers and family child care homes, who already operate on razor thin margins, are at a loss for how they can afford to expend their already limited resources to implement required and necessary changes to ensure the health and safety of children, families, and staff. Additionally, current limitations on group sizes equate to significant reductions in number of children served and therefore the solvency of programs. We need your help to think creatively on ways to ensure that our local mixed-delivery child care system survives this crisis. The same centers that are currently open and serving the families of essential workers, putting their staff at risk to support the community, are the very same programs that may have to close their doors.

We are also asking you to go one step further in supporting early childhood and child care, and appoint a member of this council or staff as a Child Care Liaison. Your Child Care Liaison will be our first point of contact, and we

hope to build a relationship with that individual so that together we can make great changes for the families and the workforce of the Morro Bay community. We thank you for your support in our first year as an initiative, and hope you continue to support us as we work together to solve the child care crisis.

If you want to learn more about the We Are the Care Initiative or to get involved, please contact First 5 San Luis Obispo County or find more information on our website, [www.first5slo.org](http://www.first5slo.org).

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**AGENDA NO: A-9**

**MEETING DATE: June 23, 2020**

# Staff Report

**TO: Honorable Mayor and City Council      DATE: June 17, 2020**

**FROM: Eric Endersby, Harbor Director**

**SUBJECT: Adoption of Resolution No. 54-20 Approving Amendment #5 to the New Master Lease Agreement Between the City of Morro Bay and Boatyard LLC for Lease Site 89/89W, Located at 845 Embarcadero, and Commonly Known as “The Boatyard”**

### **RECOMMENDATION**

Staff recommend the City Council adopt Resolution No. 54-20, approving Amendment #5 to the new Master Lease Agreement (MLA) for Lease Site 89/89W.

### **ALTERNATIVES**

Council may elect not to approve Resolution No. 54-20 for the MLA as-proposed, and direct staff accordingly.

### **FISCAL IMPACT**

Under this lease amendment, each of the 22 semi-annual rent “credits” afforded the tenant in the Boatyard MLA will be reduced by \$1,120, resulting in additional revenues to the Harbor Fund of \$24,640 over the 11 years of rent credits.

### **BACKGROUND**

In 2015, a large portion of the seawall at the Boatyard site suffered a major failure, the cause of and legal responsibility for which was of significant dispute. After over two years of discussions with the Boatyard tenant (Boatyard LLC), staff negotiated a cooperative and beneficial “package” to deal with the seawall failure and provide a global resolution of all legal claims resultant of that failure and other disputed lease management issues, with the end result being on October 11, 2016 the City Council approved a new MLA that had substantial rent and other concessions to mitigate the costs of the seawall repair project.

In addition, since 2016 the MLA was amended four times to account for new developments in the seawall repair project and other issues related to management of the lease site.

The Boatyard MLA has an “Effective Date” and a “Commencement Date.” The Effective Date is just that – when the leases are in effect – and occurred when signed by the City and Tenant in 2016. The Commencement Date determines a rent-free period the City agreed to as one of its concessions in the seawall failure settlement issue, and when the “clock starts ticking” for the MLA’s 47-year term. Under the MLA, rent becomes due one year after the Commencement Date.

After completion of the seawall repair project and tenant’s acquisition of all applicable permitting agency final approvals this past winter/spring, the City and tenant disagreed on the interpretation of when the Commencement Date occurred.

Prepared By: EE      Dept Review: EE  
City Manager Review: \_\_\_\_\_      City Attorney Review: JWP

## **DISCUSSION**

Staff spent considerable time negotiating with Boatyard LLC over this issue, including bringing it to the City Council in closed session on June 9, 2020 for direction. Amendment #5, included with this staff report in Attachment #1, represents a compromise Commencement Date of September 1, 2020 for the Boatyard MLA in exchange for Boatyard LLC forfeiting \$24,640 worth of rent credits over an 11-year period, which amount is effectively one semi-annual rent credit.

Amendment #5 also includes an acknowledgement of the lease site to the Boatyard's north, 90/90W (Port House Restaurant, and formerly Otter Rock Café), because the Boatyard LLC's members are the partners of the tenant of the 90/90W site as well, which itself underwent considerable redevelopment under a new MLA with that 90/90W tenant, during the same period as the seawall failure repair project adjacent.

## **CONCLUSION**

Approval of Amendment #5 to the Boatyard MLA will ensure the continued global resolution and settlement of numerous issues and potential litigation resulting from the failure of a significant portion of a seawall and other matters related to the adjoining Port House site, including integration of the two individual site rehabilitation projects into one cohesive improvement project that, in the long run, should generate significantly more revenues than are currently produced.

Thus, this amendment represents a pragmatic and cost-effective method to ensuring the City and Boatyard LLC continue to agree to release each other from any and all potential liability that could have likely resulted from the seawall failure and associated legal and other costs. As a result the seawall was repaired with no upfront costs to the City, and significant other improvements were completed on both lease sites.

As such, staff recommend the City Council approve Resolution No. 54-20, included with this staff report as Attachment #2.

## **ATTACHMENTS**

1. Amendment #5 to the new Master Lease Agreement for Boatyard lease site 89/89W.
2. Resolution No. 54-20.

**AMENDMENT #5 TO THE LEASE AGREEMENT FOR  
LEASE SITE 89/89W, LOCATED AT 845  
EMBARCADERO AND ACKNOWLEDGEMENT OF THE  
TERMS OF THE LEASE AGREEMENT  
FOR LEASE SITE 90/90W**

This Amendment (this Amendment #5) is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2020, by and between the City of Morro Bay, a municipal corporation of the State of California, hereinafter called "City," and Boatyard, LLC, a California limited liability company, hereinafter called "Tenant." (Collectively, City and Tenant are sometimes referred to herein as the "Parties".)

**WHEREAS**, effective October 11, 2016, the Parties entered into that certain lease for Lease Sites 89/89W (Master Lease); and

**WHEREAS**, the Parties amended the Master Lease by executing Amendment #1, effective December 12, 2017, (Amendment #1), Amendment #2, effective July 10, 2018, (Amendment #2), Amendment #3, effective August 29, 2018, (Amendment #3) and Amendment #4, effective October 24, 2018, (Amendment #4); and

**WHEREAS**, the Master Lease, Amendment #1, Amendment #2, Amendment #3 and Amendment #4 are hereafter called the "Amended Master Lease;" and

**WHEREAS**, Clifford Branch Trust, dated January 11, 2006 and Smith Family Trust, dated September 13, 2004 as partners of Fair Sky Properties, a California general partnership (Fair Sky Properties) along with City have entered into that certain lease, as amended, for Lease Site 90/90W; and

**WHEREAS**, this amendment #5 is being signed on behalf of Fair Sky Properties only for the purpose of acknowledging the terms of the amended lease for Lease Site 90/90W, including expressly, the terms regarding rent; and

**WHEREAS**, the Parties again desire to amend the Amended Master Lease to make certain modifications thereto.

**NOW THEREFORE**, Tenant and City agree, as follows:

1. Unless expressly stated herein, words used in this Amendment #5 shall have the same meaning as stated in the Amended Master Lease, except to the extent the context requires otherwise.
2. The foregoing recitals are incorporated into this Amendment #5 as true and correct.
3. Except as expressly set forth herein, the Parties acknowledge and agree the Amended Master Lease and all of the terms, conditions and contingencies of the Amended Master Lease are in full force and effect. City and Fair Sky Properties acknowledge the amended lease for Lease Site 90/90W and all of the terms, conditions and contingencies of the amended lease for Lease Site 90/90W are in full force and effect.

4. The Parties agree
  - a. the Amended Master Lease is amended so the amount of each of the semi-annual credit is reduced from \$24,650.00 to \$23,530.00,
  - b. the Commencement Date is September 1, 2020,
  - c. that certain lease dated November 19, 2001, originally between City and Josef Steinmann (which was subsequently assigned to and assumed by Tenant) (Old MLA) has been terminated as of the Commencement Date and since that date has been and is of no force or effect and
  - d. no Minimum or Percentage Rent is due pursuant to the Old MLA.
  
5. City and Fair Sky Properties acknowledge no Minimum or Percentage Rent is past due for Lease Site 90/90W and such rents will be due only as set forth in the amended lease for Lease Site 90/90W, which those parties acknowledge is 180 days after the September 1, 2020, Commencement Date for Lease Site 90/90W.

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment #5 as of the date written above.

CITY OF MORRO BAY

BOATYARD, LLC

By: \_\_\_\_\_  
John Headding, Mayor

By: \_\_\_\_\_  
Clifford Branch, Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
Chris Neumeyer, City Attorney

ATTEST:

\_\_\_\_\_  
Dana Swanson, City Clerk

[Signatures continued on Page 3]

[Signatures continued from Page 2]

ACKNOWLEDGED BY FAIR SKY PROPERTIES, a California general partnership.

SMITH FAMILY TRUST, dated September 13, 2004, General Partner

By: \_\_\_\_\_  
James Edmund Smith, Trustee

By: \_\_\_\_\_  
Beverly Elder Smith, Trustee

CLIFFORD BRANCH TRUST, dated January 11, 2006, General Partner

By: \_\_\_\_\_  
Clifford Branch, Trustee

**RESOLUTION NO. 54-20**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA,  
APPROVING AMENDMENT #5 TO THE  
NEW MASTER LEASE AGREEMENT  
FOR LEASE SITE 89/89W, LOCATED AT 845 EMBARCADERO**

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

**WHEREAS**, the City of Morro Bay (“City”) is the lessor of certain properties on the Morro Bay Waterfront described as City Tidelands leases and properties; and

**WHEREAS**, Boatyard LLC (“Tenant”) has been the lessee of Lease Site 89/89W since 2006 and is a tenant in good standing; and

**WHEREAS**, on October 11, 2016, Tenant and City entered into that certain new master lease agreement for the Lease Site (the “New Master Lease Agreement”) to resolve issues over a failing portion of the seawall on the Lease Site; and

**WHEREAS**, the Tenant and City amended the Master Lease by executing Amendment #1, effective December 12, 2017, (Amendment #1), Amendment #2, effective July 10, 2018, (Amendment #2), Amendment #3, effective August 29, 2018, (Amendment #3) and Amendment #4, effective October 24, 2018, (Amendment #4); and

**WHEREAS**, the Master Lease, Amendment #1, Amendment #2, Amendment #3 and Amendment #4 are hereafter called the “Amended Master Lease;” and

**WHEREAS**, Tenant is a partner in Fair Sky Properties, a California general partnership (Fair Sky Properties), who along with City have entered into that certain lease, as amended, for Lease Site 90/90W; and

**WHEREAS**, Amendment #5 is being signed on behalf of Fair Sky Properties only for the purpose of acknowledging the terms of the amended lease for Lease Site 90/90W, including expressly, the terms regarding rent; and

**WHEREAS**, the Tenant and City again desire to amend the Amended Master Lease for Lease Site 89/89W to make certain modifications thereto.

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

1. The attached Amendment #5 to the New Master Lease Agreement for Lease Site 89/89W is hereby approved.

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2. The Mayor is hereby authorized to execute said Amendment #5.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 23<sup>rd</sup> day of June, 2020 on the following vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
John Heading, Mayor

ATTEST:

\_\_\_\_\_  
Dana Swanson, City Clerk

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SB1 Project List FY20/21

<b>Street Name</b>	<b>From</b>	<b>To</b>	<b>Area</b>	<b>Existing PCI</b>	<b>Cost</b>	<b>Treatment</b>	<b>Useful Life</b>
Main St	SR 41	SR 1	25,000 sf	60	\$179,500	Dig out and Repave	25 years

**CONCLUSION**

In order to meet the SB1 funding requirements for FY20/21, staff will submit to the California Transportation Commission (CTC) the proposed project and adopted resolution once approved. Submittal of this list to the CTC does not preclude the City from making modifications due to changes in circumstances, such as budget, bidding or Council priorities. Those changes will be reported to the CTC in the project completion report. The obligation by the City is to spend SB1 funds appropriately and to not reduce the amount of general fund expenditures due to the Maintenance of Effort requirements.

**ATTACHMENT**

1. Resolution No. 55-20

**RESOLUTION NO. 55-20**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA  
APPROVING THE FISCAL YEAR 2020/21 PROJECT LIST FOR SENATE  
BILL 1 (ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017) ROAD  
MAINTENANCE AND REHABILITATION ACCOUNT FUNDING**

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

**WHEREAS**, Senate Bill 1 (SB1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide; and

**WHEREAS**, SB 1 includes accountability and transparency provisions that will ensure the residents of Morro Bay are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

**WHEREAS**, the City of Morro Bay must adopt by resolution a list of projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

**WHEREAS**, the City of Morro Bay will receive an estimated \$179,411 in funding in Fiscal Year 2020/21 from the RMRA of SB1; and

**WHEREAS**, this is the fourth year in which the City of Morro Bay is receiving RMRA funding which will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB1; and

**WHEREAS**, the City of Morro Bay through the Public Works Advisory Board, Citizen Finance Committee and City Council's review of the Operating and Capital Budget has undergone a public process to ensure public input into our community's transportation priorities/the project list; and

**WHEREAS**, the City of Morro Bay used "StreetSaver," a Pavement Management System tool, to develop the SB1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the community's priorities for transportation investment; and

**WHEREAS**, the funding from SB1 will help the City of Morro Bay reconstruct portions (25,000 square feet) of Main Street between Highway 41 and the Highway 1 overcrossing (Radcliff Ave) this fiscal year and additional street segments each year into the future, as SB1 funds remain available; and

**WHEREAS**, the California Statewide Local Streets and Roads Needs Assessment found that the City's streets and roads are in an at-risk condition, and this revenue both will help us

increase the overall quality of our road system as well as over the next decade, with additional local funds, may help bring our streets and roads into a “good” condition; and

**WHEREAS**, the SB1 project list and overall investment in our local streets and roads infrastructure, with a focus on basic maintenance and safety, and investing in complete streets infrastructure, will have significant positive co-benefits statewide.

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

1. The foregoing recitals are true and correct.
2. The following list in Exhibit A are proposed projects that will be funded in-part or solely with fiscal year 2020/21 Road Maintenance and Rehabilitation Account revenues.
3. The City Council may approve funding more than the SB1 allocation for to the Project List in Exhibit A in the FY 2020/21 budget, as funding is available, in accordance with City Council goals and priorities.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay, California, at a regular meeting held on the 23<sup>rd</sup> day of June 2020, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
JOHN HEADDING, Mayor

ATTEST:

\_\_\_\_\_  
DANA SWANSON, City Clerk

EXHIBIT A

SB1 Project List FY 2020/21

<b>Street Name</b>	<b>From</b>	<b>To</b>	<b>Area</b>	<b>Existing PCI</b>	<b>Cost</b>	<b>Treatment</b>	<b>Useful Life</b>	<b>Estimated Schedule</b>
Main St	SR 41	SR 1	25,000 sf	60	\$179,500	Dig out and Repave	25 yrs	Construction Spring/Summer 2021

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**AGENDA NO: A-11**

**MEETING DATE: June 23, 2020**

# Staff Report

**TO: Honorable Mayor and City Council**

**DATE: June 16, 2020**

**FROM: Steven C. Knuckles, Fire Chief**

**SUBJECT: Adjustment to California Fire Service Agreement (CFAA) to Add Position of Fire Marshall to Personnel Eligible for Mutual Aid Reimbursement, by Adoption of Resolution No. 56-20**

## RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 56-20 approving the addition of the Fire Marshal position as an eligible position for mutual aid, applicable when the Fire Department responds away from the official duty station on assignment to a mutual aid emergency incident. Passage of this resolution ensures the City of Morro Bay will be fully reimbursed for out-of-county mutual aid responses.

## ALTERNATIVES

Do not adopt the Resolution and direct staff accordingly.

## FISCAL IMPACT

There is no fiscal impact to approving this request. Reimbursement of costs incurred by the City while fire emergency personnel are assigned away from their duty station on an emergency incident covered by the California Fire Service Agreement (CFAA) will remain the same as in the previous years. All compensation costs will be covered portal to portal and reimbursed back to the City to cover our expenses plus 22.3% administration charge. We were reimbursed in FY 17/18 \$349,143, FY 18/19 \$202,168, and 19/20 FY \$164,001 for multiple mutual aid requests through the CFAA. Our current administrative rate is an additional 16.613%.

## BACKGROUND

Under the terms of the 2020 C F A A , each local governmental agency is required to provide proof either through a governing body resolution or memorandum of understanding that all fire suppression personnel receive portal to portal compensation while away from their official duty station and assigned to an emergency incident. The City of Morro Bay currently abides with this portal to portal compensation method for all fire suppression personnel of the Fire Department. Personnel are compensated by this method whenever they are assigned to an emergency incident either in the City or away from their official duty station on a mutual aid incident. The primary intent of this new requirement within t h e C F A A is to address compensation terms for retired annuitants working on behalf of local fire agencies who respond to mutual aid incidents. The Fire Department does not currently employ personnel in either of these categories.

## DISCUSSION

With increasing frequency, the State of California Fire Department, Governor's Office of Emergency Services and the Federal Department of Forestry continues to depend on local government resources

Prepared By: SK Dept Review: \_\_\_\_\_  
City Manager Review: \_\_\_\_\_ City Attorney Review: CFN

to assist with large-scale wildland and emergency incidents. Additionally, as California's growing population continues to expand into the wildland areas, urban interface fire activity is expected to continue to increase in frequency and severity. Participation in the statewide mutual aid system is imperative for two reasons:

1. It provides Morro Bay Fire Department emergency personnel with the opportunity to assist in the control of large and complex fire and emergency incidents. This firefighting experience is directly beneficial to the citizens of Morro Bay in the event of significant fire and emergency activities occurring in our area. This experience also serves as invaluable training and makes for a more competent and capable firefighting and emergency staff to serve and protect our community.
2. San Luis Obispo County, including portions of Morro Bay, is subject to wildfire. It is likely that we will at some point in the future have to rely on the statewide fire mutual aid system to come to our assistance. Having extensive working knowledge of the statewide mutual aid system will help ensure a more seamless regional response.

Staff recommends that the Fire Marshal position be added to eligible personnel for mutual aid, applicable when the Fire Department responds away from the official duty station on assignment to a mutual aid emergency incident, through adoption of the proposed Resolution No. 56-20. The addition of a Fire Marshal position to our Fire Department that is eligible for mutual aid response is being added to our annual wage survey. As per requirements of the 2018 California Fire Assistance Agreement, local governments must identify each position that is eligible to respond mutual aid, and must be addressed through a governing body resolution or memorandum of understanding. Passage of the attached resolution ensures that the City of Morro Bay will be fully reimbursed for all positions plus an administrative fee for all reimbursable out-of-county mutual aid responses.

### **CONCLUSION**

Staff recommends the City Council adopt Resolution No. 56-20 approving the addition of the Fire Marshal position as an eligible position for mutual aid, applicable when the Fire Department responds away from the official duty station on assignment to a mutual aid emergency incident. Passage of this resolution ensures the City of Morro Bay will be fully reimbursed for out-of-county mutual aid responses.

### **ATTACHMENTS**

1. Resolution No. 56-20
2. California Fire Service Agreement (CFAA)

**RESOLUTION NO. 56-20**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA IDENTIFYING THE TERMS  
AND CONDITIONS FOR FIRE DEPARTMENT RESPONSE AWAY FROM  
THEIR OFFICIAL DUTY STATION AND ASSIGNED TO AN EMERGENCY  
MUTUAL AID INCIDENT RESCINDING RESOLUTION NO. 36-15**

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

**WHEREAS**, the City of Morro Bay Fire Department is a public agency located in the County of San Luis Obispo, State of California; and

**WHEREAS**, it is the City of Morro Bay's desire to provide fair and legal payment to all its employees for time worked; and

**WHEREAS**, the City of Morro Bay Fire Department has in its employ designated Fire response personnel as follows: Fire Chief, Fire Captain, Fire Captain Paramedic, Engineer, Engineer Paramedic, Firefighter, Firefighter Paramedic, Reserve Engineer, and Reserve Firefighter; and

**WHEREAS**, the City of Morro Bay Fire Department desires to add the position of Fire Marshall to designated Fire response personnel; and

**WHEREAS**, the City of Morro Bay will compensate its employees portal to portal while in the course of their employment and away from their official duty station and assigned to an emergency incident, in support of an emergency incident, or pre-positioned for emergency response; and

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

1. Resolution No. 36-15 is hereby rescinded.
2. Personnel shall be compensated according to Memorandum of Understanding (MOU), Personnel Rules and Regulations, and/or other directive that identifies personnel compensation in the workplace.
3. In the event a personnel classification does not have an assigned compensation rate, a "Base Rate" as set forth in an organizational policy, administrative directive or similar document will be used to compensate such personnel.
4. The City of Morro Bay Fire Department will maintain a current salary survey or acknowledgement of acceptance of the "base rate" on file with the California Governor's Office of Emergency Services, Fire Rescue Division.

5. All personnel with the exception of the Fire Chief will be compensated (portal to portal) beginning at the time of dispatch to the return to jurisdiction when equipment and personnel are in service and available for agency response.
6. The Fire Chief will be compensated actual hours worked on the incident.
7. Fire department response personnel include: Fire Chief, Fire Marshal, Fire Captain, Fire Captain Paramedic, Engineer, Engineer Paramedic, Firefighter, Firefighter Paramedic, Reserve Engineer, and Reserve Firefighter.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 23<sup>rd</sup> day of June, 2020 on the following vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
John Headding, Mayor

ATTEST:

\_\_\_\_\_  
Dana Swanson, City Clerk

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CAL FIRE# 7CA004953  
USFS# 20-FI-11052012-147  
NPS# P20AC00506  
BLM# BLM CFPA CA915-2004  
F&WS# FFo8F00000-D-Joo1  
BIA# A20ACPRO01

**AGREEMENT FOR LOCAL GOVERNMENT FIRE AND EMERGENCY  
ASSISTANCE TO THE STATE OF CALIFORNIA AND FEDERAL FIRE AGENCIES**

**Between**

**STATE OF CALIFORNIA, GOVERNOR’S OFFICE OF EMERGENCY SERVICES;  
STATE OF CALIFORNIA, DEPARTMENT OF FORESTRY AND FIRE PROTECTION;  
USDA FOREST SERVICE, PACIFIC SOUTHWEST REGION;  
USDI BUREAU OF LAND MANAGEMENT, CALIFORNIA STATE OFFICE,  
INTERIOR REGIONS 8 and 10;  
USDI NATIONAL PARK SERVICE, INTERIOR REGIONS 8, 9, 10, and 12;  
USDI FISH AND WILDLIFE SERVICE, INTERIOR REGIONS 8 and 10; and  
USDI BUREAU OF INDIAN AFFAIRS, PACIFIC REGION**

**THIS AGREEMENT** made and entered into on last date signed by and between the State of California, Governor’s Office of Emergency Services, hereinafter referred to as **Cal OES**; the State of California, Department of Forestry and Fire Protection, hereinafter referred to as **CAL FIRE**; the USDA Forest Service, Pacific Southwest Region; the USDI Bureau of Land Management (BLM), California State Office, Interior Regions 8 and 10; the USDI National Park Service (NPS), Interior Regions 8, 9, 10, and 12; USDI Fish and Wildlife Service (FWS), Regions 8 and 10, and USDI Bureau of Indian Affairs (BIA), Pacific Region, hereinafter referred to as the **Federal Fire Agencies**; all parties hereinafter referred to as **Cal OES, CAL FIRE, and the Federal Fire Agencies**, under the provisions of the Reciprocal Fire Protection Act, 42 USC 1856 and 1856a, the Disaster Relief Act of 1974, PL 93-288, as amended, and The Federal Land Policy and Management Act of 1996, (PL 94-579, Sec, 307(b)).

**NAME**

This Agreement shall be entitled “Agreement for Local Government Fire and Emergency Assistance to the State of California and Federal Fire Agencies”, hereinafter referred to as the **California Fire Assistance Agreement, CFAA, or The Agreement.**

**RECITALS**

1. The Federal Fire Agencies are responsible for providing a level of wildland fire protection for federal lands, as designated by Congressional action and Federal policy; and
2. CAL FIRE is responsible for providing a level of wildland fire protection for State Responsibility Area lands, as designated by the State Board of Forestry and Fire Protection; and

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3. For efficiency and effectiveness, CAL FIRE and the Federal Fire Agencies may exchange wildland fire protection areas responsibilities with the understanding that Local Responsibility Area lands are not part of this Agreement or included in the exchange; and
4. Cal OES is responsible to provide for systematic mobilization, organization, and operation of necessary fire and rescue resources through the California Fire and Rescue Mutual Aid System in mitigating the effects of disasters and to ensure that the responding agencies understand and comply with the terms and conditions of the Agreement applicable to their response; and
5. Cal OES, CAL FIRE, the Federal Fire Agencies, and local agencies, at times of severe wildfire conditions and other emergencies, often have need of emergency apparatus and/or personnel to provide fire protection or perform other tasks during control actions; and
6. Cal OES, through the California Fire and Rescue Mutual Aid System, has such emergency apparatus and personnel, which may be available in the spirit of cooperation for dispatch and use; and
7. It is desirable that Cal OES, CAL FIRE, and the Federal Fire Agencies establish and enter into an Agreement for the prudent use of such emergency apparatus and personnel; and
8. Cal OES, CAL FIRE, and the Federal Fire Agencies will generally use the Agreement for engines, water tenders, and overhead to address incidents once local agreement resources are exhausted, or where a local agreement is not in place; and
9. Cal OES may use the Agreement to mobilize all-hazard resources when warranted by its authority; and
10. Cal OES and the Federal Fire Agencies will use the Agreement to order the appropriate aviation resources when a mobilization cannot be executed through a local unit agreement; and
11. The Agreement may be used to reimburse rostered California Interagency Incident Management Team members (CIIMT); and
12. Cal OES, CAL FIRE, and the Federal Fire Agencies shall use this Agreement for reimbursing local government agencies for the use of their resources. Annual operating plans may be utilized at the local level to facilitate administrative and operational issues; and
13. When this Agreement is exercised to obtain Cal OES resources and/or resources through the California Fire and Rescue Mutual Aid System, those resources will be reimbursed pursuant to this Agreement; and
14. When ordering local agency apparatus and personnel in Recital 5 of this Agreement from other local agencies through the California Fire and Rescue Mutual Aid System, a local agency may utilize this Agreement as the fiscal authority for reimbursing other local agencies; and

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15. Responsibility for determining the basis for requesting assistance through this Agreement rests with the Incident Commander or through the Emergency Command Center. The Incident Commander is responsible for all assignments and tactical decisions for resources obtained through this Agreement.
16. **Agreement Committee**
- 16.1 **California Fire Assistance Agreement Committee.** A California Fire Assistance Agreement Committee (the ‘Committee’) shall be formed by Cal OES for the purpose of negotiating the terms of the CFAA, and for maintenance of the Agreement. For the purposes of coordination, Cal OES Fire and Rescue Division’s State Fire and Rescue Chief, or the Chief’s designee, shall serve as the Chairperson.
- 16.2 **Composition of the Committee.** The Committee shall consist of representatives from Cal OES, CAL FIRE, the Federal Fire Agencies, and three advisory representatives from local government fire agencies in California: one from Northern California, one from Southern California, and one representing volunteer fire departments. The local government agency representatives shall be appointed by the Chairperson of the State of California Fire and Rescue Advisory Committee/FIRESCOPE, Board of Directors.
- 16.3 **Committee Meetings.** The Committee will meet quarterly via conference call, video conferencing, or in person.
- 16.4 **Rate Letter.** The Committee will meet at a minimum in person once a year (January) to establish the Base Administrative Rate, Personnel Base Rates, and Equipment Rates to become effective upon publication of the “Agreement for Local Government Fire and Emergency Assistance to the State of California and Federal Fire Agencies Rate Letter” (Rate Letter) each year. These rates will be published annually by Cal OES Fire and Rescue Division in a Rate Letter.
- The Committee will review the Salary Rates and Administrative Rates on file with Cal OES Fire and Rescue Division, as well as negotiate procedural changes. The Salary Rates and Administrative Rates, are subject to change throughout the year due to labor negotiations, cost of living increases, etc.
- After the annual or emergency exhibit review by the Committee, Cal OES will publish annually rates, formulas, and methodologies in the Rate Letter. Rates will become effective on the date(s) provided in the Rate Letter. In addition, Cal OES will provide a copy of the Rate Letter directly to each signatory agency’s point of contact.
- 16.5 **Changes to Equipment Rates.** Cal OES will monitor and track the Federal Emergency Management Agency (FEMA) Schedule of Equipment Rates. If a change in schedule occurs after the publication of the most recent Rate Letter, the Committee will conduct a meeting to formally discuss the new rates, and determine if they are valid for a revised Rate Letter publication. Cal OES will forward the revised rates to the signatory agencies for a two-week review. Once the

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review process is complete, and the rates approved by the Committee, Cal OES will publish a revised Rate Letter to the California Fire and Rescue Mutual Aid System Agencies.

- 16.6 **Meetings to re-negotiate the Agreement.** It is recommended the Committee schedule meetings to begin no later than fifteen (15) months before the expiration date of the CFAA for the purpose of re-negotiation, as well as produce the final document for signatures no later than six months before the expiration date of the Agreement.

The Committee will meet as necessary to make adjustments or changes to the Agreement.

**THEREFORE, it is agreed as follows:**

### **TERMS AND CONDITIONS**

#### **CFAA Exhibits and Amendments to Exhibits**

17. The parties agree the Committee will, by no later than March 30th of each year, recommend amendments to the incorporated exhibits. The parties agree to cooperate in good faith to consider and agree to any amendments by April 15th of each year.

A party requesting to amend the exhibit(s) to the CFAA after March 30th will notify Cal OES. The Committee will meet as soon as practicable to discuss the request and make any recommendation to the parties regarding the requested amendment. The Committee will notify the parties of any recommended amendments, and if agreeable to the parties, the parties will amend the exhibits to reflect the changes no later than fifteen (15) days after the Committee's recommendation.

Subject to the requirements in Recital 18, the parties acknowledge that amendments may be required under emergency circumstances, and that the parties may make any required amendments using any reasonable means of negotiating and agreeing to amendments under emergency circumstances.

The Committee will provide recommended amendments in two formats:

1. A copy of the proposed amended exhibit(s) reflecting additions, and proposed deletions in track changes or similar format so that additions are displayed in underline and deletions are displayed with strikethrough.
2. A copy of the proposed amended exhibit(s) without track changes or similar format, which will represent the final version of the amended exhibit if the parties agree to the changes.

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### **Incorporation of Exhibits and Amended Exhibits**

18. All exhibits to the CFAA are incorporated into the CFAA. Amendments to exhibits will be made by addendum to the CFAA. The addendum will be signed by each party, and will include a list of exhibit(s) and revision date of the exhibit(s), a statement that the parties agree to adopt the changes reflected in the proposed amended exhibit(s) attached to the addendum, and an effective date. The addendum will also include, as attachments to the addendum, the proposed amended exhibit(s) in track changes or similar format.

Amendments to exhibits will be adopted upon all parties signing the addendum and immediately incorporated into the CFAA. The exhibits to the CFAA will thereafter be updated to reflect any changes effectuated by the approved addendum.

### **Requests for and Release of Emergency Apparatus and Personnel**

19. Under this Agreement, Cal OES, CAL FIRE, the Federal Fire Agencies, and local agencies may request emergency apparatus and personnel from the California Fire and Rescue Mutual Aid System. Resources ordered pursuant to this Agreement will be processed through the California Fire and Rescue Mutual Aid System. Cal OES will fill these orders by following the procedures set forth in the California Fire Service and Rescue Emergency Mutual Aid Plan.
20. Cal OES, CAL FIRE, and the Federal Fire Agencies will use the current resource order form of record for all requests. Cal OES, CAL FIRE, and the Federal Fire Agencies shall not be responsible for any emergency apparatus and personnel not confirmed by their respective order and request number(s). Cal OES, CAL FIRE, and the Federal Fire Agencies are responsible for documenting within the request that the resources are being ordered under this Agreement.
21. Cal OES, CAL FIRE, the Federal Fire Agencies, and local agencies' release or reassignment of emergency apparatus used pursuant to this Agreement will be coordinated through the on-scene Cal OES Fire and Rescue Chief Officer, the local jurisdiction agency representative, or their authorized representative. The Cal OES Chief Officer, or representative, will ensure the inspection and inventory of such emergency apparatus prior to the release to its home base in accordance with incident-established inspection and demobilization procedures.

### **Protective Clothing and Equipment**

22. It shall be the responsibility of the jurisdiction sending emergency personnel to ensure that such personnel are provided protective clothing and equipment as required by the most current version of the rules found in California Code of Regulations, Title 8, Section 3410, Article 10.1, Section 3401, et seq.

### **Emergency Apparatus**

23. Emergency apparatus shall meet minimum FIRESCOPE ICS type standards, when applicable.

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## Communications Capabilities

24. **Operational Equipment and Operational Personnel.** It shall be the responsibility of the jurisdiction sending resources to ensure adequate communications capability. Adequate communications capability is identified and defined in the Statewide FIREScope Frequency Plan.

## Reimbursement Procedures

25. Provisions and procedures for reimbursement by Cal OES, CAL FIRE, and the Federal Fire Agencies for fire and emergency assistance are defined in Exhibit "A", Reimbursement Policy and Procedures. CAL FIRE and the Federal Fire Agencies will provide Cal OES Fire and Rescue Division with current billing addresses. Reimbursement for personnel on Cal OES-owned emergency apparatus shall be to local jurisdictions that provide such personnel by apparatus assignee Agreement with Cal OES.
26. It is the goal of Cal OES, CAL FIRE, and the Federal Fire Agencies to establish a system that supports the electronic processing of salary surveys, invoices, and other pertinent documents.

## Reimbursement for Emergency Apparatus Loss or Damage

27. Cal OES, CAL FIRE, and the Federal Fire Agencies will reimburse California Fire and Rescue Mutual Aid System Agencies providing resources through the California Fire and Rescue Mutual Aid System for the cost of emergency apparatus or equipment loss or damage where the loss or damage is determined to be directly attributable to the incident, and where the local agency, its employees, and/or operational failures in the emergency apparatus or support equipment are not a contributing factor to such damage or loss. Loss or damage to local agency emergency apparatus or support equipment while traveling from the home unit to the incident or from an incident to the home unit, and repairs due to normal wear and tear or due to negligent or unlawful operation by the operator, shall be the responsibility of the local agency providing the emergency apparatus or support equipment.

Loss or damage to local agency emergency apparatus or support equipment occurring on an incident is to be reported to the incident finance section to ensure proper documentation and investigation.

## Limitation of Liability

28. Each party waives claims against every other party pursuant to the requirements of United States Code, title 42, section 1856a, subdivision (a), which provides: "Each agency head charged with the duty of providing fire protection for any property of the United States is authorized to enter into a reciprocal agreement, with any fire organization maintaining fire protection facilities in the vicinity of such property, for mutual aid in furnishing fire protection for such property and for other property for which such organization normally provides fire protection. Each such

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agreement shall include a waiver by each party of all claims against every other party for compensation for any loss, damage, personal injury, or death occurring in consequence of the performance of such agreement. Any such agreement may provide for the reimbursement of any party for all or any part of the cost incurred by such party in furnishing fire protection for or on behalf of any other party.”

The parties agree the waivers provided in this provision do not apply to any reimbursement provisions pursuant to the terms and conditions of the CFAA, including invoice reimbursement disputes and reimbursement for emergency apparatus loss or damage pursuant to Recital 27 of the CFAA.

### **Third Party Tort Claims**

29. Nothing in this Agreement shall be deemed to create an employee/employer relationship between the parties. All third-party claims against the parties shall be adjudicated pursuant to the applicable tort claims acts and should be referred to the agency or agencies whose employees were involved in the incident. Agency points of contact for third-party claims are as follows:

State of California claims:	Victim Compensation and Government Claims Board 630 “K” Street Sacramento, CA 95814
U.S. Forest Service claims:	U.S. Forest Service Albuquerque Service Center Claims Management 101B Sun Ave. NE Albuquerque, NM 87109
National Park Service claims:	National Park Service Fire Management Office 333 Bush St., Suite 500 San Francisco, CA 94104
Bureau of Land Management claims:	Bureau of Land Management Fire and Aviation Office 2800 Cottage Way, Room W-1623 Sacramento, CA 95825
Fish and Wildlife Service claims:	Fish and Wildlife Service Pacific Southwest Region 2800 Cottage Way, Room W-1834 Sacramento, CA 95825

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Bureau of Indian Affairs claims: Bureau of Indian Affairs  
Branch of Fire and Aviation Management  
2800 Cottage Way, Room W-2820  
Sacramento, CA 95825

### **Reimbursement Dispute Resolution**

30. Paying entities shall provide written notice of reimbursement denials to the CFAA Chairperson, or their designee, within thirty (30) business days of receipt of the invoice. The CFAA Chairperson, or their designee, shall notify the local agency of the denial within ten (10) business days. All parties shall work with the CFAA Chairperson, or their designee, to attempt to informally resolve reimbursement disputes in good faith. If the dispute cannot be resolved, the local agency shall have thirty (30) business days from the date of the notice of denial to provide a written appeal to the CFAA Chairperson, or their designee. The CFAA chairperson, or their designee, will evaluate the appeal and make a determination regarding whether to present the appeal to the Committee within thirty (30) business days.

The written appeal shall include all facts and documentation supporting the disputing party's position and dollar amount claimed, the reason for denial by the signatory agency, and the provision(s) of the Agreement the local agency believes supports their position in the dispute. The Committee shall review the appeal and make a recommendation to the paying entity within thirty (30) business days of receiving the appeal. The CFAA Chairperson, or their designee, shall provide written notice of the paying entities determination to all parties.

### **Other Disputes**

31. The parties acknowledge that disputes may arise in the interpretation or application of the provisions of the CFAA.

The parties agree to cooperate in good faith to resolve disputes informally. If a dispute is not resolved informally, a party may submit a written notice of dispute to the CFAA Chairperson, or their designee, and the responding party designated contact. The written notice must include:

1. An explanation of the reasons for the dispute, including relevant facts; and
2. Citation to the relevant provision(s) of the Agreement; and
3. Copies of supporting documents, if any; and
4. The desired outcome or remedy sought from the responding party.

The Committee will meet with the parties within thirty (30) business days of the date the responding party receives the dispute from the CFAA Chairperson, or their designee, at which time the responding party will have the opportunity to present counter arguments. The Committee

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will provide a written response to both parties within thirty (30) business days of the date upon which the meeting is held. The written response will either grant the requested remedy or outcome, or deny part or all of the requested outcome.

Performance under this Agreement shall continue during each phase of this dispute resolution process.

### **Examination and Audit**

32. California Fire and Rescue Mutual Aid System Agencies and Cal OES shall be subject to examination and audit for five (5) years after the final payment under the terms of this Agreement. Examination and audit shall be confined to those matters connected with the performance of this Agreement including, but not limited, to the cost of administration.

All source documentation related to rates and methodologies must be kept for five (5) years after the final payment and will be made available upon request of an examination or audit.

### **Appropriated Fund Limitation**

33. Nothing herein shall be interpreted as obligating any parties herein to expend funds, or as involving the United States or the State of California in any contract or other obligation for the future payment of money in excess of appropriations authorized by law and administratively allocated for the work contemplated in this Agreement.

### **Officials Not To Benefit**

34. No member of, or Delegate to, Congress or Resident Commission shall be admitted to any share or part of this Agreement or to any benefit to arise therefore, unless it is made with a corporation for its general benefit.

### **Civil Rights and Nondiscrimination**

35. All activities pursuant to this Agreement shall be in compliance with all Federal laws and regulations relating to nondiscrimination. These include, but are not limited to: Executive Order 11246, as amended; Title VI of the Civil Rights Act of 1964, as amended, (78 Stat. 252; 42 U.S.C. §§2000d et seq.); Title V, Section 504 of the Rehabilitation Act of 1973, as amended, (87 Stat. 394; 29 U.S.C. §794); the Age Discrimination Act of 1975 (89 Stat. 728; 42 U.S.C. §§6101 et seq.).

### **Previous Agreements Cancelled**

36. This Agreement supersedes the Agreement entered into on January 1, 2015, and as extended (Cal EMA# 6022-9, CAL FIRE# 7CA00236, USFS# 09-FI-11052012-150, NPS# H807507003, BLM# BAA081002, F&WS# 802233-9-J001, BIA# AGP000768), between the State of California,

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Emergency Management Agency; State of California, Department of Forestry and Fire Protection; USDA Forest Service, Pacific Southwest Region; USDI Bureau of Land Management, California State Office; USDI National Park Service, Interior Regions 8, 9, 10, and 12; USDI Fish and Wildlife Service, Pacific Southwest Region; and USDI Bureau of Indian Affairs, Pacific Region.

### **Amendments**

37. The Agreement may only be amended by written mutual consent of the parties hereto.

### **Effective Date and Termination**

38. The parties herein agree to honor the terms and conditions commencing on the date of the last signature and is effective through December 31, 2024. The expiration date is the final date for completion of all work activities under this Agreement. Any party may withdraw from the Agreement upon thirty (30) day written notice to all other parties.

### **Delegations of Authority**

39. Each party may provide Cal OES a delegation of authority, signed by the party, that designates each person authorized to act on the party's behalf. The designation will include the effective date, name, title, contact information, and scope of delegated authority to act on behalf of the party. Unless otherwise stated in the delegation of authority, a person designated by a party has the same authority as a principal of a party, including the power to enter into contracts on behalf of the party and to bind the party.

The parties authorize Cal OES to make any necessary updates to the contact information in the CFAA to reflect current delegations of authority, and that such nonmaterial changes to the CFAA are authorized without amendment.

### **Multiple Signature Pages**

40. The parties agree to accept multiple signature pages.

### **Electronic Signatures and Counterparts**

41. Parties may submit executed documents electronically, and electronically-delivered signatures of the parties are deemed to constitute duplicate originals. The CFAA and any amendments may be executed in two or more counterparts, each of which will be an original and all of which will constitute a part of the CFAA.

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BIA# A20ACPRO01

IN WITNESS WHEREOF, the parties hereto have executed this Agreement:

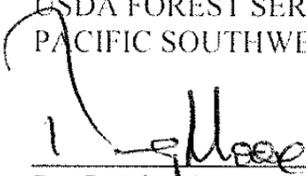
DIRECTOR  
STATE OF CALIFORNIA  
GOVERNOR'S OFFICE OF  
EMERGENCY SERVICES



By: Mark S. Ghilarducci  
Director

Date: APRIL 29 2020

REGIONAL FORESTER  
USDA FOREST SERVICE  
PACIFIC SOUTHWEST REGION



By: Randy Moore  
Regional Forester

Date: 4/29/20

DEPUTY REGIONAL DIRECTOR  
USDI NATIONAL PARK SERVICE  
INTERIOR REGIONS 8, 9, 10, and 12

**RANDOLPH LAVASSEUR**  
Digitally signed by RANDOLPH LAVASSEUR  
Date: 2020.04.29 10:41:00 -0700

By: Randolph Lavasseur  
Deputy Regional Director

Date: 04.29.2020

REGIONAL DIRECTOR  
USDI FISH AND WILDLIFE  
SERVICE  
PACIFIC SOUTHWEST REGION



By: Paul Souza  
Regional Director

Date: 1-27-20

DIRECTOR  
STATE OF CALIFORNIA  
DEPARTMENT OF FORESTRY AND  
FIRE PROTECTION



By: Thomas W. Porter  
Director

Date: 4/29/2020

CALIFORNIA STATE DIRECTOR  
USDI BUREAU OF LAND  
MANAGEMENT  
CALIFORNIA STATE OFFICE  
**KAREN MOURITSEN**  
Digitally signed by KAREN MOURITSEN  
Date: 2020.04.29 11:56:00 -0700

By: Karen E. Mouritsen  
California State Director

Date: \_\_\_\_\_

REGIONAL DIRECTOR  
USDI BUREAU OF INDIAN AFFAIRS  
PACIFIC REGIONAL OFFICE

**AMY DUTSCHKE**  
Digitally signed by AMY DUTSCHKE  
Date: 2020.04.30 14:55:24 -0700

By: Amy Dutschke  
Regional Director

Date: \_\_\_\_\_

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REVIEW:

The authority and format of this instrument has been reviewed and approved for signature by the following individuals:

CONTRACTING OFFICER  
USDI BUREAU OF LAND  
MANAGEMENT  
CALIFORNIA STATE OFFICE

TRACI THALER

Digitally signed by TRACI THALER  
Date: 2020.04.28 08:40:24 -07'00'

By: Traci D. Thaler  
Contracting Officer

Date: April 28, 2020

CONTRACTING OFFICER  
USDI BUREAU OF INDIAN AFFAIRS  
PACIFIC REGIONAL OFFICE

JODI ZACHARY

Digitally signed by JODI ZACHARY  
Date: 2020.04.30 14:59:46 -07'00'

By: Jodi Zachary  
Contracting Officer

Date: 4/30/2020

CONTRACTING OFFICER  
USDI NATIONAL PARK SERVICE

LILETTE BALTODANO

Digitally signed by LILETTE BALTODANO  
Date: 2020.04.28 10:33:07 -07'00'

By: Lilette J. Baltodano  
Contracting Officer

Date: 4/28/2020

CONTRACTING OFFICER  
USDI FISH AND WILDLIFE SERVICE  
PACIFIC SOUTHWEST REGION

Frank Lee 4/29/20

By: Frank Lee  
Contracting Officer

Date: \_\_\_\_\_

**EXHIBIT "A"**  
**REIMBURSEMENT POLICY AND PROCEDURES**

**GENERAL**

- A-1 It is the intent of the signatories to the CFAA to reimburse California Fire and Rescue Mutual Aid System Agencies, including accrued financial liability for the cost of assisting the State of California and the Federal Fire Agencies. The rates, methodologies, and formulas in the Agreement are intended to provide for such costs. The reimbursement shall be consistent with the California Fire and Rescue Mutual Aid System Agency's normal internal business practices and any existing Memorandum of Understanding (MOU)/Memorandum of Agreement (MOA), Governing Body Resolution (GBR), or equivalent, which supports those business practices.
- A-2 The California Fire and Rescue Mutual Aid System Agencies shall use the following procedures to secure reimbursement for the provision of personnel and local government-owned emergency apparatus. Terms established in this section shall be made binding upon California Fire and Rescue Mutual Aid System Agencies by Cal OES and shall not be subject to interpretation or rejection by the jurisdiction providing assistance. See Clause A-41 for procedures that do not apply or are applicable to State Agency Fire Departments, Department of Defense Fire Departments (DOD), or Tribal Fire Departments.
- A-3 California Fire and Rescue Mutual Aid System Agencies that provide their personnel and equipment to the State of California or the Federal Fire Agencies through the California Fire and Rescue Mutual Aid System and this Agreement, do so on a voluntary basis, and accept the following provisions for reimbursement.
- A-4 It is understood and agreed that a California Fire and Rescue Mutual Aid System Agency providing personnel or California Fire and Rescue Mutual Aid System Agency-owned emergency apparatus shall obtain reimbursement for such response by billing the ordering entity (either the State of California or Federal Fire Agency) through the Cal OES invoicing process in accordance with this Exhibit.
- A-5 Reimbursement for personnel and emergency apparatus will begin after the 12th hour, with the exception of aircraft which will be billed from the time of dispatch. There shall be no reimbursement for responses of 12 hours duration or less with the exception of the Department of Interior (DOI) fire agencies (BLM, NPS, FWS, and BIA). DOI reimbursement for personnel and emergency apparatus will begin after the 4th hour. If the duration of the response exceeds 12 hours (4 hours for DOI) and local agencies have an existing MOU/MOA, GBR, or equivalent that indicates compensation for all hours worked, reimbursement for personnel and emergency apparatus shall cover the entire time of commitment, beginning at the time of initial dispatch from

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home base, to the time of return to home base (portal to portal). If local agencies do not have an existing MOU/MOA, GBR, or equivalent that indicates compensation for all hours worked, local agencies will be reimbursed for actual hours worked. Should personnel or emergency apparatus be requested for assignment to a Mobilization Center for standby duty, the reimbursement period shall begin with the time of initial dispatch of said personnel or emergency apparatus from its home base. Additionally, as the 12 hour period (4 hours for DOI) stated above is cumulative, responding personnel and/or emergency apparatus shall only be subject to one 12 hour period (4 hours for DOI) from the original time of dispatch, regardless of the number of re-assignments that may occur prior to returning to their home base.

- A-6 In some cases on a single incident, the State of California and the Federal Fire Agencies may need to convert resources that were ordered under Statewide Master Mutual Aid (MMA) to reimburse resources under the California Fire Assistance Agreement. In these cases, MMA resources will be released by the responsible agency and reordered by the State of California and/or the Federal Fire Agencies through the CFAA. For resources that have been on the same incident for more than 12 hours (4 hours for DOI), reimbursement will begin at the time the order under the California Fire Assistance Agreement was initiated. Resources that have been on the same incident under MMA for 12 hours (4 hours for DOI) or less will have their time applied to the California Fire Assistance Agreement 12-hour (4 hours for DOI) minimum. After the 12 hours (4 hours for DOI) are completed, reimbursement will begin at the time the order under the California Fire Assistance Agreement was initiated. The 12 hour (4 hours for DOI) period shall be subject to annual review and monitoring by the California Fire Assistance Agreement Committee.
- A-7 Invoices will include an administrative rate as negotiated by the Committee. The Administrative Rate will be added to the total of the personnel, fire apparatus, support equipment, aircraft, and other approved reimbursements for local government. The de minimis Administrative Rate is set annually by the Committee per the rate letter published at the time of dispatch, unless the California Fire and Rescue Mutual Aid System Agency submits an agency-specific administrative rate in accordance with the Instructions for Completing Administrative Rate Calculations. Cal OES will issue these instructions annually along with the salary survey instructions. California Fire and Rescue Mutual Aid System Agencies that develop an Administrative Rate must review and update their rate by July 1 of each year.

### **REIMBURSEMENT - PERSONNEL**

- A-8 The Committee will establish a standard reimbursement formula for local agency personnel with Base Rates applicable to all jurisdictions. The default reimbursement will be at the Base Rate for actual hours worked on the incident. Agencies can be reimbursed at a rate that is higher than the Base Rate, and/or for more than actual hours worked (up to 24 hours per day), as follows:
- A-8.1 All agencies seeking reimbursement for its personnel must complete and sign the annual salary survey and file it with the Cal OES Fire and Rescue Division. The Authorized Representative will

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provide certification through signature under penalty and perjury that the personnel wages are accurate and correct for each requested position.

- A-8.2 Any agency seeking reimbursement for its personnel for more than actual hours worked on the incident (portal-to-portal) must file an MOU/MOA, GBR, or equivalent with Cal OES Fire and Rescue Division. The MOU/MOA, GBR, or equivalent shall indicate how personnel will be compensated. Personnel must be physically present on the incident in order to receive portal to portal compensation, unless documented and approved by the paying agency.
- A-8.3 Any agency seeking reimbursement for its supplemental personnel will accept rates as outlined in NWCG#004-2009, Attachment D, [https://www.nwcg.gov/sites/default/files/memos/eb-m-09-004d\\_0.pdf](https://www.nwcg.gov/sites/default/files/memos/eb-m-09-004d_0.pdf), which states that supplemental personnel will be reimbursed using General Schedule tables with locality pay applied for actual hours worked. **Reimbursement shall be in accordance with Clause A-17 through December 31<sup>st</sup>, 2020.**
- A-9 The above required documentation for rates and hours shall be based on actual costs to the responding agency, and not contingent upon reimbursement from the State of California or Federal Fire Agencies at a rate that exceeds what the agency will pay its personnel. Reimbursements will be based on the salary survey and any applicable MOU/MOA, GBR, or equivalent that is on file at the time of the initial dispatch.
- Any MOU/MOA, GBR, or equivalent is reviewed by Cal OES and the Committee upon request. Local government will be formally notified of the determination.
- A-10 These formulas and rates of payment shall constitute full reimbursement for direct costs, including back fill to local jurisdictions relative to personnel provided. Liability for workers compensation claims and/or payment of unemployment benefits shall remain the responsibility of the responding local, state, federal, and tribal agencies that directly employ the personnel. All calculations shall be subject to audit by the State of California or the Federal Fire Agencies in accordance with Recital 32, Examination and Audit.
- A-10.1 California Fire and Rescue Mutual Aid System Agencies will be required upon request to provide Cal OES supportive documentation used to establish rates and method of pay. Cal OES will request yearly samples from selected agencies for review by Cal OES and the Committee. Upon request, the California Fire and Rescue Mutual Aid System Agencies will have thirty (30) calendar days to provide Cal OES with required information. This process does not supersede the Examination and Audit process as outlined in this Agreement.
- A-11 Reimbursement for the total hours worked shall be calculated up to the next quarter hour when total hours are fractional.
- A-12 Reimbursement shall be made only for such personnel that have been specifically requested or approved by the State of California or the Federal Fire Agencies. Any personnel not given an

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Order/Request number shall be considered a voluntary contribution from the responding agency and not subject to reimbursement.

### Formula for Personnel Reimbursement Using Base Rates

- A-13 California Fire and Rescue Mutual Aid System Agencies will submit a salary survey to be reimbursed at the established Engine Company Base Rate for personnel responding on emergency apparatus or as overhead personnel at or below the Strike Team/Task Force Leader Trainee level. Strike Team/Task Force/Unit Leader level or above personnel will be reimbursed at the established Overhead Base Rate.
- A-14 California Fire and Rescue Mutual Aid System Agencies that have not submitted a Salary Survey for rates above the established Base Rates will submit a salary survey to be reimbursed using one of the following formulas:

**The formula for the total invoice amount with an MOU/MOA, GBR, or equivalent for all hours (portal-to-portal) is:**

$$(B \times H^1) = \text{Total Personnel Reimbursement}$$

**The formula for the total invoice amount without an MOU/MOA, GBR, or equivalent for all hours (actual hours) is:**

$$(B \times H^2) = \text{Total Personnel Reimbursement}$$

B = Base Rate

H<sup>1</sup> = All Hours (portal-to-portal)

H<sup>2</sup> = Actual Hours Worked

The Established Base Rate (**B**) is based on the average of the CAL FIRE Fire Captain or Fire Apparatus Engineer base rates and the USDA Forest Service emergency hire rates for these positions applied to a 168 hour week, with 40 hours at straight-time and 128 hours at overtime. The total amount is then divided by 168 hours resulting in a blended rate.

### Formula for Establishing the Base Rates

The following base rate formulas include an overtime component.

**Base Rate formula for Engine Company Personnel and Overhead at or below Strike Team/Task Force Leader Trainee**

(AD-F + CAL FIRE Fire Apparatus Engineer base rate) / 2 = Combined Rate,

((Combined Rate x 40 Hours Straight Time) + (Combined Rate x 128 Hours Overtime)) / 168 =

Overtime Base Rate x .6667 = Straight Time Base Rate

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Numerical Calculation:  $25.72 + 23.34 = 49.06 / 2 = 24.53$ ,  $((24.53 \times 40) + (24.53 \times 1.5 \times 128)) = 5690.96 / 168 = \$33.08 \times .6667 = \$22.58$

**Base Rate formula for Overhead at or above Strike Team Leader/Task Force Leader**

(AD-H + CAL FIRE Fire Captain base rate) / 2 = Combined Rate,  
 ((Combined Rate x 40 Hours Straight Time) + (Combined Rate x 128 Hours Overtime)) / 168 =  
 Overtime Base Rate x .6667 = Straight Time Base Rate

Numerical Calculation:  $31.44 + 27.52 = 58.96 / 2 = 29.48$ ,  $((29.48 \times 40) + (29.48 \times 1.5 \times 128)) = 6839.36 / 168 = \$40.71 \times .6667 = \$27.14$

**Definitions for abbreviations used in Base Rate Formula**

AD - Administratively Determined Pay Plan for Emergency Workers. Pay rates for emergency (casual) employees of the Federal Fire Agencies.  
 AD F - The classification is Engine Boss.  
 AD H - The classification is Strike Team Leader.  
 CAL FIRE base Fire Captain and Fire Apparatus Engineer salary rates are converted to hourly rates.

**Formula for Suppression Personnel Reimbursement Using Salary Rates**

- A-15 The California Fire and Rescue Mutual Aid System Agencies may submit a salary survey with the agency's established salary rates to Cal OES Fire and Rescue Division for any personnel dispatched to an incident. The personnel who are dispatched to an incident will first be classified and reimbursed as described in Clauses A-15.1 through A-15.3. The submission of salary rates shall be on file with Cal OES Fire and Rescue Division prior to the time of personnel dispatch.
- A-15.1 California Fire and Rescue Mutual Aid System Agencies that have submitted salary rates to Cal OES Fire and Rescue Division at or below the Battalion Chief level shall be reimbursed using one of the following formulas:

**The formula for the total invoice amount with an MOU/MOA, GBR, or equivalent for all hours (portal-to-portal) is:**

$$[(S \times H^1 \times 1.5) + (S \times H^1 \times 1.5) + (S \times H^1 \times 1.5)] = \text{Total Personnel Reimbursement}$$

**The formula for the total invoice amount without an MOU/MOA, GBR, or equivalent for all hours (actual hours) is:**

$$[(S \times H^2 \times 1.5) + (S \times H^2 \times 1.5) + (S \times H^2 \times 1.5)] = \text{Total Personnel Reimbursement}$$

S = Salary Rate

H<sup>1</sup> = All Hours (portal-to-portal)

H<sup>2</sup> = Actual Hours Worked

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The Salary Hourly Rate (S) is the average hourly rate of all personnel in the specific rank (e.g., Captain, Engineer, Firefighter) within each individual jurisdiction.

A-15.2 California Fire and Rescue Mutual Aid System Agencies that have submitted Salary Rates to Cal OES Fire and Rescue Division above the Battalion Chief level shall be reimbursed using the following formulas:

**The formula for the total invoice amount with an MOU/MOA, GBR, or equivalent for all hours (portal-to-portal) is:**

$$[(S \times H^1) + (S \times H^1) + (S \times H^1)] = \text{Total Personnel Reimbursement}$$

**The formula for the total invoice amount without an MOU/MOA, GBR, or equivalent for all hours (actual hours) is:**

$$[(S \times H^2) + (S \times H^2) + (S \times H^2)] = \text{Total Personnel Reimbursement}$$

S = Salary Rate

H<sup>1</sup> = All Hours (portal-to-portal)

H<sup>2</sup> = Actual Hours Worked

A-15.3 If personnel above the Battalion Chief level have an MOU/MOA, GBR, or equivalent that indicates they are to be paid above straight time, the reimbursement will be calculated using one of the following formulas. The MOU/MOA, GBR, or equivalent is subject to the provisions in Clause A-9, and must not be contingent on this Agreement or executed on the sole basis that there is reimbursement from Cal OES, CAL FIRE, or the Federal Fire Agencies.

**The formula for the total invoice claim with an MOU/MOA, GBR, or equivalent for all hours (portal-to-portal) and MOU/MOA, GBR, or equivalent for above straight-time is:**

$$[(S \times H^1 \times 1.5) + (S \times H^1 \times 1.5) + (S \times H^1 \times 1.5)] = \text{Total Personnel Reimbursement}$$

**The formula for the total invoice claim without an MOU/MOA, GBR, or equivalent for all hours (actual hours) and with an MOU/MOA, GBR, or equivalent for above straight-time is:**

$$[(S \times H^2 \times 1.5) + (S \times H^2 \times 1.5) + (S \times H^2 \times 1.5)] = \text{Total Personnel Reimbursement}$$

S = Salary Rate

H<sup>1</sup> = All Hours (portal-to-portal)

H<sup>2</sup> = Actual Hours Worked

#### **Formula for Non-Suppression Personnel Reimbursement Using Salary Rates**

A-16 California Fire and Rescue Mutual Aid System Agencies that have submitted Salary Rates to Cal OES Fire and Rescue Division for Non-Suppression Personnel shall be reimbursed for actual hours worked using the following formula:

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**The formula for the total invoice claim without an MOU/MOA, GBR, or equivalent for all hours (actual hours) is:**

$$[(S \times 1.5 \times H^2) + (S \times 1.5 \times H^2) + (S \times 1.5 \times H^2)] = \text{Total Personnel Reimbursement}$$

S = Salary Rate

H<sup>2</sup> = Actual Hours Worked

The Salary Rate (S) is the average hourly rate of all personnel in the specific rank (e.g., Dispatcher, Heavy Equipment Mechanic, and Inspector) within each individual fire agency.

Non-Suppression Personnel, who have an MOU/MOA, GBR, or equivalent that indicates they are to be paid portal-to-portal according to Clause A-8.2, will be reimbursed in accordance with the following Formula for Personnel Using Salary Rates:

**The formula for the total invoice claim with an MOU/MOA, GBR, or equivalent for all hours (portal-to-portal) is:**

$$[(S \times H^1 \times 1.5) + (S \times H^1 \times 1.5) + (S \times H^1 \times 1.5)] = \text{Total Personnel Reimbursement}$$

S = Salary Rate

H<sup>1</sup> = All Hours (portal-to-portal)

The Salary Hourly Rate (S) is the average hourly rate of all personnel in the specific rank (e.g., Dispatcher, Mechanic, and Inspector) within each individual jurisdiction.

The 1.5 multiplier in the formula represents an hourly rate, which includes benefits for straight time, and an overtime rate for overtime hours.

### **Supplemental Fire Department Resource Reimbursement Using NWCG#004-2009**

- A-17 California Fire and Rescue Mutual Aid System Agencies seeking reimbursement for Supplemental Fire Department Resources will accept rates as outlined in NWCG#004-2009, Attachment D, [https://www.nwcg.gov/sites/default/files/memos/eb-m-09-004d\\_0.pdf](https://www.nwcg.gov/sites/default/files/memos/eb-m-09-004d_0.pdf), which states that Supplemental Fire Department Resources will be reimbursed using General Schedule tables with locality pay applied for actual hours worked. California Fire and Rescue Mutual Aid System Agencies that roster or sponsor Supplemental Fire Department Resources shall be reimbursed at the rate of the position being filled on the incident.
- A-18 California Fire and Rescue Mutual Aid System Agencies shall identify their Supplemental Fire Department Resources separately on the Supplemental Fire Department Resource section of the Cal OES Salary Survey and not include them under the Suppression responder categories. They are not a permanent part of the local fire organization. They are mobilized primarily for response to incidents/wildland fires outside of the fire agency's jurisdiction. Supplemental Fire Department Resources shall be paid a regular compensation rate for all hours worked plus an overtime

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compensation rate for actual overtime hours worked, including travel. Base hourly rate shall be no more than step 5 of the appropriate GS wage adjusted for locality pay at the location of the fire department's jurisdiction. Rates can be found on the Office of Personnel Management website, <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2020/general-schedule/>. Reimbursement costs shall not include portal-to-portal pay or the employee portion of benefits. Backfill is not reimbursable for personnel hired as Supplemental Fire Department Resource. Approved travel costs will be in accordance with Clause A-37.

Effective January 1, 2021, no supplemental resources will be hired through the CFAA.

### **California Interagency Incident Management Team (CIIMT) Participation**

A-19 Personnel responding under this Agreement, including those who apply for participation on a Federal California Interagency Incident Management Team (CIIMT), must be employed with a federal, state or local agency in a full time, seasonal, part-time or retired-annuitant position for a purpose other than participation on a CIIMT. The CWCG coordinates the application and selection process for IMT rosters and may request proof of employment documentation as part of that process. Applicants who do not meet the criteria can apply under the casual hiring authority as outlined in the Standards for Interagency Incident Business Management.

### **Engine Company and Tactical Water Tender Staffing**

A-20 Engine company staffing shall not be less than three (3) or a reimbursable maximum of four (4). The State of California or the Federal Fire Agencies will reimburse based on the actual classifications responding, not to exceed one Company Officer, one Apparatus Operator, and one or two Firefighters. Tactical water tender staffing shall be reimbursed based upon the actual classifications responding, not to exceed two Apparatus Operators or one Company Officer and one Firefighter. Personnel filling engine company or tactical water tender positions shall be certified at the appropriate level per Wildland Fire Qualification NWCG 310-1 Sub System Guide, or the California Incident Command Certification System (CICCS).

### **Strike Team/Task Force Leader Trainee**

A-21 The State of California or the Federal Fire Agencies shall provide reimbursement for personnel requested by the State of California or the Federal Fire Agencies to coordinate (Strike Team/Task Force Leaders) or otherwise support the California Fire and Rescue Mutual Aid System resources, or Cal OES-owned emergency apparatus used on incidents. A strike team/task force may, at the discretion of the local jurisdiction, include a Strike Team/Task Force Leader Trainee as a reimbursable member of the unit. The Trainee will be covered under a strike team/task force order-request number and will be identified on a separate *Emergency Activity Record* (OES F-42), unless the Trainee is from the same California Fire and Rescue Mutual Aid System Agency as the Strike Team Leader. The Strike Team/Task Force Leader Trainee shall travel with the strike team/task force in a vehicle from the existing strike team/task force and will not be reimbursed for

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the use of a second vehicle. The Trainee may provide the vehicle for the assignment, but no more than one vehicle will be reimbursed. Personnel filling Strike Team/Task Force Leader Trainee positions shall be certified at the Strike Team/Task Force Leader Trainee level per Wildland Fire Qualification NWCG 310-1 Sub System Guide, or CICCS.

- A-22 All Trainees are required to check in with the Training Specialist at the incident when one is present. Trainees will follow the qualification process in place at the incident.

### **Overhead Personnel**

- A-23 Personnel responding to a State of California or Federal Fire Agency's request for overhead positions shall meet the training and experience requirements established for the ICS position to be filled (Reference: NWCG 310-1 Sub System Guide or CICCS).

### **Transfer/Reassignment to Other Operational Areas/Incident**

- A-24 California Fire and Rescue Mutual Aid System emergency apparatus and personnel requested through this Agreement may not be reassigned without the responding agency's approval. The host State of California or Federal Fire Agency shall secure approval for such reassignment through the California Fire and Rescue Mutual Aid System.

### **Cal OES Support**

- A-25 Cal OES Fire Agency Representatives assigned to major incidents may need to have a Cal OES Support/Communications Unit to facilitate coordinating the mutual aid resources assigned to the incident. Local Government Fire Agency Personnel assigned to this resource shall be limited to and reimbursed at a maximum of two (2) persons.
- A-26 The State of California or the Federal Fire Agencies shall reimburse the local government fire agency for the use of one agency support equipment. Reimbursement shall be calculated on a daily basis for such equipment at the rate established by the Committee for the approved type or category of vehicle used.

### **REIMBURSEMENT – EMERGENCY APPARATUS**

- A-27 The formulas and rates of payment for emergency apparatus shall be considered as covering all reimbursement related to the use of such vehicles except as provided in the Reimbursement of Emergency Apparatus Loss or Damage section in the Recitals of this Agreement, Recital 27.
- A-28 Reimbursement for emergency apparatus refurbishment and rehab may be approved by the Incident Command, up to a maximum of 2 hours, as appropriate.

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### **California Fire and Rescue Mutual Aid System Agency Emergency Apparatus**

A-29 Engines and tactical water tenders shall be reimbursed in accordance with the current FEMA Schedule of Equipment Rates established in the Annual Rate Letter. Engines and tactical water Tenders rates are based on a 16-hour maximum allowable charge, per 24-hour period.

Reimbursement of other emergency response equipment shall be in accordance with 44 CFR 206.228 allowable costs.

A-30 California Fire and Rescue Mutual Aid System Agencies shall assume operational costs, including necessary motor fuels and lubricants used in its emergency apparatus while responding from their home base and returning to their home base from the State of California or Federal Fire Agency incidents. It shall be the responsibility of the responding agency to provide the necessary means of payment for such costs.

A-31 Once at the incident and until released or reassigned, the State of California or the Federal Fire Agencies will provide for motor fuel and lubricants, normal servicing costs, and minor repairs incidental to operation of emergency apparatus including California Fire and Rescue Mutual Aid System Agency support equipment. Minor Repair is defined as any repair necessary to keep the equipment in operation on the fire, which requires not more than two hours (labor time only) for one mechanic for any one job, exclusive of obtaining parts.

### **Support Equipment, Privately-Owned Vehicles, and Rental Vehicles**

A-32 The State of California or the Federal Fire Agencies shall reimburse California Fire and Rescue Mutual Aid System Agencies for use of agency support equipment and private vehicles provided in conjunction with requested personnel. Reimbursement shall be calculated on a daily basis for local jurisdiction support equipment at the rate established by the Committee for the type or category of vehicle used. Privately-owned vehicle rates will be reimbursed on a per mile basis according to the current Internal Revenue Service (IRS) standard rate for business miles.

A-33 Reimbursement for mileage or other transportation to and from rental agency will be allowed.

A-34 The use and reimbursement of rental vehicles, mileage or other transportation requires authorization either at the time of the initial request in the Resource Ordering System of Record, or documented by written approval at the incident. Rental vehicles from an airport are discouraged, and the use of economy cars are encouraged. Rental vehicles and the fuel expense while responding to, during, or returning from a State of California or Federal Fire Agency incident will be reimbursed for the actual costs incurred by the California Fire and Rescue Mutual

Aid System Agencies. The process to obtain reimbursement for rental vehicle expenses is outlined in Exhibit "H".

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## **Aircraft**

A-35 Aircraft will be reimbursement based on rates submitted annually on the Salary Survey to Cal OES.

## **Other Equipment Rates**

A-36 All equipment in this exhibit will be reimbursed using the FEMA Schedule of Equipment rates. If a FEMA equipment rate is not identified for the type of equipment being used, a rate may be developed using the FEMA equipment rate formula in Exhibit "F".

### **REIMBURSEMENT – TRAVEL EXPENSES**

A-37 At no time will the California Fire and Rescue Mutual Aid System Agencies seek reimbursement for travel expenses such as fuel, food, and lodging responding to, during, or returning from a State of California or Federal Fire Agency incident unless formally documented and approved in writing at the incident. The reimbursement of meals to and from the incident will be subject to the U.S. General Services Administration per diem and lodging rates specified in Exhibit "H".

Travel arrangements and reimbursement, including travel for relieving personnel and backfill, will only be made from the Fire Department/Agency location or residence whichever is closest to the incident or reporting location (such as staging).

If formally documented and approved in writing at the incident, the process to obtain reimbursement for in state travel and incident-related expenses is outlined in Exhibit "H".

### **REIMBURSEMENT – PERSONNEL ROTATION**

A-38 When California Fire and Rescue Mutual Aid System Agency personnel are committed to extended assignments under this Agreement, there may be a need to rotate and replace personnel. Personnel under this Agreement are expected to be available a minimum of seven (7) days (elapsed time) excluding travel, before needing replacement, regardless of the number of assignments from original dispatch.

A-39 Expenses that are reimbursable are limited to personnel costs and transportation costs. Reimbursement for personnel will be in accordance with general personnel reimbursement provisions of this Agreement. Please reference Exhibit "C" for specific personnel rotation procedures.

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### **INCIDENT OFF-SHIFT REST AND SLEEPING ACCOMODATIONS**

- A-40 The responsible State of California or Federal Fire Agency will provide, when practical, sanitary, shaded and/or climatically maintained accommodations for off shift sleeping, rest, and recuperation for local jurisdiction resources confined to the incident base. If the incident command finds it operationally feasible (e.g., strike team remains available) to place local jurisdiction resources in a commercial sleeping accommodation, it may be provided.

### **REIMBURSEMENT – STATE OF CALIFORNIA, FEDERAL, DOD, AND TRIBAL FIRE DEPARTMENTS**

- A-41 State Agency Fire Departments, Federal Fire Departments, DOD Fire Departments, and Tribal Fire Departments may respond through the California Fire and Rescue Mutual Aid System.

Tribal Fire Department's that have a compacted or contracted wildland fire program from BIA will respond through the Federal Dispatching System and not through the California Fire and Rescue Mutual Aid System.

Reimbursement of Federal Fire Departments, DOD, and Tribal Fire Departments that respond to CAL FIRE, local government, and Cal OES incidents will be in accordance with the Agreement reimbursement provisions.

Reimbursement of Federal Fire Departments, DOD, and Tribal Fire Departments that respond to Federal Fire Agency fires are governed by other federal agreements. In these cases, Cal OES will not produce or process reimbursement invoices for Federal Fire Departments, DOD and Tribal Fire Departments. Federal Fire Departments and DOD Fire Departments ordered through other agreements will invoice the supported Federal Fire Agency directly in accordance with existing federal and local agreements. Tribal Fire Departments that have a current Cooperative Agreement with BIA will invoice BIA directly in accordance with existing federal or local Agreements.

Federal Fire Agencies will not reimburse Federal Fire Departments, DOD or Tribal Fire Departments under this Agreement.

### **REQUESTING REIMBURSEMENT**

- A-42 California Fire and Rescue Mutual Aid System Agencies will prepare an OES F-42, and supporting documentation at the incident, which is the basis for reimbursement due and invoice preparation. These forms are provided by Cal OES Fire and Rescue Division. The OES F-42 must be signed by a responsible officer of the jurisdiction seeking reimbursement and by the State of California or Federal Fire Agency Incident Command to verify that the resources requested on the OES F-42 were authorized by the ordering agency and is the initial step for invoice processing. The completed OES F-42 is forwarded to Cal OES Fire and Rescue Division Headquarters for

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processing. **The OES F-42 should be submitted to the Cal OES Fire Agency Representative at the incident. In the absence of a Cal OES Fire Agency Representative, OES F-42 should be SUBMITTED TO Cal OES FIRE AND RESCUE DIVISION BY THE CALIFORNIA FIRE AND RESCUE MUTUAL AID SYSTEM AGENCY WITHIN THIRTY (30) CALENDAR DAYS OF RELEASE FROM THE INCIDENT OR PAYMENT WILL BE DELAYED.**

- A-43 Within sixty (60) calendar days of receipt of the OES F-42, Cal OES Fire and Rescue Division will process the OES F-42 data into invoices (F-142) and return to the California Fire and Rescue Mutual Aid System Agency for verification of billing amounts and signature. **THERE WILL BE A DELAY IN PAYMENT FOR INVOICES (F-142) NOT RETURNED TO Cal OES FIRE AND RESCUE DIVISION WITHIN THIRTY (30) CALENDAR DAYS OF RECEIPT FOR VERIFICATION OF BILLING AMOUNTS AND SIGNATURE.**
- A-44 Upon return receipt and verification of the invoice (F-142) by the California Fire and Rescue Mutual Aid System Agency, Cal OES Fire and Rescue Division will forward the *CFAA Reimbursement Invoice* (OES F-142) to the appropriate State of California or Federal Fire Agency within thirty (30) calendar days along with a copy of the OES F-42 as the source document. Inquiries from the State of California and Federal Fire Agencies regarding amounts billed will first be addressed to Cal OES Fire and Rescue Division as soon as possible, as the first step in a joint resolution process.
- A-45 The State of California or Federal Fire Agency will remit payment to the California Fire and Rescue Mutual Aid System Agency within sixty (60) calendar days of receipt of the OES F-142 from Cal OES.
- A-46 In the event that CAL FIRE or a Federal Fire Agency identifies a discrepancy with an OES F-142, Cal OES will provide the California Fire and Rescue Mutual Aid System Agency a new invoice with the corrected invoice amount and the reason for the change. Cal OES has thirty (30) calendar days to make the change and provide a corrected invoice to the California Fire and Rescue Mutual Aid System Agency and either CAL FIRE or the appropriate Federal Fire Agency.
- A-47 CAL FIRE or the Federal Fire Agencies will provide copies of payment schedules to Cal OES every thirty (30) days for invoices to the California Fire and Rescue Mutual Aid System Agencies. Cal OES Fire and Rescue Division will reconcile the payment schedules against outstanding OES F-142(s) on a monthly basis.
- A-48 Cal OES will form and chair working groups with membership from the Committee to develop methodologies to streamline the reimbursement process.

The State of California and Federal Fire Agencies will work on procedures to improve the reimbursement efficiencies and timelines. These activities will be documented and shared with the California Fire and Rescue Mutual Aid System Agencies.

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- A-49 The Terms and Conditions and Exhibits in this Agreement may necessitate new methods of reporting and invoicing. All proposed changes to this Agreement, or associated business processes shall be approved by the State of California and Federal Fire Agencies that are parties to this Agreement.
- A-50 Reimbursement for emergency apparatus and personnel shall be made directly to the California Fire and Rescue Mutual Aid Agency providing the resource, and **NOT** to individuals.
- A-51 The OES F-42, shall be used as the basis for personnel and equipment calculations. The resource order form of record shall not be used for reimbursing personnel and equipment costs.

### **Federal Fire Agency Electronic Fund Transfer**

- A-52 Federal Fire Agencies require the following for reimbursement to California Fire and Rescue Mutual Aid System Agencies:
1. Taxpayer Identification Number (TIN) – This number is applied for and issued by the Internal Revenue Service (IRS). Contact the IRS @ [www.irs.gov](http://www.irs.gov) or (800) 772-1213.
  2. Electronic Funds Transfer (EFT) – The cooperator shall designate a financial institution or an authorized payment agent through which a federal payment may be made in accordance with US Treasury Regulations, Money and Finance at 31 CFR 208, which requires that federal payments are to be made by EFT to the maximum extent possible. A waiver may be requested and payments received by check by certifying in writing that one of the following situations apply:
    - a. The payment recipient does not have an account at a financial institution.
    - b. EFT creates a financial hardship because direct deposit will cost the payment recipient more than receiving the check.
    - c. The payment recipient has a physical or mental disability, or a geographic language or literacy barrier.

In order to receive EFT payments, the recipient/cooperator shall register in the System for Award Management (SAM).

3. DUNS Number. The cooperator shall obtain a Dun and Bradstreet Data Universal Numbering System (DUNS). This is a requirement for registering in SAM. The DUNS number does not replace existing numbers, such as Employer Identification Number (EIN), the Tax Identification Number (TIN), and State Application Identifier (SAI) numbers that are required by statute, Executive Order, or regulation. You may obtain a free DUNS number by contacting Dun & Bradstreet via the web at <https://fedgov.dnb.com/>. A new DUNS number

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can be created within one (1) business day. For assistance by phone, call (866) 705-5711 or [SAMhelp@dnb.com](mailto:SAMhelp@dnb.com).

4. System for Award Management (SAM) Registration Requirement. The cooperator shall maintain current information in SAM until receipt of final payment. This requires review and update to the information at least annually after the initial registration, and more frequently if required by changes in information or agreement term(s). For purposes of the Agreement, SAM means the Federal repository into which an entity must provide information required for the conduct of business as a Cooperative. Additional information about registration procedures may be found at the SAM Internet site (currently at [www.sam.gov](http://www.sam.gov)). For assistance, contact the SAM Assistance Center at (800) 606-8220.

**EXHIBIT "B"**  
**ICS Type 1 through 7 ENGINE, ICS TACTICAL WATER TENDER,  
PERSONAL PROTECTIVE EQUIPMENT, & TRAINING STANDARDS FOR  
FIRE AND EMERGENCY ASSISTANCE**

- B-1 The purpose of this Exhibit is to identify the minimum standards that California Fire and Rescue Mutual Aid System Agencies should follow with regard to their use of Type 1 through 7 engines, Tactical Water Tender, Personal Protective Equipment (PPE) and training standards for mutual aid and/or CFAA-reimbursable responses.
- B-2 The State of California and the Federal Fire Agencies Type 3 through 7 engines and tactical water tenders have a number of features that enhance their capability to operate on narrow, steep or unimproved roads and to allow the efficient application of water or other agents. The minimum features of the engines are:
1. Short wheel base
  2. High ground clearance
  3. High angle of approach and departure
  4. Lower Gross Vehicle Weight (GVW) than Type 1 or 2 engine
  5. Unit # on roof
- B-3 The main fire pump and water tank shall meet minimum capabilities for the FIRESCOPE ICS Type engine or tactical water tender as designated in the current edition of the ICS Field Operations Guide ICS-420-1. The pump, as mounted, shall be capable of drafting water from a water source located 10 feet vertical distance below the pump through the required suction hose.

For Type 3 through 7 engines:

1. 1.5-inch hose will be configured to facilitate progressive hose deployment providing for a 100 foot lateral of 1-inch hose every 200 feet of 1.5-inch trunk line once the fire's edge is encountered.
2. All hose utilized must meet or exceed USDA Specification. One-inch hoses and nozzles will have NPSH threads; 1 inch hose with NH threads shall be provided with a sufficient number of NPSH adapters. 1.5-inch hoses and nozzles will have NH threads.

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RESOURCE	RADIO CALL	COMPONENTS	TYPES						
			1	2	3	4	5	6	7
Engine Company	Engine Telesquirt*	Pump minimum flow GPM	1,000	500	150	50	50	50	10
		Tank minimum capacity (gal)	300	300	500	750	400	150	50
		At rated pressure (psi)	150	150	250	100	100	100	100
		Hose 2.5"	1,200	1,000	N/A	N/A	N/A	N/A	N/A
		Hose 1.5"	500	500	1,000	300	300	300	N/A
		Hose 1"	N/A	N/A	500	300	300	300	200
		Ladder per NFPA 1901	Yes	Yes	N/A	N/A	N/A	N/A	N/A
		Master Stream	Yes	N/A	N/A	N/A	N/A	N/A	N/A
		500 Min. GPM							
		Pump and Roll	N/A	N/A	Yes	Yes	Yes	Yes	Yes
Maximum GVWR (lbs.)	N/A	N/A	N/A	N/A	26,000	19,500	14,000		
Personnel minimum	4(#)	3	3	3(@)	3(@)	3(@)	3(@)		

\*Engine with elevated stream capability, specify when requested

(#) 3 or 4-person staffing is acceptable for purposes of reimbursement.

(@) Differs from NWCG Guidelines. Per CFAA A-17 and FIREScope BOD direction January 2020.

N/A = Not Applicable

NFPA = National Fire Protection Association

GVWR = Gross Vehicle Weight Rating

Notes:

1. All types shall meet federal, state and agency requirements for motor vehicle safety standards, including all gross vehicle weight ratings when fully loaded.
2. Type 3 engines and tactical water tenders shall be equipped with a foam proportioner system.
3. All water tenders and engine types 3 through 6 shall be able to prime and pump water from a 10-foot lift.
4. See A-17 for staffing levels.

RESOURCE	RADIO CALL	COMPONENTS	TYPES						
			1	2					
Tactical Water Tender	Water Tender	Pump minimum flow GPM	250	250					
		Tank minimum capacity (gal)	2,000	1,000					
		At rated pressure (psi)	150	150					
		Pump and Roll	Yes	Yes					
		Personnel minimum	2	2					

Notes:

1. All types shall meet federal, state and agency requirements for motor vehicle safety standards, including all gross vehicle weight ratings when fully loaded.
2. Type 3 engines and tactical water tenders shall be equipped with a foam proportioner system.
3. All water tenders and engine types 3 through 6 shall be able to prime and pump water from a 10-foot lift.

Common Additional Needs – Request as Needed:

- All Wheel Drive (Includes four-wheel drive).
- High Pressure Pump (250 psi at one half flow of Type). NFPA 1901 compliant Type 1 and 2 engines will produce one half of rated flow at 250 psi. Type 3 engines are already required to produce rated flow (150 GPM) at 250 psi. If Type 4 through 6 are ordered as high pressure it is recommended that they be required to produce rated flow at 250 psi (50 GPM).
- Foam proportioner.
- Compressed Air Foam System (CAFS) 40 cfm minimum.
- Additional personnel.

**Personal Protective Equipment (PPE)**

- B-4 Each employee responding to or engaged in fire suppression activities will use the appropriate safety clothing and equipment. Each agency is responsible for seeing that Cal OSHA standards for safety clothing and equipment are provided and used for wildland firefighting. Wildland fire suppression safety clothing and equipment includes:
1. Head Protection meeting the requirements of CCR, Title 8, Section 3410
  2. Eye and Face Protection meeting the requirements of CCR, Title 8, Sections 3382 and 3404
  3. Ear and Neck Protection meeting the requirements of CCR, Title 8, Sections 3405 and 3410(c)
  4. Body Protection meeting the requirements of CCR, Title 8, Section 3406(c)
  5. Gloves, meeting the requirements of CCR, Title 8, Section 3410
  6. Foot Protection meeting the requirements of CCR, Title 8, Section 3408
  7. Wildland fire shelter meeting Forest Service specification 5100-606
  8. Recommended disposable filtering face piece respiratory protection

**Training**

- B-5 The State of California and Federal Fire Agencies have the expectation that when a local jurisdiction resource arrives at an incident it can perform all of the missions that would be expected of the State of California and Federal Fire Agencies' resource.
- B-6 All responding personnel shall be in compliance with the current NWCG 310-1 Sub System Guide or CICCIS. Training topics include but are not limited to:

Wildland strategy and tactics	Backfiring/firing-out
Wildland fire behavior	Handline construction
Wildland hose lays	Structure triage
Wildland fire safety	Structure defense preparation
Fireground communications	Fire weather

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**EXHIBIT “C”**  
**REIMBURSEMENT FOR PERSONNEL ROTATION**

Clauses A-38 and A-39 authorizes the reimbursement of personnel and transportation costs incurred to replace California Fire and Rescue Mutual Aid System Agency personnel committed to extended assignments under this Agreement. Personnel under this Agreement are to be available a minimum of seven (7) days excluding travel (portal-to-portal) before needing replacement, regardless of the number of assignments. This exhibit lists the procedures necessary for a local jurisdiction to follow before reimbursement for their costs will be processed for rotation of their personnel. These procedures only apply when the emergency apparatus remains assigned to the incident but the personnel are rotated. The procedures are:

- C-1 The incident commander (IC) or Mobilization (MOB) center manager to which the resources are assigned must approve the personnel rotation and method of transportation. Such approval should not be denied without substantial cause, (e.g., imminent planned release (24 – 36 hours)) of the resources, or a negotiated extension through the Cal OES Fire Agency Representative. The personnel rotation and transportation plan must be coordinated through the incident, the ordering point, agency representative, and/or the overhead responsible for the personnel to be rotated.
- C-2 The approved personnel rotation will be documented in:
  - C-2.1 **The approved automated resource ordering system of record.** The resource order will be annotated in the documentation section by the incident indicating the date and time of personnel rotation approval. Subsequently the home unit/filling command center will add documentation to include the following information:
    - C-2.1.1 Method/Mode, date and time of transportation.
    - C-2.1.2 An ICS General Message Form-213/Rotation Job Aid Template designed specific for personnel rotation must be signed by the IC or MOB center manager approving the rotation. This form shall be attached to the respective OES F-42 associated with the rotation vehicle and overlapping time of personnel.
  - C-2.2 **OES F-42**
    - C-2.2.1 Box 12 of the original OES F-42 will document any personnel rotation with the date and time of the rotation for all individuals whether or not the personnel rotation will be reimbursed.

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C-2.2.2 **ONLY** when a fire agency is requesting reimbursement for an approved personnel rotation that includes transportation cost will a new OES F-42 be required (Check the Aprvd. Personnel Rotation Box, Personnel Information, Box 11 & Support Vehicle Information, Box 8 on OES F-42 and referenced to the original “E” number, Box 12).

C-2.2.2.1 For approved personnel rotation documented only in the documentation section.

C-2.2.3 OES F-142(s) will identify personnel involved in any rotation and will itemize the costs of transportation for personnel rotations with support documentation.

### C-2.3 ICS-214 Unit Log

C-2.3.1 Details of personnel rotation need to be documented (Unit Logs to be retained on file by individual fire agency).

If both the emergency apparatus and the personnel need replacement, the resources will be released and a new resource will be ordered.

**EXHIBIT "D"**  
**COMMUNICATIONS CAPABILITIES**

- D-1 It shall be the responsibility of the agency sending mutual aid resources to ensure that those resources have adequate communications capabilities. Adequate communications capability is defined as VHF Highband radios with a minimum of 240 channels and pre-programmed with the most current FIRESCOPE STATEWIDE FREQUENCY CHANNEL PLAN. Effective January 1, 2024, radios will be required to have a minimum capacity of 400 channels with a recommended minimum of 500 channels.
- D-2 Emergency apparatus used for mutual aid will have a mobile VHF Highband radio (powered by the emergency apparatus battery and connected to an external antenna) and a minimum of one portable VHF Highband radio. The VHF Highband portable radio should be capable of being operated by alkaline batteries.
- D-3 Strike Team/Task Force Leaders: In addition to the communications capability required for emergency apparatus, line personnel are encouraged to respond with a conventional 800 MHz radio pre-programmed with the 800 MHz mutual aid channels as identified in FIRESCOPE STATEWIDE FREQUENCY CHANNEL PLAN.
- D-4 For Narrowband Radios: On January 1, 2013, all public safety and business industrial land mobile radio systems operating in the 150-512 MHz radio bands must cease operating using 25 kHz efficiency technology, and begin operating using at least 12.5 kHz efficiency technology. This deadline is the result of an FCC effort that began almost two decades ago to ensure more efficient use of the spectrum and greater spectrum access for public safety and non-public safety users. Migration to 12.5 kHz efficiency technology (once referred to as Refarming, but now referred to as Narrowbanding) will allow the creation of additional channel capacity within the same radio spectrum, and support more users.
- D-5 After January 1, 2013, licensees not operating at 12.5 KHz efficiency will be in violation of the Commission's rules and could be subject to FCC enforcement action, which may include admonishment, monetary fines, or loss of license. Agencies shall ensure that local radio channels are not utilized outside of the agency's licensed area of operation.
- D-6 Agencies should provide a minimum of 4 hours of annual basic radio training for Division Supervisors, Strike Team Leaders, and single resource leader positions.

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**EXHIBIT "E"**

**\*Intentionally Left Blank. The Committee combined two exhibits into one, which left Exhibit E open for a new subject. Instead of changing reference to lettering of all exhibits, this will be a place holder for a newly added exhibit.\***

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**EXHIBIT "F"**  
**FEMA EQUIPMENT RATE FORMULA**

**Hourly Rate = Depreciation + Overhead + Overhaul Labor + Overhaul Parts + Field Labor + Field Parts + Fuel + Lube + Tires**

Where:

**Depreciation** = (Acquisition Cost – Salvage Value) / Economic Life

Generally Acquisition Cost = (1 – [Discount % / 100]) \* (List Price + Sales Tax + Freight Cost)

**Hourly Overhead** = Overhead / 2112 hours

Where Overhead represents annual equipment overhead costs resulting directly from equipment ownership, the costs include such things as normal risk insurance, storage and security, inspection, and licenses. Profit, project overhead, and general overhead costs are not included in this number. 2112 hours is an annual equipment ownership baseline.

**Overhaul Labor** = (Annual Overhaul Labor Hours \* Mechanic's Wage) / 2112

**Overhaul Parts** = Annual Overhaul Parts Cost / 2112

**Field Labor** = (Annual Field Repair Labor Hours \* Mechanic's Wage) / Average Annual Use Hours

**Field Parts** = (Annual Field Repair Parts Cost + Miscellaneous Supply Parts Cost) / Average Annual Use Hours

**Fuel** = Average Annual Fuel Cost / Average Annual Use Hours or

**Fuel** = Hourly Fuel Consumption Rate \* Unit Cost of Fuel

**Lube** = Annual Lube Cost / Average Annual Use Hours **Tires** = Tire Cost / Tire Life

\*\* You may also use FEMA's Special Use Equipment Formula at <https://www.caloes.ca.gov/cal-oes-divisions/fire-rescue/administration-reimbursement>\*\*

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**EXHIBIT "G"**  
**REIMBURSEMENT POLICY AND PROCEDURES FOR OUTSIDE THE STATE OF CALIFORNIA ASSIGNMENTS**

This Exhibit applies to Cal OES and the Federal Fire Agency requests.

- G-1 The California Fire and Rescue Mutual Aid System Agencies shall use the following procedures to secure reimbursement for the provision of personnel and local government-owned emergency apparatus ordered for use on Federal incidents outside the State of California.
- G-2 Reimbursement of personnel, emergency apparatus, and support equipment will be consistent with Exhibit "A" Reimbursement Policy and Procedures with the following exceptions:
1. Travel costs for lodging, per diem and rental vehicles for personnel shall be reimbursed at the GSA travel rates.
  2. Reimbursement for Cal OES-owned communications equipment (e.g., cell and satellite phones or air and phone credit cards) will be at the total actual cost to the State of California.
  3. Reimbursement invoices for Cal OES personnel, travel, and equipment will be on an actual cost basis, supported by accounting records, payroll records, and/or activity cards. Invoices for Cal OES resources should be submitted no later than 5 months after the end of the incident.
  4. Invoices for Cal OES resources will include an administrative rate as determined by the State of California under, Title 2 in the Code of Federal Regulations (2 CFR), Subtitle A, Chapter II, part 200.
  5. Length of assignments for resources responding to incidents outside the State of California will be consistent with the appropriate Federal Fire Agency's policy. Conditions in Clauses A-38 and A-39 of Exhibit "A" concerning minimum of seven (7) days (elapsed time), excluding travel, will not apply to resources responding to requests outside the State of California. Federal Fire Agency policy on the length of an assignment outside the state is defined as the time period (days) between the first full operational period at the first incident or reporting location on the original resource order and commencement of return travel to the home unit. Standard assignment length is fourteen (14) days, exclusive of travel from and to home unit. Time spent in staging and preposition status counts toward the 14-day limit, regardless of pay status, for all personnel, including Incident Management Teams.

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**EXHIBIT “H”**  
**IN-STATE TRAVEL AND INCIDENT RELATED EXPENSES**

The purpose of this exhibit is to identify allowable costs and the process for submitting such cost for in-state travel and incident related expenses. This exhibit primarily pertains to costs associated with fuel, food, vehicle and lodging costs as stated in Clauses A-37 and A-39 of Exhibit “A”, as well as attributable incident expenses such as loss or damage to local agency emergency apparatus or support equipment identified in Recital 27 of this Agreement.

In some cases, miscellaneous expenses outside of the above mentioned may be approved if the incident finds that the expense(s) is also attributable to the incident.

1. In order for local agencies to be eligible for reimbursement of expenses related to this exhibit for lodging and per diem, the approval MUST be formally documented in writing by the approving State of California or Federal Fire Agency responsible for an incident by using a General Message Form ICS-213 and/or provide the associated “S#” validating the expense(s) on both the General Message Form ICS-213 and the OES F-42.
2. In order for local agencies to be eligible for reimbursement of expenses related to this exhibit for all other expenses such as loss or damage, the approval MUST be formally documented in writing by the approving State of California or Federal Fire Agency responsible for an incident by using a General Message Form ICS-213 AND provide the associated “S#” validating the expense(s) on both the General Message Form ICS-213 and the OES F-42.

In both cases, when the General Message Form ICS-213 is used, it must be signed by one of these three positions: Incident Commander, Finance Section Chief or Incident Business Advisor.

**NOTE:** S#’s and approved General Message Form ICS-213’s should ONLY be issued when the incident cannot accommodate the expense in need, and all other options to provide the expense(s) have been exhausted.

Approved out of pocket expense(s) must accompany the OES F-42 along with the formal approval on the General Message Form ICS-213 documenting the S#, the itemized receipt(s), and the *Expense Claim Reimbursement Log* (OES F-142A). Receipts for meals and incidentals are not required. All other receipts must be taped to an 8 ½ x 11 sheet of paper in date order. All sides of the receipts must be taped and legible; photo copies are preferred.

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### **Rental Vehicles**

This section of Exhibit “H” is to identify both allowable and non-allowable expenses when renting a vehicle. Items listed adhere to the state rental agreement.

Items listed below are NOT allowable expenses:

1. Personal accident insurance, personal effects coverage, or other optional coverage
2. No pre-payment of fuel or refueling
3. No payment of extension costs or late return
4. Airport pickups are discouraged
5. Airport parking feeds
6. GPS unit
7. Satellite radio services (e.g. Sirius XM)
8. Roadside service
9. Damage attributable to the incident may be local government fire agency responsibility

Items listed below are REQUIRED to secure reimbursement:

1. Vehicle returned with a full tank
2. Exit invoice
3. Use of economy vehicle recommended
4. Vehicle determination should be based on your incident position
5. At time of rental, you may need to make remarks on your contact that this vehicle is going to an incident base camp and may be driven off pavement
6. If your agency provides a travel/expense car, rental and fuel must be paid by agency card

**\*All other considerations must have prior approval from the incident\***

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Rental vehicle reimbursement will use the state rates listed below as the maximum allowable charge:

**STATE OF CALIFORNIA SHORT TERM PROGRAM RENTAL RATES TABLE EFFECTIVE, MARCH 3, 2020, WILL BE USED FOR A MAXIMUM AMOUNT ALLOWABLE FOR REIMBURSEMENT.**

Class Type	Sample Vehicle	Daily Rates	Weekly Rates
Compact	Nissan Versa	\$36.06	\$144.24
Mid-Size/Intermediate	Hyundai Elantra	\$36.06	\$144.24
Standard	Buick Verano	\$38.25	\$152.98
Full Size	Nissan Altima	\$38.25	\$152.98
Hybrid Electric/Plug-In Zero Emission Vehicle	Toyota Prius	\$45.89	\$183.58
Compact SUV	Jeep Renegade	\$61.19	\$244.77
Medium SUV	Hyundai Santa Fe	\$96.16	\$573.68
Pick Up Truck	Ram 1500	\$76.49	\$305.96
3/4-Ton/ 1-Ton Pick Up Truck	Chevy Silverado	\$98.35	\$491.73
Mini Van	Dodge Grand Caravan	\$61.19	\$244.77
Large Van	Ford Transit Wagon	\$132.22	\$793.32
Mini-Cargo Van	Ram Promaster City	\$72.12	\$360.60
15' Cutaway Box Van w/ramp	Transit Connect	\$76.49	\$382.45
16' Box Truck		\$92.88	\$464.41
24' Box Truck		\$109.27	\$546.36
26' Box Truck		\$109.27	\$546.36
14' Stake Bed		\$92.88	\$464.41
24' Stake Bed		\$109.24	\$546.36

When renting a vehicle beyond four (4) days, assigned personnel will utilize the weekly rate through the seventh (7) day. Any days thereafter that do not constitute a week (seven (7) days) will be considered a daily rate.

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Included in State of California Program Rates-Short Term:

1. Unlimited mileage, Collision Damage Waiver (CDW)
2. \$300,000 Supplemental Liability Protection (SLP)
3. Drop Charges: There will be no drop charges for any vehicles that are picked up and returned at an alternative Rental Branch location within the US with the exception of New York.
4. CDW for Business Rentals: Rates include full CDW (Collision Damage Waiver) with no deductible. CDW will cover any physical damage to the vehicle that may occur during a rental and is subject to the terms and limitations set forth in Enterprise's standard rental contract. See additional slide for exclusions.
5. SLP for Business Rentals: Rates include SLP (Supplemental Liability Protection). SLP will cover up to \$300,000 in liability claims that may occur during a rental, as the result of an accident, and is subject to the terms and limitations set forth in Enterprise's standard rental contract.

Damage Waiver Exclusion – Off-road use:

1. Operation of any vehicle that was not properly designed for the intended use
2. Excessive vehicle wear and tear, due to off-road operation, that may include:
  - a. Tire punctures or missing chunks of tread
  - b. Impact damage (body panels or undercarriage) defined as follows:
    - i. Scratches larger than 2" or multiple scratches per panel penetrating the paint
    - ii. Dents larger than 2" or multiple dents per panel
    - iii. Impact to undercarriage that will require repair in order to maintain the drivability of the vehicle
    - iv. Rips in upholstery, missing or broken interior components
3. Soot, smoke, or stain damage requiring professional cleaning

There are several options available to your agency and/or personnel for payment under the State of California Contract:

1. Direct bill account set up by your agency
2. Agency corporate credit card
3. Agencies can use account number XZCPFIR, and renters can choose to use their own payment method.

Rental vehicles authorized on the resource order do not need additional incident approval. The cost of the rental vehicle, if incurred by the local agency, and the fuel purchased to operate the rental vehicle must be submitted on the OES F-142A with receipts taped or photo copied. Rental vehicles that are not authorized on the resource order must receive the formal written approval from the incident as identified on page H-1 of this Exhibit.

Cal OES# 6143-2019  
CAL FIRE# 7CA004953  
USFS# 20-FI-11052012-147  
NPS# P20AC00506  
BLM# BLM CFPA CA915-2004  
F&WS# FFo8F00000-D-Joo1  
BIA# A20ACPRO01

### **Documentation Requirements for Reimbursement of Expenses**

Check List:

- General Message Form* (ICS-213) signed by the Incident Commander, Finance Section Chief, or Incident Business Advisor
- S# documented on forms ICS-213 and OES F-42
- Completed OES F-42
- Completed and signed OES F-142A with expense documented in date order
- Receipt(s)\* taped on all sides to an 8 ½ x 11 sheet of paper in date order (photocopies preferred)
- If renting a vehicle, must submit exit invoice

For loss or damage reimbursement to a local agency emergency apparatus or support equipment, additional documentation also required:

- Investigation/incident report
- Photos

If costs are associated with food or lodging\*, the reimbursement will be limited to the GSA Per Diem Rates in effect at the time of the response. Rates are available at <https://www.gsa.gov/travel/plan-book/per-diem-rates>. The first and last calendar day of travel is calculated and reimbursed at 75%.

\*Double occupancy is preferred as appropriate.



**EXHIBIT "I"**  
**DEFINITIONS**

- I-1 **ACCRUAL ACCOUNTING** is a method whereby revenue or expenses are recorded when a transaction occurs rather than when a payment is received or made.
- I-2 **ACTUAL HOURS** shall mean on shift time which includes a specific start and ending time and is recorded as clock hours. On shift time includes actual work, ordered standby and compensable travel. Individuals are required to report to their designated work site as scheduled, ready and willing to perform work safely.
- I-3 **ADMINISTRATIVE RATE** shall mean a pre-established percentage charge that may be applied by the billing agency as determined by the CFAA Committee.
- I-4 **AGENCY AIRCRAFT** shall mean any firefighting fixed or rotary-winged aircraft (including Unmanned Aerial Vehicles) owned by Local, State, or Federal Fire Agencies.
- I-5 **AGENCY REPRESENTATIVE** shall mean the ICS position that serves as the point of contact for an assisting or cooperating agency that has been delegated authority to make decisions on matters affecting that agency's participation at the incident and reports to the Liaison Officer.
- I-6 **ANNUAL OPERATING PLAN** shall mean a plan developed at the State, Geographic, or local levels for the implementation of administrative or operational practices or concerns.
- I-7 **ASSISTANCE BY HIRE** shall mean fire suppression resources needed to fill the incident order that are to be paid for by the protecting agency.
- I-8 **BASE RATE** shall mean the de minimis rate developed by the Committee.
- I-9 **BUREAU OF INDIAN AFFAIRS** shall mean a federal bureau under the Department of the Interior charged with the responsibility to provide wildland fire protection and suppression for trust lands of federally recognized Native American Tribes.
- I-10 **CALIFORNIA FIRE AND RESCUE MUTUAL AID SYSTEM AGENCIES** shall mean agencies, departments, or institutions to which Cal OES has, through agreement, assigned Cal OES-owned emergency apparatus; or who provide locally owned resources under provisions of the California Fire and Rescue Mutual Aid System. These agencies may also be referenced as, however, not be limited to, "local government" or "local agency".

Cal OES# 6143-2019  
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USFS# 20-FI-11052012-147  
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BIA# A20ACPRO01

- I-11 **CALIFORNIA MOBILIZATION GUIDE** shall mean the interagency procedures for requesting, documenting, and sending resources to incidents within the State of California.
- I-12 **CALIFORNIA WILDLAND COORDINATING GROUP** shall mean the executive level interagency committee made up of representatives from the USDA Forest Service, California Department of Forestry and Fire Protection, USDI Bureau of Land Management, USDI National Park Service, USDI Bureau of Indian Affairs, USDI Fish and Wildlife Services, Association of Contract Counties representative, and the California Governor's Office of Emergency Services.
- I-13 **COMPENSATE** shall mean to give money in return for something such as work or payment for something lost or damaged.
- I-14 **DEMOBILIZATION CENTER/FACILITY** shall mean that location or facility established at or near an incident for the processing of emergency apparatus and personnel prior to release to its home base.
- I-15 **DEPARTMENT OF DEFENSE FIRE DEPARTMENT** shall mean any organization managed by the Department of Defense for preventing and putting out fires principally on military installations.
- I-16 **EMERGENCY ACTIVITY RECORD (OES F-42)** shall mean the personnel and equipment time record required for reimbursement through the CFAA. Referred to as OES F-42.
- I-17 **EMERGENCY APPARATUS** shall mean any emergency response equipment or apparatus provided through the California Fire and Rescue Mutual Aid System.
- I-18 **EMERGENCY PERSONNEL** shall mean any personnel responding on or with emergency apparatus and requested overhead personnel.
- I-19 **FEDERAL FIRE AGENCIES** shall mean the USDA Forest Service, Pacific Southwest Region; the USDI Bureau of Land Management, California Office, Regions 8 and 10; the USDI National Park Service, Interior Regions 8, 9, 10, and 12; USDI Fish and Wildlife Service, Interior Regions 8 and 10, and USDI Bureau of Indian Affairs, Pacific Region.
- I-20 **FEDERALLY RECOGNIZED TRIBE** shall mean an American Indian or Alaska Native tribal entity that is recognized as having a government-to-government relationship with the United States, with the responsibilities, powers, limitations, and obligations attached to that designation, and are eligible for funding and services from the Bureau of Indian Affairs.
- I-21 **GOVERNING BODY RESOLUTION (GBR)** shall mean a formal declaration of the governing body concerning a certain subject which it either cannot or does not wish to control by ordinance.

- I-22 **HOME UNIT** shall mean the geographical location an individual is normally assigned to work. Also referred to as home base.
- I-23 **INCIDENT** shall mean an occurrence or event, either human-caused or natural phenomena, that requires action by emergency service personnel to prevent or minimize loss of life or damage to property and/or natural resources.
- I-24 **INCIDENT COMMAND SYSTEM (ICS)** shall mean a standardized on-scene emergency management concept specifically designed to allow its user(s) to adopt an integrated organizational structure equal to the complexity and demands of single or multiple incidents, without being hindered by jurisdictional boundaries.
- I-25 **INCIDENT COMMANDER** shall mean the ICS position responsible for overall management of the incident and reports to the agency administrator for the agency having incident jurisdiction. This position may have one or more deputies assigned from the same agency or from an assisting agency(s).
- I-26 **INCIDENT MANAGEMENT TEAM (IMT)** shall mean the incident commander and appropriate command and general staff assigned to an incident.
- I-27 **INTERAGENCY** shall mean involvement of two or more agencies to an agreement.
- I-28 **LOCAL AGENCY** shall mean any city, city and county, county, or special district.
- I-29 **LOCAL AGREEMENT** shall mean a pre-defined area agreement that includes that portion of the geographical jurisdictions of both the local reciprocal agreement signatories on which they have historically, frequently and continuously cooperated in initial and extended attack.
- I-30 **LOCAL JURISDICTION** shall mean any political subdivision of government.
- I-31 **MOBILIZATION CENTER** shall mean an off-incident location at which emergency apparatus and personnel are temporarily located pending assignment, release or reassignment.
- I-32 **MOU/MOA** shall mean a memorandum of understanding or memorandum of agreement, which is a formal business document used to outline an agreement made between two separate entities, groups, or individuals.
- I-33 **MUTUAL AID** shall mean an agreement in which two or more parties agree to furnish resources and facilities and to render services to each party of the agreement to prevent and combat any type of disaster or emergency.
- I-34 **NON SUPPRESSION PERSONNEL** shall mean personnel who occupy a civilian position within a fire agency.

Cal OES# 6143-2019  
CAL FIRE# 7CA004953  
USFS# 20-FI-11052012-147  
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BIA# A20ACPRO01

- I-35 **POLITICAL SUBDIVISION** shall mean any city, city and county, county, district, or other local governmental agency or public agency authorized by law.
- I-36 **PORTAL-TO-PORTAL** shall mean the time of initial dispatch from home base to the time of return to home base.
- I-37 **REIMBURSEMENT** shall mean to pay someone/agency an amount equal to an amount that agency has spent or where the agency has accrued a financial liability.
- I-38 **SALARY RATES** shall mean the sum of the hourly rates for each personnel in a classification including worker's compensation and unemployment insurance divided by the number of employees in that classification. The hourly rate should not include overtime. Benefit pay, specialty pay, and/or incentive pay should also be excluded unless the pay is directly tied to each hour of overtime worked.
- I-39 **SALARY SURVEY** refers to the form used to establish rates for reimbursement filed with Cal OES Fire and Rescue Division.
- I-40 **STAGING AREA** shall mean the location where emergency apparatus and personnel are assigned to an incident for deployment on a three-minute availability status.
- I-41 **STRUCTURAL FIRE PROTECTION** shall mean fire suppression within a structure.
- I-42 **STRUCTURE DEFENSE** shall mean the protection of homes or other structures from wildland fire before the fire reaches the structure; exterior fire protection measures.
- I-43 **SUPPLEMENTAL PERSONNEL** shall mean overhead tied to a local fire department generally by agreement who are mobilized primarily for response to incidents/wildland fires outside of their district or mutual aid zone. They are not a permanent part of the local fire organization and are not required to attend scheduled trainings, meetings, etc., of the department staff.
- I-44 **SUPPRESSION PERSONNEL** shall mean personnel who routinely respond to emergencies.
- I-45 **TRIBAL FIRE DEPARTMENT** shall mean a federally-recognized tribe with suppression and/or all-risk response capabilities.

**A PROCLAMATION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY  
PROCLAIMING SATURDAY JUNE 20, 2020  
AS "JUNETEENTH DAY" IN THE CITY OF MORRO BAY**

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

**WHEREAS**, since 1865, the American celebration known as Juneteenth has historically been observed as the end of the Institution of Slavery in our Great Nation; and

**WHEREAS**, Juneteenth embodies the indomitable human spirit of the past, the present, and all time; and

**WHEREAS**, the celebration of Juneteenth gives us all the opportunity to rededicate ourselves to the true American spirit for a more perfect Union; and

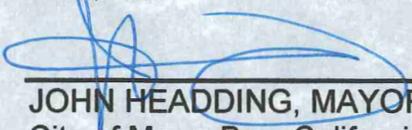
**WHEREAS**, we are citizens who wish to secure the Blessings of Freedom, Justice, and Equality for all this great Country of ours; and

**WHEREAS**, the collaboration of community-based organizations, faith-based organizations, local businesses, and local government demonstrates a shared commitment to being part of the solution and acknowledging the importance of strength through unity.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Morro Bay, is proclaiming the third Saturday in June as "Juneteenth Day" and recommends all citizens of the City of Morro Bay to join in recognizing the importance of this day.



IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 20<sup>th</sup> day of June, 2020

  
\_\_\_\_\_  
**JOHN HEADDING, MAYOR**  
City of Morro Bay, California

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AGENDA NO: B-1  
MEETING DATE: June 23, 2020

# Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** June 15, 2020  
**FROM:** Rob Livick, PE/PLS – City Engineer  
**SUBJECT:** Adoption of Resolution No. 57-20 Directing the Levy of the Annual Assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District

## RECOMMENDATION

Staff recommends the City Council conduct the final public hearing and adopt Resolution No. 57-20, approving the levy of the annual assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District for FY 2020/21.

## ALTERNATIVE

Not adopt Resolution No. 57-20 and provide alternative specific direction for staff.

## FISCAL IMPACT

By adopting Resolution No. 57-20, \$148,944 will be collected through an assessment of all benefitting parcel owners in the Cloisters subdivision for the Cloisters Landscape and Lighting Maintenance Assessment District for the maintenance of the Cloisters Park and Open Space.

## SUMMARY

At the May 12, 2020, City Council meeting, Council adopted Resolution No. 44-20 approving the Engineer’s Report describing the annual maintenance to be completed at the Cloisters Park and Open Space and declaring the City’s intent to levy an annual assessment to finance this maintenance. The assessment, projected at \$1,241.20 per assessable lot in the Cloisters subdivision, will be collected by the County Assessor. As part of the assessment process, the City ordered the preparation of an Engineer’s report, adopted a resolution of intention to levy an assessment, and set June 23, 2020 as the public hearing date on the proposed levy of assessment.

## BACKGROUND/DISCUSSION

Cloisters Landscape and Lighting Maintenance Assessment District was formed with the development of Tract 1996 in the Fall of 1996, just prior to the passage of Proposition 218. In 2004, the Court determined, due to a lawsuit filed by three Cloisters residents, there are many special benefits associated with the Cloisters Landscape and Lighting Maintenance Assessment District. The Cloisters lots directly benefit from the Cloisters open space and close proximity of the public park, bicycle pathway, right of way landscaping, Environmentally Sensitive Habitat restoration areas and coastal access. There was also created, and reserved in favor of each owner in the Cloisters development, easements for view, open space, scenic, passive recreation and coastal access across the entirety of LOTS 121, 122 and 123, which shall not be developed with any improvements or structures, unless necessary and proper for the restoration and maintenance of

Prepared By: RL      Dept Review: RL  
City Manager Review: SC      City Attorney Review: CFN

the Environmentally Sensitive Habitat Area. The Court determined further special benefits include: improved aesthetic appeal of nearby parcels, improved dust control, enhanced adaptation of the urban environment within the natural environment, improved erosion resistance, improved drainage and flood control, enhanced crime deterrence and aid to police protection, increased nighttime safety on roads and highways, improved visibility for pedestrians and motorists, improved ingress and egress to property, reduced vandalism and other criminal acts and damage to improvements or property, improved traffic circulation, reduced nighttime accidents, and special enhancement to property value resulting from the above benefits.

The Court also determined the City does not need to, nor is it required to, prepare an annual redetermination of the separation of special and general benefits. The Court specially held:

*“When the special assessment district was formed the owner of all of the parcels consented to its formation. Moreover, the owner did not object to the amount of the assessment, which the City based upon the cost of the special benefits being conferred on the properties within the assessment district, nor to the specific amount allocated to each parcel as its proportionate share. Because express consent to the amount and allocation of the assessment was given by petitioners' predecessor, and petitioner's purchased their properties with actual or constructive knowledge of the amount of the assessment, it is too late for them now to withdraw the consent and attack the amount of the assessment.”*

Up until 2015, this required public hearing was advertised as a “protest hearing,” where those in the assessment district could file protests to the continuation. State law does not require a protest hearing, so long as there are no increases in the assessment. Currently, there are no proposed increases to the assessment amount.

Staff continues to recognize the importance of proper maintenance of the Cloisters Park and Open Space, which are outlined in the Engineer's Report, but occasionally the level of maintenance does not meet the expectations of some residents. Due to resource limitations, the City, for several years, has not been able to staff the maintenance of the Cloisters Assessment District area with two plus full-time employees assigned solely to that area. This fiscal year the staffing for the Assessment District will not be less than the equivalent of one full time employee. Staff will continue to utilize various means to inform Cloisters' residents of upcoming meetings and various upcoming maintenance tasks.

Staff will continue methods for increasing efficiency and reducing maintenance costs to enhance the capital reserve fund. Any savings from periodic maintenance performance will be allocated to reserves or deferred maintenance/capital projects. Projects anticipated for FY 2020/21 include the continuation of the landscaping replacement for the medians, which is at or near its expected lifespan, to a more drought tolerant type and to require a lower level of ongoing maintenance. Additionally, in conjunction with Recreation staff, Public Works staff will begin the process of replacing the out of date playground equipment

## **CONCLUSION**

Staff recommends continuation of the assessment of the property owners within the Cloisters Lighting and Maintenance Assessment District to help fund the City's maintenance of the Cloisters Park and Open Space.

## **ATTACHMENT**

1. Resolution No. 57-20

**RESOLUTION NO. 57-20**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA  
DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT  
FOR THE CLOISTERS LANDSCAPING AND LIGHTING  
MAINTENANCE ASSESSMENT DISTRICT PURSUANT TO THE  
“LANDSCAPING AND LIGHTING ACT OF 1972”  
(STREETS AND HIGHWAYS SECTIONS 22500 *ET. SEQ.*)**

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

**WHEREAS**, on May 12, 2020, the City Council adopted Resolution No. 44-20 declaring the Council’s intent to levy an assessment for the annual maintenance of the Cloisters Park and Open Space within the Cloisters Landscaping and Lighting Maintenance Assessment District (the “District”) and approving the Engineers Report; and

**WHEREAS**, a public hearing for the levy of the annual assessment of the District was scheduled for June 23, 2020, at or about 5:30 p.m. in the Veteran’s Memorial Building; and

**WHEREAS**, notices regarding the proposed assessment listing the date, time and location of the public hearing were published in the local newspaper; and

**WHEREAS**, the City Council did take public testimony from all interested parties as to the levy of the annual assessment for the District on June 23, 2020, at the Veteran’s Memorial Building.

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

1. The annual levy for the maintenance of the District, generally located as shown on Exhibit “A” attached hereto, is hereby ordered and the assessment of \$148,944 to be equally distributed per assessable parcel for the Fiscal Year 2020/21 is hereby confirmed.

2. Adoption of this Resolution shall constitute the levy of an assessment for the Fiscal Year 2020/21 and the City Clerk shall file the diagram and assessment with the County of San Luis Obispo Auditor.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held this 23<sup>rd</sup> day of June 2020 by the following roll call vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
JOHN HEADDING, MAYOR

ATTEST:

\_\_\_\_\_  
DANA SWANSON, CITY CLERK





AGENDA NO: B-2

MEETING DATE: June 23, 2020

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** June 15, 2020  
**FROM:** Rob Livick, PE/PLS – City Engineer  
**SUBJECT:** Adoption of Resolution No. 58-20 Directing the Levy of the Annual Assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District

### **RECOMMENDATION**

Staff recommends the City Council conduct the public hearing and approve the levy of the annual assessment for the North Point Natural Area Landscaping and Lighting Maintenance District by adopting Resolution No. 58-20.

### **ALTERNATIVES**

Not adopt Resolution No. 58-20 and provide specific direction for staff.

### **FISCAL IMPACT**

By adopting Resolution No. 58-20, \$5,645 will be collected through an assessment of all parcel owners in the North Point subdivision for the maintenance of the North Point Natural Area.

### **DISCUSSION**

At the May 14, 2019, City Council meeting, the Council adopted Resolution No. 43-20 approving the Engineer's Report describing the annual maintenance to be completed at the North Point Natural Area and declaring the City's intent to levy an annual assessment to finance the maintenance. The assessment, projected at \$564.50 per assessable lot in the North Point subdivision, will be collected by the County Assessor.

The approved Engineer's Report estimated of costs for maintenance of the North Point Natural Area. The cost estimates are based on the maintenance standards currently used in existing parks and open space areas within Morro Bay. The estimate for maintenance of the North Point Natural Area is \$5,645 or \$564.50 per parcel for fiscal year 2020/21.

Personnel costs, as well as supplies and services, have risen in the last several years. However, due to the small acreage, natural landscaping, street lighting and little irrigation in the North Point Natural Area, the assessment amount collected is currently adequate to cover the costs of maintenance but does not have the ability to fund a reserve.

As part of the assessment process, the City adopted a resolution of intention to levy an assessment that set June 23, 2020 as the public hearing date on the proposed levy of assessment. The required noticing was published in the local newspaper per State requirements. The Council must hold a public hearing before considering the continuing the levy of the annual assessment.

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

**CONCLUSION**

Staff recommends continuation of the annual assessment of the property owners within the North Point Natural Area Landscaping and Lighting Maintenance District, for maintenance needs, by adopting Resolution No. 58-20.

**ATTACHMENT**

1. Resolution 58-20

**RESOLUTION NO. 58-20**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA  
DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE NORTH POINT  
NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE  
ASSESSMENT DISTRICT PURSUANT TO THE  
“LANDSCAPING AND LIGHTING ACT OF 1972”  
(STREETS AND HIGHWAYS SECTIONS 22500 *ET. SEQ.*)**

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

**WHEREAS**, on May 12, 2020, the City Council adopted Resolution No. 43-20 declaring the Council's intent to levy an assessment for the annual maintenance of the North Point Natural Area Landscaping and Lighting Maintenance Assessment District (the "District") and approving the Engineers Report; and

**WHEREAS**, a public hearing regarding the levy of the annual assessment of the District was scheduled for June 23, 2020 at or about 5:30 p.m. in the Veteran's Memorial Building; and

**WHEREAS**, notices regarding the proposed assessment listing the date, time and location of the protest hearing were published in the local newspaper; and

**WHEREAS**, the City Council did take public testimony from all interested parties as to the levy of the annual assessment for the District on June 23, 2020, at the Veteran's Memorial Building.

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

1. The annual levy for the maintenance of the District generally located as shown on Exhibit "A," attached hereto, is hereby ordered and the assessment of \$5,645 to be equally distributed per assessable parcel for the Fiscal Year 2020/21 is hereby confirmed.

2. Adoption of this Resolution shall constitute the levy of an assessment for the Fiscal Year 2020/21 and the City Clerk shall file the diagram and assessment with the County of San Luis Obispo Auditor.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting held this 23<sup>rd</sup> day of June, 2020 by the following roll call vote:

AYES:  
NOES:  
ABSENT:

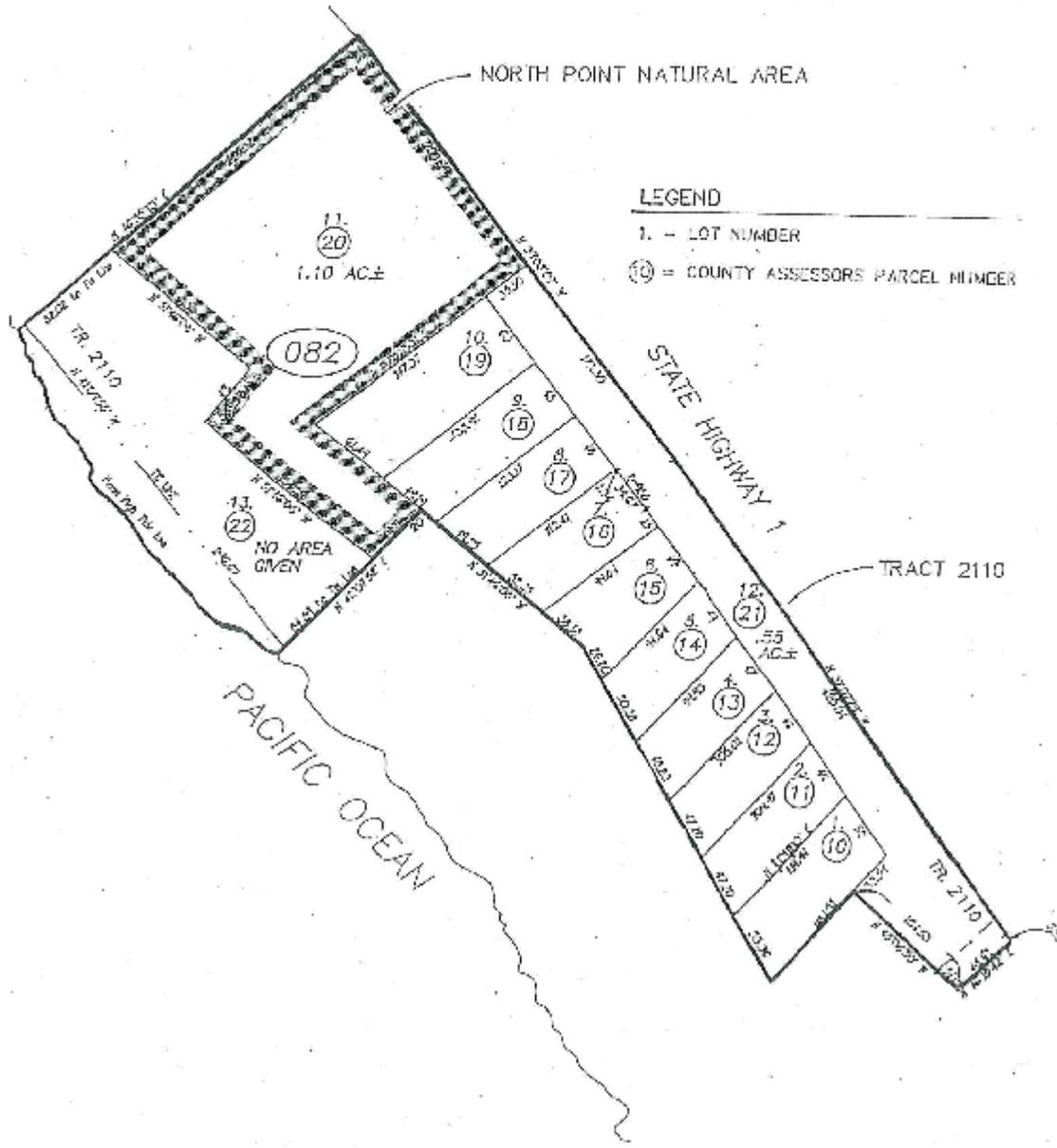
\_\_\_\_\_  
JOHN HEADDING, Mayor

ATTEST:

\_\_\_\_\_  
DANA SWANSON, City Clerk

# NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

## ASSESSMENT DIAGRAM





AGENDA NO: B-3  
MEETING DATE: June 23, 2020

# Staff Report

**TO:** Honorable Mayor and Council Members                      **DATE:** June 17, 2020  
**FROM:** Scott Collins, City Manager  
**SUBJECT:** Adoption of Resolution No. 59-20 Continuing the Program and Levying the Assessments for the 2020/21 Fiscal Year for the Morro Bay Tourism Business Improvement District (MBTBID)

## RECOMMENDATION

Staff recommends the City Council conduct the public hearing, consider public comments and adopt Resolution No. 59-20 continuing the MBTBID activities and assessments for Fiscal Year (FY) 2020/21.

## ALTERNATIVES

No alternatives are recommended.

## FISCAL IMPACT

It is estimated that a 3% TBID annual assessment for FY 2020/21 will generate \$550,000. Given the uncertainty surrounding the COVID-19 pandemic and how long the re-opening and recovery phases will last, the City has developed three budgetary scenarios: an optimistic scenario, moderate scenario and worst-case scenario. The TBID annual assessment of \$550,000 aligns with the City's moderate scenario for COVID-19 impacts with a projected 30% loss in Transient Occupancy Tax for FY 2020/21. Revenue impacts were developed using an analysis of historical recession period data. While not a perfect reflection of the current economic environment, it is the most relevant data point from which to base assumptions.

It is important to note that the FY 2020/21 Budget will be fluid, with additional in-depth monthly reviews and check-ins to determine if revenues are aligned with budgeted estimates, trending low or trending higher than anticipated.

The FY 2020/21 Tourism budget includes no direct General Fund support for Tourism, as the City addresses a General Fund deficit of up to a 30% or more heading into next year.

## BACKGROUND

This is the last of two Council meetings that will take place in the annual MBTBID renewal process (1989 Law) and reauthorization of the 3% assessments, as required by State law – Streets and Highway Code (SHC) sections 36530 to 36537 (*see steps below*).

Prepared By: \_\_\_DS/SC\_\_\_

Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_

City Attorney Review: \_\_\_

## The 1989 Law – Annual Improvement District Renewal Process:

1. Completed in two City Council sessions:
  - a. Step 1: The Annual Report (SHC section 36533) is produced by the MBTBID and filed with the City Clerk for Council consideration and approval. At the first Council session, the Council may approve or modify the annual report. The Council shall also adopt a resolution of intention to continue the program and levy assessments for FY 2020/21. That Resolution shall state the date and time of the public hearing (SHC section 36534). The public hearing must not be held less than 10 days after the adoption of the resolution of intention. The resolution of intention must be published once in the newspaper of general circulation in the City, and not less than 7 days before the public hearing. That resolution was adopted at the Council meeting of June 9, 2020 (Resolution No. 47-20).
  - b. Step 2: The second Council session is a public hearing, which follows the negative protest procedure and is held pursuant to SHC sections 36524 and 36525. If hoteliers and vacation rental businesses who will pay 50 percent or more of the assessments proposed to be levied do not protest prior to the conclusion of the public hearing, then at the conclusion of the hearing, the Council may adopt the resolution to continue the MBTBID program and assessments as currently levied.

If hoteliers and vacation rental businesses who will pay 50 percent or more of the assessments proposed to be levied protest prior to the conclusion of the public hearing, then no further proceedings to renew the improvement district shall be taken for a period of one year term from the date of the protest at the public hearing.

As of the date of this Staff Report, the City has not received any protest regarding the assessment. At the meeting the City Clerk will announce if any protests were received, and if so, whether they constitute the threshold of hoteliers and vacation rental businesses who will pay 50 percent or more of the proposed assessments.

The MBTBID assessment is a crucial revenue stream that allows the City to market Morro Bay to tourists. Morro Bay Municipal Code (MBMC) Chapter 3.60 outlines the creation of the MBTBID, the assessment, and the way assessment funds can be used.

The use of funds is designed to enhance tourism to the community, which should increase overall Transient Occupancy Tax revenues that are utilized in the City's General Fund, and directly benefit the community's hotels and vacation rental businesses, which see an increase in overnight stays.

The City Council adopted MBMC Chapter 3.60 to provide explicit uses for the funding. MBMC section 3.60.030 provides that the specific services, activities and programs to be provided by the MBTBID are as follows:

- A. The general promotion of tourism within the district is to include costs as specified in the business plan to be adopted annually; and
- B. The marketing of conference, group, and film business that benefits local tourism and the local hotel industry in the district; and
- C. The marketing of the district to the travel industry in order to benefit local tourism and the local hotel and vacation rental industry in the district.

A majority of the MBTBID Advisory Board recommended approval of the assessment report, as well as the continuation of the 3% assessment for FY 2020/21. At its meeting of June 9, 2020, the City Council unanimously adopted a Resolution of Intention (Resolution No. 47-20), which approved the assessment report, and set the required public hearing for the June 23, 2020, Council meeting.

**DISCUSSION**

For the MBTBID assessment to continue, State law requires the City Council approve and renew business improvement district assessments each fiscal year.

This funding source is crucial to marketing Morro Bay to tourists and has greatly enhanced revenue collections for the City from Transient Occupancy Taxes. Retaining a protected revenue stream to be used specifically for tourism promotions and marketing gives Morro Bay a great opportunity to maximize its potential as a tourist destination that will benefit the local hoteliers and vacation rental businesses along with the rest of the community.

The scheduled public hearing is another opportunity to hear from the community and lodging stakeholders regarding this crucial protected revenue source for tourism marketing and operations.

**CONCLUSION**

Staff recommends the City Council adopt Resolution No. 59-20 continuing the MBTBID activities and assessments for FY 2020/21.

**ATTACHMENTS**

1. Resolution No. 47-20
2. Resolution No. 59-20

**RESOLUTION NO. 47-20**

**RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF MORRO BAY, CALIFORNIA,  
DECLARING THE INTENTION TO CONTINUE THE PROGRAM AND LEVY  
ASSESSMENTS FOR THE 2020/21 FISCAL YEAR FOR THE  
MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (MBTBID);  
AND SETTING A DATE FOR A PUBLIC HEARING TO RECEIVE  
PROTESTS TO THAT ASSESSMENT**

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

**WHEREAS**, the Parking and Business Improvement Area Law of 1989, section 36500 *et seq.*, of the California Streets and Highway Code, authorizes cities to establish and review business improvement areas for the purpose of promoting tourism; and

**WHEREAS**, on April 13, 2009, City Council held a public hearing for the introduction and first reading of Ordinance 546 amending the Morro Bay Municipal Code (MBMC) to add a new Chapter 3.60 to establish the Morro Bay Tourism Business Improvement District ("MBTBID"), and adopted Ordinance 546 at its April 27, 2009 meeting, which set the MBTBID assessments at 3% from June 1, 2009 to May 31, 2010, and 2% from June 1, 2010 and thereafter; and

**WHEREAS**, on June 1, 2010, the MBTBID assessments returned to the 2% level, as established by Ordinance 546; and

**WHEREAS**, on September 13, 2010, the City Council held a public hearing and first reading of Ordinance 562 to amend MBMC section 3.60.050, changing the assessment percentage to 3%, and adopted Ordinance 562 at its September 27, 2010, meeting; and

**WHEREAS**, on December 10, 2019, the City Council adopted Ordinance No. 626 modifying the MBTBID to add vacation rentals businesses (as that term is defined in Chapter 5.47 (Short-Term Vacation Rental Permit) of the Morro Bay Municipal Code) to the MBTBID at the existing assessment rate of 3% levied on hotels; and

**WHEREAS**, on May 28, 2020, at a duly noticed public meeting, the MBTBID advisory board, formed pursuant to MBMC, section 3.60.100, recommended the renewal of the MBTBID for Fiscal Year (FY) 2020-21 to continue its activities, and the City Council has approved that renewal for the past eight years; and

**WHEREAS**, all other findings of Ordinances 546, 562 and 626 remain unchanged; and

**WHEREAS**, on June 9, 2020, City Council conducted a public meeting where staff presented the annual assessment report, which provides a full and detailed description of the activities to be provided during the FY 2020/21, as provided in the Annual Report and proposed budget for that Fiscal Year, which are attached to this Resolution as Exhibit A and available for review in the City Clerk's office; and

**WHEREAS**, the budget generally describes the funded activities to be marketed, which attract and extend overnight stays in Morro Bay hotels and vacation rentals, and are consistent with the authorized uses for the assessment revenue set forth in MBMC, section 3.60.030; and

**WHEREAS**, it is the intention of the City Council to levy and collect 3% assessments from the hoteliers and vacation rental businesses within the TBID for the FY 2020/21; and

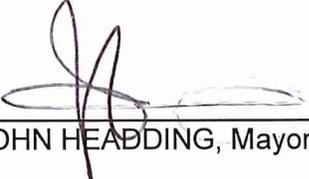
**WHEREAS**, at the public meeting held on June 9, 2020, City Council additionally set the public hearing, for the intent to levy the MBTBID assessment for Fiscal Year 2020/21, to be held via teleconference in accordance pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020 in accordance with the California Streets and Highway Code, sections 36534 and 36535 as referenced in Exhibit A.

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

1. The above recitations are true and correct, and incorporated herein by reference.
2. The City Council approves the attached Annual Assessment Report and declares its intention to renew the Morro Bay Tourism Business Improvement District for the 2020/21 Fiscal Year, and to levy and collect 3% assessments from hoteliers and vacation rental businesses calculated in the manner set forth in MBMC, section 3.60.050.
3. The City Council sets the date of the public hearing to adopt a Resolution to reaffirm the MBTBID, and levy and collect the 3% assessments from hoteliers and vacation rental businesses as Tuesday, June 23, 2020. Before or at this public hearing written protests to the continuation of the MBTBID and the levy of the assessment may be made, consistent with the requirements of Streets & Highways Code, sections 36524 and 36525 and MBMC, section 3.60.060.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 9th day of June 2020, by the following vote:

AYES:            Heading, Addis, Davis, Heller, McPherson  
NOES:            None  
ABSENT:        None  
ABSTAIN:       None

  
\_\_\_\_\_  
JOHN HEADING, Mayor

  
\_\_\_\_\_  
DANA SWANSON, City Clerk

## **Morro Bay Business Improvement District Annual Report for FY 2020-21**

Presented to the Morro Bay City Council by the Morro Bay Tourism  
Business Improvement District Advisory Board

The City of Morro Bay's Tourism Business Improvement District at its regularly scheduled meeting on May 28, 2020, completed its review of the Annual Report as required by Section 3.60.060 of the Morro Bay Municipal Code (MBMC).

Regarding the requirements for the Annual Report, as stated in Section 36533 of the California Streets and Highways Code:

1. The Morro Bay Tourism Business Improvement District (MTBID) Advisory Board did not propose any changes in the Boundaries of the TBID, which were established in MBMC Section 3.60.040 to be the boundaries of the City of Morro Bay.
2. The improvements and activities to be provided for in Fiscal Year FY 2020/21 are those services and activities permitted under Section 3.60.030 of the Morro Bay Municipal Code, which include:
  - A. The general promotion of tourism within the district to include costs as specified in the business plan to be adopted annually; and
  - B. Implementation of the strategic plan; and
  - C. Marketing of Foreign Independent Travelers (FIT), conference, group, and film business that benefits local tourism and the local hotel industry in the district; and
  - D. The marketing of the district to the travel industry in order to benefit local tourism and the local hotel industry in the district

### **GOALS & OBJECTIVES for FY 2020/21**

1. Increase overall occupancy & hotel/motel revenues, especially during midweek and shoulder season through our new destination assets such as the website and implementation of the strategic plan and new branding.
2. Midweek – be more aggressive through digital media to increase stays plus grow mid-week stays through FIT and group longer stays.
3. Extend the number of average hotel/motel room nights beyond the current level of 1.8.
4. Help incrementally increase the hotel/motel Average Daily Rate (ADR) through the promotion and elevation of the destination.

5. Bring exposure to Morro Bay as a viable domestic and international destination for individuals and groups which will increase longer stays.
  6. Assist with the development and growth of athletic competitions and events that attract overnight guest and that fit in our strategic plan model.
  7. Create opportunities to positively impact sales tax businesses & drive economic development in the City of Morro Bay such as new or upgrade of hotel stock, grow the quality of events to entice a higher level of visitor.
  8. Positively impact transient occupancy tax (TOT) for the City of Morro Bay.
3. An estimate of the cost of providing the improvements and the activities for that fiscal year (as described below with the FY 2020/21 Proposed Budget).

**FY 2020-21 Proposed Budget - Attached**

Sources: The FY 2020/21 projected actual sources include total sources of \$550,000, all from TBID assessment revenues.

Uses: The FY 2020/21 projected actual expenditures are \$384,307, netting a \$165,693 change to the fund balance.

The attached budget shows FY 2020/21 revised budget, projected actuals, and the variance of the projected actuals compared to the revised budget.

4. No change in the TBID method or basis of levying the assessment was proposed for FY 2020/21. More specifically, the Morro Bay TBID Advisory Board approved a motion to recommend that the 3% Assessment for any hotel, motel, vacation rental, or bed and breakfast establishment in the City of Morro Bay be continued in FY 2020/21.
5. The TBID budget for FY 2019/20 is projected to include \$ -0- surplus left over for carryover into FY 2020/21.
6. The amount of any contributions to be made from sources other than assessments levied is zero for FY2020/21.

G/L Account Number	Account Description	2018 Actual Amount	2019 Actual Amount	2020 Actual Amount as of 3/3/20	2020 Amended Budget	2021 Level 1
Fund: 007 - MBT-BID						
<b>REVENUES</b>						
Department: 3170 - Promotion & Advertising						
<i>350-Rev Cursvc - Revenues From Current Services</i>						
007-3170 3400	Advertising - Guides and Magazines	4,293.5000	4,894.1300	949.6200	0.0000	0.0000
<i>Account Classification Total: 350-Rev Cursvc - Revenues From Current Services</i>		\$4,293.50	\$4,894.13	\$949.62	\$0.00	\$0.00
<i>390-Misc Rev - Miscellaneous Revenues</i>						
007-3170 3990	Other Misc Revenues	0.0000	32,388.0000	0.0000	0.0000	0.0000
<i>Account Classification Total: 390-Misc Rev - Miscellaneous Revenues</i>		\$0.00	\$32,388.00	\$0.00	\$0.00	\$0.00
<b>Department Total: 3170 - Promotion &amp; Advertising</b>		\$4,293.50	\$37,282.13	\$949.62	\$0.00	\$0.00
Department: 3510 - Accounting & Treasury						
<i>300-Rev Taxes - Revenues From Taxes</i>						
007-3510 3064	Transient Occupancy Tax	802,877.2500	829,289.2200	489,298.0900	823,644.0000	550,000.0000
<i>Account Classification Total: 300-Rev Taxes - Revenues From Taxes</i>		\$802,877.25	\$829,289.22	\$489,298.09	\$823,644.00	\$550,000.00
<b>Department Total: 3510 - Accounting &amp; Treasury</b>		\$802,877.25	\$829,289.22	\$489,298.09	\$823,644.00	\$550,000.00
Department: 7710 - Interfund Transactions						
<i>100-Interfund - Interfund Transfers</i>						
007-7710 3801	Transfers In	125,428.0000	145,837.0000	60,000.0000	60,000.0000	0.0000
<i>Account Classification Total: 100-Interfund - Interfund Transfers</i>		\$125,428.00	\$145,837.00	\$60,000.00	\$60,000.00	\$0.00
<i>380-Interfund - Interfund Revenue Transfers</i>						
007-7710 3802	Intrafund Revenue Transfers	0.0000	65,000.0000	0.0000	0.0000	0.0000
<i>Account Classification Total: 380-Interfund - Interfund Revenue Transfers</i>		\$0.00	\$65,000.00	\$0.00	\$0.00	\$0.00
<b>Department Total: 7710 - Interfund Transactions</b>		\$125,428.00	\$210,837.00	\$60,000.00	\$60,000.00	\$0.00
<b>REVENUES Total</b>		\$932,598.75	\$1,077,408.35	\$550,247.71	\$883,644.00	\$550,000.00
<b>EXPENSES</b>						
Department: 1111 - Undistributed/Non-Dept.						
<i>110-Other - Other Expense</i>						
007-1111 8710	Loss on Investment	590.0000	0.0000	0.0000	0.0000	0.0000
<i>Account Classification Total: 110-Other - Other Expense</i>		\$590.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Department Total: 1111 - Undistributed/Non-Dept.</b>		\$590.00	\$0.00	\$0.00	\$0.00	\$0.00
Department: 3170 - Promotion & Advertising						
<i>10-Personnel - Personnel Services</i>						
007-3170 4110	Regular Pay	85,268.9000	91,740.8600	60,070.3400	95,451.0000	0.0000
007-3170 4310	Part-Time Pay	50,270.5700	49,730.6000	40,468.5000	69,136.0000	22,880.0000
007-3170 4599	Other Pay	0.0000	2,040.4800	2,098.0800	1,500.0000	0.0000
007-3170 4910	Employer Paid Benefits	37,955.8800	30,136.1000	20,926.0800	27,414.0000	1,299.5100
007-3170 4911	Pension Normal Cost	0.0000	6,054.4900	4,310.5900	6,667.0000	0.0000
007-3170 4912	PERS Unfunded Accrued Liability	0.0000	14,600.4900	17,725.2500	18,919.0000	0.0000
007-3170 4913	Other Post Employment Benefit (OPEB) Expense	0.0000	1,163.7100	0.0000	0.0000	0.0000
<i>Account Classification Total: 10-Personnel - Personnel Services</i>		\$173,495.35	\$195,466.73	\$145,598.84	\$219,087.00	\$24,179.51
<i>60-Supplies - Supplies</i>						
007-3170 5110	Fuel Oil & Lubricants	0.0000	0.0000	22.3700	0.0000	0.0000
007-3170 5201	Other Expense	1,255.8800	0.0000	0.0000	0.0000	0.0000
007-3170 5301	General Office Supplies	3,974.1000	4,628.9400	2,923.5600	0.0000	1,000.0000
007-3170 5302	Copying Supplies	0.0000	0.0000	0.0000	3,000.0000	2,000.0000
007-3170 5305	Forms Printing	0.0000	244.4900	429.9700	500.0000	200.0000
<i>Account Classification Total: 60-Supplies - Supplies</i>		\$5,229.98	\$4,873.43	\$3,375.90	\$3,500.00	\$3,200.00
<i>70-Services - Services</i>						
007-3170 6105	Consulting Services	18,130.1900	12,500.1000	13,308.5000	11,600.0000	14,000.0000
007-3170 6106	Contractual Services	193,013.5900	282,426.7200	109,808.5700	165,000.0000	0.0000
007-3170 6107	Promotion & Advertising	229,265.0500	50.0000	17,399.4700	12,000.0000	0.0000
007-3170 6108	Marketing Consulting	15,870.4800	43,250.5100	0.0000	0.0000	0.0000
007-3170 6113	Print Ads - So. Region	0.0000	0.0000	0.0000	4,500.0000	0.0000
007-3170 6114	Community Event Support	85,547.5800	105,806.1800	46,756.2400	50,000.0000	8,000.0000
007-3170 6116	Print Ads - Other Regions	3,650.0000	0.0000	0.0000	0.0000	0.0000

G/L Account Number	Account Description	2018 Actual Amount	2019 Actual Amount	2020 Actual Amount as of 3/3/20	2020 Amended Budget	2021 Level 1
007-3170 6118	Promotion - Media	81,982.4000	13,137.3200	580.0100	8,000.0000	1,000.0000
007-3170 6119	Promotion - Other	17,603.1300	14,868.1800	12,922.8200	13,000.0000	0.0000
007-3170 6120	Trade Shows - Space Rent	6,654.4000	5,369.7300	0.0000	7,600.0000	0.0000
007-3170 6121	Trade Shows - Trans.	3,203.0000	0.0000	0.0000	500.0000	0.0000
007-3170 6124	Advertising Sponsorships	30,827.0000	21,157.5000	0.0000	13,000.0000	27,200.0000
007-3170 6125	Professional Development	0.0000	0.0000	0.0000	500.0000	0.0000
007-3170 6127	Digital Media	0.0000	281,712.2800	190,535.5200	272,000.0000	214,000.0000
007-3170 6128	Out of Home Media	0.0000	9,800.0000	3,659.3000	6,600.0000	6,600.0000
007-3170 6129	Digital Services	340.9800	24,694.7500	28,594.2700	45,000.0000	58,000.0000
007-3170 6130	Digital Assets	49.0000	2,406.9700	1,958.0000	0.0000	1,000.0000
007-3170 6132	Promotion - Visiting Journalist	2,349.4500	19,118.1000	11,513.9200	10,000.0000	0.0000
007-3170 6199	Other Professional Services	14,799.0000	6.4900	0.0000	500.0000	0.0000
007-3170 6201	Telephone	89.7100	1,435.1400	958.8900	0.0000	0.0000
007-3170 6220	Postage	3,867.6400	630.1400	1,189.2600	700.0000	100.0000
007-3170 6300	Utilities	1,747.9100	0.0000	0.0000	0.0000	0.0000
007-3170 6308	Internet/Cable TV	0.0000	890.9300	0.0000	2,000.0000	0.0000
007-3170 6451	Workers Comp Insurance	0.0000	0.0000	0.0000	1,200.0000	0.0000
007-3170 6461	Unemployment Insurance	0.0000	0.0000	0.0000	900.0000	0.0000
007-3170 6510	Meetings & Conferences	2,870.4300	3,663.2100	2,332.5400	2,000.0000	0.0000
007-3170 6511	Mileage Reimbursement	19.5500	0.0000	0.0000	500.0000	0.0000
007-3170 6513	Meals & Lodging	3,722.9500	1,995.8000	0.0000	4,500.0000	0.0000
007-3170 6514	Travel Expense	1,232.7300	1,629.0500	98.0200	2,000.0000	0.0000
007-3170 6519	Association Membership	2,226.6700	1,195.0000	1,195.0000	1,500.0000	1,200.0000
<i>Account Classification Total: 70-Services - Services</i>		<b>\$719,062.84</b>	<b>\$847,744.10</b>	<b>\$442,810.33</b>	<b>\$635,100.00</b>	<b>\$331,100.00</b>
<b>Department Total: 3170 - Promotion &amp; Advertising</b>		<b>\$897,788.17</b>	<b>\$1,048,084.26</b>	<b>\$591,785.07</b>	<b>\$857,687.00</b>	<b>\$358,479.51</b>
Department: 7710 - Interfund Transactions						
<i>100-Interfund - Interfund Transfers</i>						
007-7710 8501	Transfers Out	19,482.5400	20,204.5300	18,215.1500	31,394.0000	25,827.0000
<i>Account Classification Total: 100-Interfund - Interfund Transfers</i>		<b>\$19,482.54</b>	<b>\$20,204.53</b>	<b>\$18,215.15</b>	<b>\$31,394.00</b>	<b>\$25,827.00</b>
<b>Department Total: 7710 - Interfund Transactions</b>		<b>\$19,482.54</b>	<b>\$20,204.53</b>	<b>\$18,215.15</b>	<b>\$31,394.00</b>	<b>\$25,827.00</b>
<b>EXPENSES Total</b>		<b>\$917,860.71</b>	<b>\$1,068,288.79</b>	<b>\$610,000.22</b>	<b>\$889,081.00</b>	<b>\$384,306.51</b>
<b>Fund REVENUE Total: 007 - MBT-BID</b>		<b>\$932,598.75</b>	<b>\$1,077,408.35</b>	<b>\$550,247.71</b>	<b>\$883,644.00</b>	<b>\$550,000.00</b>
<b>Fund EXPENSE Total: 007 - MBT-BID</b>		<b>\$917,860.71</b>	<b>\$1,068,288.79</b>	<b>\$610,000.22</b>	<b>\$889,081.00</b>	<b>\$384,306.51</b>
<b>Fund Total: 007 - MBT-BID</b>		<b>\$14,738.04</b>	<b>\$9,119.56</b>	<b>(\$59,752.51)</b>	<b>(\$5,437.00)</b>	<b>\$165,693.49</b>

## California Streets and Highway Code Section 36520-36537

**36520.** A parking and business improvement area may be established as provided in this chapter.

**36521.** The city council may establish an area on its own initiative.

**36521.5.** A county may not form an area within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form an area within the unincorporated territory of a county, without the consent of the board of supervisors of that county. A city may not form an area within the territorial jurisdiction of another city without the consent of the city council of the other city.

**36522.** Proceedings to establish a parking and business improvement area shall be instituted by the adoption by the city council of a resolution of intention to establish the area. The resolution of intention shall do all of the following:

(a) State that a parking and business improvement area is proposed to be established pursuant to this chapter and describe the boundaries of the territory proposed to be included in the area and the boundaries of each separate benefit zone to be established within the area. The boundaries of the area may be described by reference to a map on file in the office of the clerk, showing the proposed area.

(b) State the name of the proposed area.

(c) State the type or types of improvements and activities proposed to be funded by the levy of assessments on businesses in the area. The resolution of intention shall specify any improvements to be acquired.

(d) State that, except where funds are otherwise available, an assessment will be levied annually to pay for all improvements and activities within the area.

(e) State the proposed method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business.

(f) State whether new businesses will be exempt from the levy of the assessment, pursuant to Section 36531.

(g) Fix a time and place for a public hearing on the establishment of the parking and business improvement area and the levy of assessments, which shall be consistent with the requirements of Section 54954.6 of the Government Code.

(h) State that at the hearing the testimony of all interested persons for or against the establishment of the area, the extent of the area, or the furnishing of specified types of improvements or activities will be heard.

(i) Describe, in summary, the effect of protests made by business owners against the establishment of the area, the extent of the area, and the furnishing of a specified type of improvement or activity, as provided in Section 36524.

**36523.** Notice of a public hearing held under Section 36524, 36541, 36542, or 36550 shall be given by both of the following:

(a) Publishing the resolution of intention in a newspaper of general circulation in the city once, for at least seven days before the public hearing.

(b) Mailing of a complete copy of the resolution of intention by first-class mail to each business owner in the area within seven days of the city council's adoption of the resolution of intention.

(c) Notwithstanding subdivision (b), in the case of an area established primarily to promote tourism, a copy of the resolution of intention shall be mailed by first-class mail within seven days of the city council's adoption of the resolution of intention, to the owner of each business in the area which will be subject to assessment.

**36523.5.** Notwithstanding Section 36523, prior to adopting any new or increased assessment, the city council shall give notice pursuant to Section 54954.6 of the Government Code in lieu of publishing notice pursuant to subdivision (a) of Section 36523.

**36524.** (a) At the public hearing, the city council shall hear and consider all protests against the establishment of the area, the extent of the area, or the furnishing of specified types of improvements or activities within the area. A protest may be made orally or in writing by any interested person. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made.

(b) Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

(c) Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business. A written protest which does not comply with this section shall not be counted in determining a majority protest.

**36525.** (a) If written protests are received from the owners of businesses in the proposed area which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than that 50 percent, no further proceedings to create the

specified parking and business improvement area or to levy the proposed assessment, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(b) If the majority protest is only against the furnishing of a specified type or types of improvement or activity within the area, those types of improvements or activities shall be eliminated.

**36526.** (a) At the conclusion of the public hearing to establish the area, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments.

(b) At the public hearing, the city council may only make changes in, to, or from, the boundaries of the proposed parking and business improvement area that will exclude territory which will not benefit from the proposed improvements or activities. However, proposed assessments may only be revised by reducing any or all of them.

(c) The city council shall not change the boundaries of the area to include any territory that will not, in its judgment, benefit by the improvement or activity. Any addition of territory to the proposed boundaries of the area may be made only upon notice to the owners of the businesses proposed to be added to the area, as provided in Section 36523, and upon a public hearing on the addition of territory, as provided in Section 36524.

**36527.** If the city council, following the public hearing, decides to establish the proposed parking and business improvement area, it shall adopt an ordinance to that effect. The ordinance shall contain all of the following:

(a) The number, date of adoption, and title of the resolution of intention.

(b) The time and place where the public hearing was held concerning the establishment of the area.

(c) A determination regarding any protests received at the public hearing.

(d) The description of the boundaries of the area and of each separate benefit zone established within the area.

(e) A statement that a parking and business improvement area has been established and the name of the area.

(f) A statement that the businesses in the area established by the ordinance shall be subject to any amendments to this part.

(g) The description of the method and basis of levying the assessments, with a breakdown by classification of businesses if a classification is used.

(h) A statement that the improvements and activities to be provided in the area will be funded by the levy of the assessments. The revenue from the levy of assessments within an area shall not be used to provide improvements or activities outside the area or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the area.

(i) A finding that the businesses and the property within the business and improvement area will be benefited by the improvements and activities funded by the assessments proposed to be levied. In the case of an area formed to promote tourism, only businesses that benefit from tourist visits may be assessed.

(j) The time and manner of collecting the assessments.

**36528.** The city council may establish one or more separate benefit zones within the area based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone.

**36529.** All provisions of this part applicable to the establishment, modification, or disestablishment of a parking and business improvement area apply to the establishment, modification, or disestablishment of benefit zones. The city council shall, to establish, modify, or disestablish a benefit zone, follow the procedure to establish, modify, or disestablish a parking and business improvement area.

**36530.** The city council shall appoint an advisory board which shall make a recommendation to the city council on the expenditure of revenues derived from the levy of assessments pursuant to this part, on the classification of businesses, as applicable, and on the method and basis of levying the assessments. The city council may designate existing advisory boards or commissions to serve as the advisory board for the area or may create a new advisory board for that purpose. The city council may limit membership of the advisory board to persons paying the assessments under this part. The city council may appoint the advisory board prior to adoption of the resolution of intention to create the area, so that the advisory board may recommend the provisions of the resolution of intention.

**36531.** The city council may exempt a business recently established in the area from the levy of the assessments, for a period not to exceed one year from the date the business commenced operating in the area. The city council shall state its determination to so exempt new businesses in the resolution of intention to establish the area and shall reaffirm its determination annually in the resolution of intention required to be adopted pursuant to Section 36534.

**36532.** The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the ordinance establishing the area.

**36533.** (a) The advisory board shall cause to be prepared a report for each fiscal year for which assessments are to be levied and collected to pay the costs of the improvements and activities

described in the report. The report may propose changes, including, but not limited to, the boundaries of the parking and business improvement area or any benefit zones within the area, the basis and method of levying the assessments, and any changes in the classification of businesses, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the parking and business improvement area by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following:

(1) Any proposed changes in the boundaries of the parking and business improvement area or in any benefit zones within the area.

(2) The improvements and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements and the activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.

(5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the advisory board or may modify any particular contained in the report and approve it as modified. The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments.

**36534.** (a) After the approval of the report, the city council shall adopt a resolution of intention to levy an annual assessment for that fiscal year. The resolution of intention shall do all of the following:

(1) Declare the intention of the city council to change the boundaries of the parking and business improvement area, or in any benefit zone within the area, if the report filed pursuant to Section 36533 proposes a change.

(2) Declare the intention of the city council to levy and collect assessments within the parking and business improvement area for the fiscal year stated in the resolution.

(3) Generally describe the proposed improvements and activities authorized by the ordinance enacted pursuant to Section 36527 and any substantial changes proposed to be made to the improvements and activities.

(4) Refer to the parking and business improvement area by name and indicate the location of the area.

(5) Refer to the report on file with the clerk for a full and detailed description of the improvements and activities to be provided for that fiscal year, the boundaries of the area and any benefit zones within the area, and the proposed assessments to be levied upon the businesses within the area for that fiscal year.

(6) Fix a time and place for a public hearing to be held by the city council on the levy of the proposed assessment for that fiscal year. The public hearing shall be held not less than 10 days after the adoption of the resolution of intention.

(7) State that at the public hearing written and oral protests may be made. The form and manner of protests shall comply with Sections 36524 and 36525.

(b) The clerk shall give notice of the public hearing by causing the resolution of intention to be published once in a newspaper of general circulation in the city not less than seven days before the public hearing.

**36535.** (a) The city council shall hold the public hearing at the time and in the place specified in the resolution of intention. The public hearing shall be conducted as provided in Sections 36524 and 36525. The city council may continue the public hearing from time to time.

(b) During the course or upon the conclusion of the public hearing, the city council may order changes in any of the matters provided in the report, including changes in the proposed assessments, the proposed improvements and activities to be funded with the revenues derived from the levy of the assessments, and the proposed boundaries of the area and any benefit zones within the area. The city council shall not change the boundaries to include any territory that will not, in its judgment, benefit by the improvement or activity.

(c) At the conclusion of the public hearing, the city council may adopt a resolution confirming the report as originally filed or as changed by it. The adoption of the resolution shall constitute the levy of an assessment for the fiscal year referred to in the report.

(d) Notwithstanding subdivision (c), if the primary purpose of the area is promotion of tourism, the city council may adopt a resolution confirming the report as submitted by the advisory board, or may adopt a resolution continuing the program and assessments as levied in the then current year without change, and that resolution shall constitute the levy of an assessment for the fiscal year referred to in the report. As an alternative, the city council may modify the report and adopt a resolution confirming the report as modified, but in that case the city council may adopt the resolution only after providing notice of the proposed changes as specified in Section 36523 and only after conducting a public hearing on the resolution as provided in Sections 36524 and 36525.

**36536.** The assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses and property within the parking and business improvement area.

The city council may classify businesses for purposes of determining the benefit to a business of the improvements and activities provided pursuant to this part.

**36537.** The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36535. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

**RESOLUTION NO. 59-20**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA,  
CONTINUING THE PROGRAM AND LEVYING THE ASSESSMENTS FOR THE  
2020/21 FISCAL YEAR FOR THE MORRO BAY  
TOURISM BUSINESS IMPROVEMENT DISTRICT (MBTBID)**

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

**WHEREAS**, the Parking and Business Improvement Area Law of 1989, Sections 36500 *et seq.*, of the California Streets and Highway Code, authorizes cities to establish and review business improvement areas of the purpose of promoting tourism; and

**WHEREAS**, on April 13, 2009, the City Council held a public hearing and first reading of Ordinance 546 amending the Morro Bay Municipal Code (MBMC) to add a new Chapter 3.60 to establish the Morro Bay Tourism Business Improvement District (MBTBID), and adopted Ordinance No. 546 at its April 27, 2009 meeting, which set the MBTBID assessments at 3% from June 1, 2009 to May 31, 2010, and 2% from June 1, 2010 and thereafter; and

**WHEREAS**, on June 1, 2010, the MBTBID assessments returned to the 2% level, as established by then MBMC section 3.60.050; and

**WHEREAS**, on September 13, 2010, the City Council held a public hearing and first reading of Ordinance No. 562 to amend MBMC section 3.60.050, changing the assessment percentage to 3%, and adopted Ordinance No. 562 at its September 27, 2010 meeting; and

**WHEREAS**, on December 10, 2019, the City Council adopted Ordinance No. 626 modifying the MBTBID to add vacation rentals businesses (as that term is defined in Chapter 5.47 (Short-Term Vacation Rental Permit) of the Morro Bay Municipal Code) to the MBTBID at the existing assessment rate of 3% levied on hotels; and

**WHEREAS**, all other findings of Ordinances Nos. 546, 562 and 626 remain unchanged; and

**WHEREAS**, on May 28, 2020, the advisory board requested the renewal of the TBID for the 2020/21 fiscal year to continue its activities, and the City Council has approved that renewal annually since 2010; and

**WHEREAS**, on June 9, 2020, staff presented to City Council the annual assessment report for Fiscal Year 2020/21, which provides a full and detailed description of the activities to be provided during the 2020/21 fiscal year, as provided in the proposed budget for that Fiscal Year, which are attached to this Resolution as Exhibit A; and

**WHEREAS**, the budget plan generally describes the funded activities to be marketing, which attracts and extends overnight stays in Morro Bay hotels and vacation rentals, and are consistent with the authorized uses for the assessment revenue set forth in MBMC, section 3.60.030; and

**WHEREAS**, it is the intention of the City Council to levy and collect 3% assessments from the hoteliers and vacation rentals within the TBID for the 2020/21 fiscal year; and

**WHEREAS**, Resolution No. 47-20 declaring the intention to continue the program and levy assessments from the hoteliers and notifying them of the June 23, 2020, public hearing was adopted by the Council at the June 9, 2020, meeting and published in the New Times SLO on June 11, 2020; and

**WHEREAS**, that public hearing was held via teleconference in accordance with Section 3 of Executive Order N-20-20, issued by Governor Newsom on March 17, 2020, for the final public hearing to consider testimony for and against renewal of the TBID assessment, in accordance with the California Streets and Highway Code sections 36534 and 36535; and

**WHEREAS**, at that public hearing regarding the renewal of the TBID for the 2020/21 fiscal year, affected businesses had the opportunity to protest the TBID renewal, with the following results:

FOR:

AGAINST:

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

1. The above recitations are true and correct, and incorporated herein by reference.
2. The City Council, having affirmed the annual report and proposed budgets at its regular meeting held on June 9, 2020, and considered all testimony, reports and opinions presented at the June 23, 2020 public hearing, hereby declares the renewal of the Morro Bay Tourism Business Improvement District for the 2020/21 fiscal year, and instructs the hoteliers and vacation rentals to levy and collect 3% assessments for overnight stays of 30 days or less.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 23<sup>rd</sup> day of June 2020 by the following vote:

AYES:

NOES:

ABSENT:

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JOHN HEADDING, Mayor

ATTEST:

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DANA SWANSON, City Clerk

## **Morro Bay Business Improvement District Annual Report for FY 2020-21**

Presented to the Morro Bay City Council by the Morro Bay Tourism  
Business Improvement District Advisory Board

The City of Morro Bay's Tourism Business Improvement District at its regularly scheduled meeting on May 28, 2020, completed its review of the Annual Report as required by Section 3.60.060 of the Morro Bay Municipal Code (MBMC).

Regarding the requirements for the Annual Report, as stated in Section 36533 of the California Streets and Highways Code:

1. The Morro Bay Tourism Business Improvement District (MBTBID) Advisory Board did not propose any changes in the Boundaries of the TBID, which were established in MBMC Section 3.60.040 to be the boundaries of the City of Morro Bay.
2. The improvements and activities to be provided for in Fiscal Year FY 2020/21 are those services and activities permitted under Section 3.60.030 of the Morro Bay Municipal Code, which include:
  - A. The general promotion of tourism within the district to include costs as specified in the business plan to be adopted annually; and
  - B. Implementation of the strategic plan; and
  - C. Marketing of Foreign Independent Travelers (FIT), conference, group, and film business that benefits local tourism and the local hotel industry in the district; and
  - D. The marketing of the district to the travel industry in order to benefit local tourism and the local hotel industry in the district

### **GOALS & OBJECTIVES for FY 2020/21**

1. Increase overall occupancy & hotel/motel/vacation rental revenues, especially during midweek and shoulder season through our new destination assets such as the website and implementation of the strategic plan and new branding.
2. Midweek – be more aggressive through digital media to increase stays plus grow mid-week stays through FIT and group longer stays.
3. Extend the number of average hotel/motel/vacation rental room nights beyond the current level of 1.8.
4. Help incrementally increase the hotel/motel/vacation rental Average Daily Rate (ADR) through the promotion and elevation of the destination.

5. Bring exposure to Morro Bay as a viable domestic and international destination for individuals and groups which will increase longer stays.
  6. Assist with the development and growth of athletic competitions and events that attract overnight guest and that fit in our strategic plan model.
  7. Create opportunities to positively impact sales tax businesses & drive economic development in the City of Morro Bay such as new or upgrade of hotel stock, grow the quality of events to entice a higher level of visitor.
  8. Positively impact transient occupancy tax (TOT) for the City of Morro Bay.
  9. Complete integration of vacation rentals into the TBID.
3. An estimate of the cost of providing the improvements and the activities for that fiscal year (as described below with the FY 2020/21 Proposed Budget).

**FY 2020-21 Proposed Budget - Attached**

Sources: The FY 2020/21 projected actual sources include total sources of \$550,000, all from TBID assessment revenues.

Uses: The FY 2020/21 projected actual expenditures are \$384,307, netting a \$165,693 change to the fund balance.

The attached budget shows FY 2020/21 revised budget, projected actuals, and the variance of the projected actuals compared to the revised budget.

4. No change in the TBID method or basis of levying the assessment was proposed for FY 2020/21. More specifically, the Morro Bay TBID Advisory Board approved a motion to recommend that the 3% Assessment for any hotel, motel, vacation rental, or bed and breakfast establishment in the City of Morro Bay be continued in FY 2020/21.
5. The TBID budget for FY 2019/20 is projected to include \$ -0- surplus left over for carryover into FY 2020/21.
6. The amount of any contributions to be made from sources other than assessments levied is zero for FY2020/21.

G/L Account Number	Account Description	2018 Actual Amount	2019 Actual Amount	2020 Actual Amount as of 3/3/20	2020 Amended Budget	2021 Level 1
Fund: 007 - MBT-BID						
<b>REVENUES</b>						
Department: 3170 - Promotion & Advertising						
<i>350-Rev Cursvc - Revenues From Current Services</i>						
007-3170 3400	Advertising - Guides and Magazines	4,293.5000	4,894.1300	949.6200	0.0000	0.0000
<i>Account Classification Total: 350-Rev Cursvc - Revenues From Current Services</i>		\$4,293.50	\$4,894.13	\$949.62	\$0.00	\$0.00
<i>390-Misc Rev - Miscellaneous Revenues</i>						
007-3170 3990	Other Misc Revenues	0.0000	32,388.0000	0.0000	0.0000	0.0000
<i>Account Classification Total: 390-Misc Rev - Miscellaneous Revenues</i>		\$0.00	\$32,388.00	\$0.00	\$0.00	\$0.00
<b>Department Total: 3170 - Promotion &amp; Advertising</b>		\$4,293.50	\$37,282.13	\$949.62	\$0.00	\$0.00
Department: 3510 - Accounting & Treasury						
<i>300-Rev Taxes - Revenues From Taxes</i>						
007-3510 3064	Transient Occupancy Tax	802,877.2500	829,289.2200	489,298.0900	823,644.0000	550,000.0000
<i>Account Classification Total: 300-Rev Taxes - Revenues From Taxes</i>		\$802,877.25	\$829,289.22	\$489,298.09	\$823,644.00	\$550,000.00
<b>Department Total: 3510 - Accounting &amp; Treasury</b>		\$802,877.25	\$829,289.22	\$489,298.09	\$823,644.00	\$550,000.00
Department: 7710 - Interfund Transactions						
<i>100-Interfund - Interfund Transfers</i>						
007-7710 3801	Transfers In	125,428.0000	145,837.0000	60,000.0000	60,000.0000	0.0000
<i>Account Classification Total: 100-Interfund - Interfund Transfers</i>		\$125,428.00	\$145,837.00	\$60,000.00	\$60,000.00	\$0.00
<i>380-Interfund - Interfund Revenue Transfers</i>						
007-7710 3802	Intrafund Revenue Transfers	0.0000	65,000.0000	0.0000	0.0000	0.0000
<i>Account Classification Total: 380-Interfund - Interfund Revenue Transfers</i>		\$0.00	\$65,000.00	\$0.00	\$0.00	\$0.00
<b>Department Total: 7710 - Interfund Transactions</b>		\$125,428.00	\$210,837.00	\$60,000.00	\$60,000.00	\$0.00
<b>REVENUES Total</b>		\$932,598.75	\$1,077,408.35	\$550,247.71	\$883,644.00	\$550,000.00
<b>EXPENSES</b>						
Department: 1111 - Undistributed/Non-Dept.						
<i>110-Other - Other Expense</i>						
007-1111 8710	Loss on Investment	590.0000	0.0000	0.0000	0.0000	0.0000
<i>Account Classification Total: 110-Other - Other Expense</i>		\$590.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Department Total: 1111 - Undistributed/Non-Dept.</b>		\$590.00	\$0.00	\$0.00	\$0.00	\$0.00
Department: 3170 - Promotion & Advertising						
<i>10-Personnel - Personnel Services</i>						
007-3170 4110	Regular Pay	85,268.9000	91,740.8600	60,070.3400	95,451.0000	0.0000
007-3170 4310	Part-Time Pay	50,270.5700	49,730.6000	40,468.5000	69,136.0000	22,880.0000
007-3170 4599	Other Pay	0.0000	2,040.4800	2,098.0800	1,500.0000	0.0000
007-3170 4910	Employer Paid Benefits	37,955.8800	30,136.1000	20,926.0800	27,414.0000	1,299.5100
007-3170 4911	Pension Normal Cost	0.0000	6,054.4900	4,310.5900	6,667.0000	0.0000
007-3170 4912	PERS Unfunded Accrued Liability	0.0000	14,600.4900	17,725.2500	18,919.0000	0.0000
007-3170 4913	Other Post Employment Benefit (OPEB) Expense	0.0000	1,163.7100	0.0000	0.0000	0.0000
<i>Account Classification Total: 10-Personnel - Personnel Services</i>		\$173,495.35	\$195,466.73	\$145,598.84	\$219,087.00	\$24,179.51
<i>60-Supplies - Supplies</i>						
007-3170 5110	Fuel Oil & Lubricants	0.0000	0.0000	22.3700	0.0000	0.0000
007-3170 5201	Other Expense	1,255.8800	0.0000	0.0000	0.0000	0.0000
007-3170 5301	General Office Supplies	3,974.1000	4,628.9400	2,923.5600	0.0000	1,000.0000
007-3170 5302	Copying Supplies	0.0000	0.0000	0.0000	3,000.0000	2,000.0000
007-3170 5305	Forms Printing	0.0000	244.4900	429.9700	500.0000	200.0000
<i>Account Classification Total: 60-Supplies - Supplies</i>		\$5,229.98	\$4,873.43	\$3,375.90	\$3,500.00	\$3,200.00
<i>70-Services - Services</i>						
007-3170 6105	Consulting Services	18,130.1900	12,500.1000	13,308.5000	11,600.0000	14,000.0000
007-3170 6106	Contractual Services	193,013.5900	282,426.7200	109,808.5700	165,000.0000	0.0000
007-3170 6107	Promotion & Advertising	229,265.0500	50.0000	17,399.4700	12,000.0000	0.0000
007-3170 6108	Marketing Consulting	15,870.4800	43,250.5100	0.0000	0.0000	0.0000
007-3170 6113	Print Ads - So. Region	0.0000	0.0000	0.0000	4,500.0000	0.0000
007-3170 6114	Community Event Support	85,547.5800	105,806.1800	46,756.2400	50,000.0000	8,000.0000
007-3170 6116	Print Ads - Other Regions	3,650.0000	0.0000	0.0000	0.0000	0.0000

G/L Account Number	Account Description	2018 Actual Amount	2019 Actual Amount	2020 Actual Amount as of 3/3/20	2020 Amended Budget	2021 Level 1
007-3170 6118	Promotion - Media	81,982.4000	13,137.3200	580.0100	8,000.0000	1,000.0000
007-3170 6119	Promotion - Other	17,603.1300	14,868.1800	12,922.8200	13,000.0000	0.0000
007-3170 6120	Trade Shows - Space Rent	6,654.4000	5,369.7300	0.0000	7,600.0000	0.0000
007-3170 6121	Trade Shows - Trans.	3,203.0000	0.0000	0.0000	500.0000	0.0000
007-3170 6124	Advertising Sponsorships	30,827.0000	21,157.5000	0.0000	13,000.0000	27,200.0000
007-3170 6125	Professional Development	0.0000	0.0000	0.0000	500.0000	0.0000
007-3170 6127	Digital Media	0.0000	281,712.2800	190,535.5200	272,000.0000	214,000.0000
007-3170 6128	Out of Home Media	0.0000	9,800.0000	3,659.3000	6,600.0000	6,600.0000
007-3170 6129	Digital Services	340.9800	24,694.7500	28,594.2700	45,000.0000	58,000.0000
007-3170 6130	Digital Assets	49.0000	2,406.9700	1,958.0000	0.0000	1,000.0000
007-3170 6132	Promotion - Visiting Journalist	2,349.4500	19,118.1000	11,513.9200	10,000.0000	0.0000
007-3170 6199	Other Professional Services	14,799.0000	6.4900	0.0000	500.0000	0.0000
007-3170 6201	Telephone	89.7100	1,435.1400	958.8900	0.0000	0.0000
007-3170 6220	Postage	3,867.6400	630.1400	1,189.2600	700.0000	100.0000
007-3170 6300	Utilities	1,747.9100	0.0000	0.0000	0.0000	0.0000
007-3170 6308	Internet/Cable TV	0.0000	890.9300	0.0000	2,000.0000	0.0000
007-3170 6451	Workers Comp Insurance	0.0000	0.0000	0.0000	1,200.0000	0.0000
007-3170 6461	Unemployment Insurance	0.0000	0.0000	0.0000	900.0000	0.0000
007-3170 6510	Meetings & Conferences	2,870.4300	3,663.2100	2,332.5400	2,000.0000	0.0000
007-3170 6511	Mileage Reimbursement	19.5500	0.0000	0.0000	500.0000	0.0000
007-3170 6513	Meals & Lodging	3,722.9500	1,995.8000	0.0000	4,500.0000	0.0000
007-3170 6514	Travel Expense	1,232.7300	1,629.0500	98.0200	2,000.0000	0.0000
007-3170 6519	Association Membership	2,226.6700	1,195.0000	1,195.0000	1,500.0000	1,200.0000
<i>Account Classification Total: 70-Services - Services</i>		<b>\$719,062.84</b>	<b>\$847,744.10</b>	<b>\$442,810.33</b>	<b>\$635,100.00</b>	<b>\$331,100.00</b>
<b>Department Total: 3170 - Promotion &amp; Advertising</b>		<b>\$897,788.17</b>	<b>\$1,048,084.26</b>	<b>\$591,785.07</b>	<b>\$857,687.00</b>	<b>\$358,479.51</b>
Department: 7710 - Interfund Transactions						
<i>100-Interfund - Interfund Transfers</i>						
007-7710 8501	Transfers Out	19,482.5400	20,204.5300	18,215.1500	31,394.0000	25,827.0000
<i>Account Classification Total: 100-Interfund - Interfund Transfers</i>		<b>\$19,482.54</b>	<b>\$20,204.53</b>	<b>\$18,215.15</b>	<b>\$31,394.00</b>	<b>\$25,827.00</b>
<b>Department Total: 7710 - Interfund Transactions</b>		<b>\$19,482.54</b>	<b>\$20,204.53</b>	<b>\$18,215.15</b>	<b>\$31,394.00</b>	<b>\$25,827.00</b>
<b>EXPENSES Total</b>		<b>\$917,860.71</b>	<b>\$1,068,288.79</b>	<b>\$610,000.22</b>	<b>\$889,081.00</b>	<b>\$384,306.51</b>
<b>Fund REVENUE Total: 007 - MBT-BID</b>		<b>\$932,598.75</b>	<b>\$1,077,408.35</b>	<b>\$550,247.71</b>	<b>\$883,644.00</b>	<b>\$550,000.00</b>
<b>Fund EXPENSE Total: 007 - MBT-BID</b>		<b>\$917,860.71</b>	<b>\$1,068,288.79</b>	<b>\$610,000.22</b>	<b>\$889,081.00</b>	<b>\$384,306.51</b>
<b>Fund Total: 007 - MBT-BID</b>		<b>\$14,738.04</b>	<b>\$9,119.56</b>	<b>(\$59,752.51)</b>	<b>(\$5,437.00)</b>	<b>\$165,693.49</b>

## California Streets and Highway Code Section 36520-36537

**36520.** A parking and business improvement area may be established as provided in this chapter.

**36521.** The city council may establish an area on its own initiative.

**36521.5.** A county may not form an area within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form an area within the unincorporated territory of a county, without the consent of the board of supervisors of that county. A city may not form an area within the territorial jurisdiction of another city without the consent of the city council of the other city.

**36522.** Proceedings to establish a parking and business improvement area shall be instituted by the adoption by the city council of a resolution of intention to establish the area. The resolution of intention shall do all of the following:

(a) State that a parking and business improvement area is proposed to be established pursuant to this chapter and describe the boundaries of the territory proposed to be included in the area and the boundaries of each separate benefit zone to be established within the area. The boundaries of the area may be described by reference to a map on file in the office of the clerk, showing the proposed area.

(b) State the name of the proposed area.

(c) State the type or types of improvements and activities proposed to be funded by the levy of assessments on businesses in the area. The resolution of intention shall specify any improvements to be acquired.

(d) State that, except where funds are otherwise available, an assessment will be levied annually to pay for all improvements and activities within the area.

(e) State the proposed method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business.

(f) State whether new businesses will be exempt from the levy of the assessment, pursuant to Section 36531.

(g) Fix a time and place for a public hearing on the establishment of the parking and business improvement area and the levy of assessments, which shall be consistent with the requirements of Section 54954.6 of the Government Code.

(h) State that at the hearing the testimony of all interested persons for or against the establishment of the area, the extent of the area, or the furnishing of specified types of improvements or activities will be heard.

(i) Describe, in summary, the effect of protests made by business owners against the establishment of the area, the extent of the area, and the furnishing of a specified type of improvement or activity, as provided in Section 36524.

**36523.** Notice of a public hearing held under Section 36524, 36541, 36542, or 36550 shall be given by both of the following:

(a) Publishing the resolution of intention in a newspaper of general circulation in the city once, for at least seven days before the public hearing.

(b) Mailing of a complete copy of the resolution of intention by first-class mail to each business owner in the area within seven days of the city council's adoption of the resolution of intention.

(c) Notwithstanding subdivision (b), in the case of an area established primarily to promote tourism, a copy of the resolution of intention shall be mailed by first-class mail within seven days of the city council's adoption of the resolution of intention, to the owner of each business in the area which will be subject to assessment.

**36523.5.** Notwithstanding Section 36523, prior to adopting any new or increased assessment, the city council shall give notice pursuant to Section 54954.6 of the Government Code in lieu of publishing notice pursuant to subdivision (a) of Section 36523.

**36524.** (a) At the public hearing, the city council shall hear and consider all protests against the establishment of the area, the extent of the area, or the furnishing of specified types of improvements or activities within the area. A protest may be made orally or in writing by any interested person. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made.

(b) Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

(c) Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business. A written protest which does not comply with this section shall not be counted in determining a majority protest.

**36525.** (a) If written protests are received from the owners of businesses in the proposed area which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than that 50 percent, no further proceedings to create the specified parking and business improvement area or to levy the proposed assessment, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(b) If the majority protest is only against the furnishing of a specified type or types of improvement or activity within the area, those types of improvements or activities shall be eliminated.

**36526.** (a) At the conclusion of the public hearing to establish the area, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments.

(b) At the public hearing, the city council may only make changes in, to, or from, the boundaries of the proposed parking and business improvement area that will exclude territory which will not benefit from the proposed improvements or activities. However, proposed assessments may only be revised by reducing any or all of them.

(c) The city council shall not change the boundaries of the area to include any territory that will not, in its judgment, benefit by the improvement or activity. Any addition of territory to the proposed boundaries of the area may be made only upon notice to the owners of the businesses proposed to be added to the area, as provided in Section 36523, and upon a public hearing on the addition of territory, as provided in Section 36524.

**36527.** If the city council, following the public hearing, decides to establish the proposed parking and business improvement area, it shall adopt an ordinance to that effect. The ordinance shall contain all of the following:

(a) The number, date of adoption, and title of the resolution of intention.

(b) The time and place where the public hearing was held concerning the establishment of the area.

(c) A determination regarding any protests received at the public hearing.

(d) The description of the boundaries of the area and of each separate benefit zone established within the area.

(e) A statement that a parking and business improvement area has been established and the name of the area.

(f) A statement that the businesses in the area established by the ordinance shall be subject to any amendments to this part.

(g) The description of the method and basis of levying the assessments, with a breakdown by classification of businesses if a classification is used.

(h) A statement that the improvements and activities to be provided in the area will be funded by the levy of the assessments. The revenue from the levy of assessments within an area shall not be used to provide improvements or activities outside the area or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the area.

(i) A finding that the businesses and the property within the business and improvement area will be benefited by the improvements and activities funded by the assessments proposed to be levied. In the case of an area formed to promote tourism, only businesses that benefit from tourist visits may be assessed.

(j) The time and manner of collecting the assessments.

**36528.** The city council may establish one or more separate benefit zones within the area based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone.

**36529.** All provisions of this part applicable to the establishment, modification, or disestablishment of a parking and business improvement area apply to the establishment, modification, or disestablishment of benefit zones. The city council shall, to establish, modify, or disestablish a benefit zone, follow the procedure to establish, modify, or disestablish a parking and business improvement area.

**36530.** The city council shall appoint an advisory board which shall make a recommendation to the city council on the expenditure of revenues derived from the levy of assessments pursuant to this part, on the classification of businesses, as applicable, and on the method and basis of levying the assessments. The city council may designate existing advisory boards or commissions to serve as the advisory board for the area or may create a new advisory board for that purpose. The city council may limit membership of the advisory board to persons paying the assessments under this part. The city council may appoint the advisory board prior to adoption of the resolution of intention to create the area, so that the advisory board may recommend the provisions of the resolution of intention.

**36531.** The city council may exempt a business recently established in the area from the levy of the assessments, for a period not to exceed one year from the date the business commenced operating in the area. The city council shall state its determination to so exempt new businesses in the resolution of intention to establish the area and shall reaffirm its determination annually in the resolution of intention required to be adopted pursuant to Section 36534.

**36532.** The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the ordinance establishing the area.

**36533.** (a) The advisory board shall cause to be prepared a report for each fiscal year for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The report may propose changes, including, but not limited to, the boundaries of the parking and business improvement area or any benefit zones within the area, the basis and method of levying the assessments, and any changes in the classification of businesses, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the parking and business improvement area by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following:

(1) Any proposed changes in the boundaries of the parking and business improvement area or in any benefit zones within the area.

(2) The improvements and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements and the activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.

(5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the advisory board or may modify any particular contained in the report and approve it as modified. The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments.

**36534.** (a) After the approval of the report, the city council shall adopt a resolution of intention to levy an annual assessment for that fiscal year. The resolution of intention shall do all of the following:

(1) Declare the intention of the city council to change the boundaries of the parking and business improvement area, or in any benefit zone within the area, if the report filed pursuant to Section 36533 proposes a change.

(2) Declare the intention of the city council to levy and collect assessments within the parking and business improvement area for the fiscal year stated in the resolution.

(3) Generally describe the proposed improvements and activities authorized by the ordinance enacted pursuant to Section 36527 and any substantial changes proposed to be made to the improvements and activities.

(4) Refer to the parking and business improvement area by name and indicate the location of the area.

(5) Refer to the report on file with the clerk for a full and detailed description of the improvements and activities to be provided for that fiscal year, the boundaries of the area and any benefit zones within the area, and the proposed assessments to be levied upon the businesses within the area for that fiscal year.

(6) Fix a time and place for a public hearing to be held by the city council on the levy of the proposed assessment for that fiscal year. The public hearing shall be held not less than 10 days after the adoption of the resolution of intention.

(7) State that at the public hearing written and oral protests may be made. The form and manner of protests shall comply with Sections 36524 and 36525.

(b) The clerk shall give notice of the public hearing by causing the resolution of intention to be published once in a newspaper of general circulation in the city not less than seven days before the public hearing.

**36535.** (a) The city council shall hold the public hearing at the time and in the place specified in the resolution of intention. The public hearing shall be conducted as provided in Sections 36524 and 36525. The city council may continue the public hearing from time to time.

(b) During the course or upon the conclusion of the public hearing, the city council may order changes in any of the matters provided in the report, including changes in the proposed assessments, the proposed improvements and activities to be funded with the revenues derived from the levy of the assessments, and the proposed boundaries of the area and any benefit zones within the area. The city council shall not change the boundaries to include any territory that will not, in its judgment, benefit by the improvement or activity.

(c) At the conclusion of the public hearing, the city council may adopt a resolution confirming the report as originally filed or as changed by it. The adoption of the resolution shall constitute the levy of an assessment for the fiscal year referred to in the report.

(d) Notwithstanding subdivision (c), if the primary purpose of the area is promotion of tourism, the city council may adopt a resolution confirming the report as submitted by the advisory board, or may adopt a resolution continuing the program and assessments as levied in the then current year without change, and that resolution shall constitute the levy of an assessment for the fiscal year referred to in the report. As an alternative, the city council may modify the report and adopt a resolution confirming the report as modified, but in that case the city council may adopt the resolution only after providing notice of the proposed changes as specified in Section 36523 and only after conducting a public hearing on the resolution as provided in Sections 36524 and 36525.

**36536.** The assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses and property within the parking and business improvement area. The city council may classify businesses for purposes of determining the benefit to a business of the improvements and activities provided pursuant to this part.

**36537.** The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36535. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

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AGENDA NO: B-4

MEETING DATE: June 23, 2020

# Staff Report

**TO:** Mayor and City Council

**DATE:** June 12, 2020

**FROM:** Scot Graham, Community Development Director

**SUBJECT:** Adoption of Resolution No. 60-20, which rescinds Resolution No. 36-20 to Amends the Adopted FY 20/21 Master Fee Schedule by adding a new fee for Sidewalk Vending Permits and Revising Cost Recovery Language related to California Public Records Act requests

## **RECOMMENDATION**

Staff recommends that the City Council conduct the formally noticed public hearing, review the proposed modifications to the adopted master fee schedule, and adopt Resolution No. 60-20, which rescinds Resolution No. 36-20 so as to amend the adopted City's Master Fee Schedule for FY 20/21, to include a new fee of \$331.00 for Sidewalk Vending Permits, and to modify the cost recovery language associated with California Public Records Act requests to bring it into conformance with a recent ruling by the California Supreme Court.

## **BACKGROUND**

The City Council adopted Resolution No. 36-20 on April 28, 2020, approving the fiscal year 20/21 Master Fee Schedule. The 20/21 Master Fee Schedule will take effect July 1, 2020.

The Morro Bay Municipal Code Chapter 3.34, Master Fee Schedule, stipulates how the City shall move forward with amending the Master Fee Schedule. Relevant sections of that chapter are included below for reference.

### 3.34.010 – Established

The City Master Fee Schedule is established, which shall set forth a consolidated listing of fees as fixed and adopted by the City Council, in accordance with all applicable provisions of state and city laws.

### 3.34.020 – Fee Revisions and Reviews

Any fees included in the Master Fee Schedule may be reviewed and revised annually by the City Council. The City's cost of providing the services shall be computed and reflected in these fees. The fees shall then be enumerated, and the revised Master Fee Schedule adopted by resolution of the City Council.

## **DISCUSSION**

In accordance with Senate Bill 946, the City of Morro Bay drafted Ordinance No. 634 addressing the state requirements for sidewalk vending procedures and regulations. The first reading of the ordinance was approved by Council on June 9, 2020 and the second reading will be reviewed by

Prepared By:   NH  

Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_\_\_

City Attorney Review:   CFN

Council as part of the Consent Agenda for this Council meeting. This requested amendment to the Master Fee Schedule includes a new fee of \$331.00 for the sidewalk vending permit. The fee is based on the administrative sign permit fee as sidewalk vending permits follow a similar process, involve the same staff and take approximately the same amount of time to process.

Additionally, the amended Master Fee Schedule includes a modification to the hourly rate for Public Records Act requests. The California Supreme Court issued a ruling in the *National Lawyers Guild v. City of Hayward* case on May 28, 2020 concerning public agencies' ability to recover costs under the California Public Records Act. The Court held that a public agency cannot charge a requester for the costs of the agency redacting exempt material from otherwise disclosable electronic records, such as police officer body camera, therefore this language has been removed from the Master Fee Schedule.

The proposed edits are shown in red-line text on pages 2 and 11 of the Fee Schedule provided in Attachment 1.

### **CONCLUSION**

Staff recommends that the City Council adopt Resolution No. 60-20, amending the FY 2020/21 Master Fee Schedule to include a new \$331.00 fee for sidewalk vending permits and revising the language related to cost recovery associated with Public Records Act requests, bringing it into conformance with a recent California Supreme Court ruling..

### **ATTACHMENT**

1. Proposed Resolution No. 60-20
  - a. Amended FY 2020/21 Master Fee Schedule

**RESOLUTION NO. 60-20**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA,  
RESCINDING RESOLUTION NO. 36-20 TO AMEND THE ADOPTED  
FISCAL YEAR 2020/21 MASTER FEE SCHEDULE TO ADD FEES FOR  
SIDEWALK VENDING PERMITS AND REVISE FEE RECOVERY  
LANGUAGE ASSOCIATED WITH PUBLIC RECORDS ACT  
REQUESTS**

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

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

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

**WHEREAS**, the City Council adopted Resolution No. 36-20 approving the Fiscal Year 2020/2021 Master Fee schedule on April 28, 2020; and

**WHEREAS**, the City has reviewed the attached amended FY 20/21 Master Fee Schedule, and finds they do not exceed the actual costs of providing related services when that limitation is applicable; and

**WHEREAS**, California Government Code Sections 66000 *et seq.*, mandates numerous detailed and stringent requirements for fees levied by local government for development projects; and

**WHEREAS**, Section 66017 of the California Government Code requires a 60- day "waiting period" before any development fee increase can become effective; and

**WHEREAS**, pursuant to Government Code Section 66016, specific fees to be charged for services must be adopted by City Council resolution or ordinance, after providing notice and holding a public hearing; and

**WHEREAS**, The City's Municipal Code Section 3.24.030 ("Fee revisions and reviews"), states: *Any fees, included in the Master Fee Schedule, may be reviewed and revised annually by the City Council. The City's cost of providing the services shall be completed and reflected in these fees. The fees shall then be enumerated, and the revised Master Fee Schedule adopted by resolution by the City Council;* and

**WHEREAS**, the Morro Bay City Council now wishes to rescind Resolution No. 36-20 so as to amend the adopted Master Fee Schedule for FY 20/21 to provide for fees for sidewalk vending permits and to remove a certain fee recovery provision for responses to public records act requests to be consistent with a recent California Supreme Court decision.

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**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Morro Bay, California, the Fiscal Year 2020/21 Master Fee Schedule, attached hereto and incorporated herein, is hereby amended and readopted, and furthermore that Resolution No. 36-20 is rescinded in its entirety.

**PASSED AND ADOPTED**, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 23rd day of June 2020, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
JOHN HEADDING, Mayor

ATTEST:

\_\_\_\_\_  
DANA SWANSON, City Clerk

# CITY OF MORRO BAY FEE SCHEDULE FOR THE FISCAL YEAR 2020/21

All fees adjust annually by either the December Consumer Price Index (CPI = 2.5 %) or Construction Cost Index (ENR = 5.36%). The CPI used is for the San Francisco-Oakland-San Jose area.

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<b>GENERAL FEES</b>		
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>	<b>Proposed Fee Effective 7/1/21 (Plus CPI)</b>
Photocopies (unless otherwise defined)	\$0.40 per page \$0.70 per 11x17" page	
Copies -Digital	\$5 per device	
Records Request	\$5.00 – Retrieval of FPPC filings 5 or more years old.  <del>Where applicable, fully allocated hourly rates for all personnel involved plus any outside costs — per ruling on National Lawyers Guild vs. City of Hayward, Court of Appeal, First District, Division 3, 2018</del>	
Print material mailed	Cost of copying/printing and postage	
Refundable appeal fee for non-land use administrative decisions	\$275	\$300
Elections filing fee - Notice of intention to circulate petition; this amount is refundable under Elections Code Section 9202(b), with conditions	\$200	
Candidate Filing Fee	\$25 per candidate. This fee is limited by state law.	

\*Estimated Cost of Appeal is \$3,495. The \$275 appeal fee denotes 8% cost recovery.

<b>FINANCE</b>	
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
Budget document, per copy	Actual cost of outside company to print and bind, or Copies – Printed fee at: \$0.40 per page – Letter and Legal sized paper \$0.70 per page – Tabloid sized paper
City audit document, per copy	Actual cost of outside company to print and bind, or Copies – Printed fee at: \$0.40 per page – Letter and Legal sized paper \$0.70 per page – Tabloid sized paper
Master Fee Schedule	Actual cost of outside company to print and bind, or Copies – Printed fee at: \$0.40 per page – Letter and Legal sized paper \$0.70 per page – Tabloid sized paper
Business Tax Schedule	Actual cost of outside company to print and bind, or Copies – Printed fee at: \$0.40 per page – Letter and Legal sized paper \$0.70 per page – Tabloid sized paper
Returned check charge, per CA Civil Code Section 1719	\$75 per check
Business License – New	\$31 per license
Business License – Renewal	\$15 per license

<b>UTILITY BILLING</b>	
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
Water service application fee	\$51 per account
Physical posting of shut-off notice at customer location	\$36
Refundable/transferable deposit - residential tenants only on signup (MC 13.04.220)	\$100
Deposit required for service termination for delinquent non-payment (residential tenants only, if a deposit has not previously been collected)	\$100
Reconnection	\$87

<b>COMMUNITY DEVELOPMENT</b>	
<b>BUILDING DIVISION</b>	
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
Valuation of from 0 - \$3,000 (including electrical service less than 600 amp, and minor plumbing alternatives)	\$174
\$3,001 to \$300,000	.026 x total valuation as determined by the Building Official (50% submittal/50% at issuance)
\$300,001 and up	.026 x total valuation as determined by the Building Official (50% submittal/50% at issuance)
Construction Operation After Hours	\$77
Building Re-Address Processing	\$61
Demo Commercial	\$231
Demo Residential	\$154
In-lieu Housing Fee (if unit not affordable housing) - per square foot	\$0.38
General Plan Maintenance	8% surcharge on all Building Permits
I.T. Service Fee	.0075 x valuation (valuation capped at \$1,000,000)
SMIP Category I (Residential)	.00013 x valuation
SMIP Category II (Commercial)	.00028 x valuation

<b>COMMUNITY DEVELOPMENT</b>	
<b>BUILDING DIVISION Cont.</b>	
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
Unsafe Building repair, demolition or moving structure	Charged at cost
Inspection Fees - outside of normal work hours - per hour, 2 hour minimum	\$ Fully Allocated Hourly Rate x 1.2
Re-Inspection Fees - per hour	\$149
Inspection for which no fee is otherwise indicated - per hour, 1 hour minimum – Use for Certificate of Occupancy	\$149
Additional Plan Review required by changes, additions, revisions to the approved plans - per hour, 1hour minimum	\$149 per hour. One hour minimum
Use of outside consultants for special plan checking and inspection	Charged at cost + 25% Administration Fee
Permits – Change Ownership/Add Contractor	\$123 per request
Permit Extension of Time	\$61 per request
Residential Solar Permit 1kW to 15 kW	\$446

<b>COMMUNITY DEVELOPMENT</b>	
<b>BUILDING DIVISION Cont.</b>	
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
Residential Solar over 15kW	\$ 445 + \$ 10 per kW above 15kW
Commercial Solar Permit below 50kW	\$ 892
Commercial Solar Permit 50kW – 250kW	\$ 892 + \$10 per kW above 50kW
<b>SPECIAL INSPECTION &amp; PLAN REVIEW FEES</b>	
Penalty for commencing construction without permit(s). This is in addition to the standard building permit fees.	2 times the permit fee
<b>DEVELOPMENT IMPACT FEES</b> (Increase by CPI Until Further Impact Fee Discussion in September 2020)	
Building fees per square foot, including garages (enclosed spaces). Single family residential additions of 500 square feet or less are exempt. Water and Wastewater fees are additional. An increase in meter size resulting from the need to comply with the hydraulic demand associated with Fire Sprinklers is exempt.	
Residential, Single Family	\$4.54
Residential, Multi-family	\$7.28
Accessory Dwelling Unit	\$1.10
Non-residential, commercial	\$4.61
Non-residential, office	\$3.25
Non-residential, industrial	\$1.67

<b>DEVELOPMENT IMPACT FEES (Deferred until Impact Fee Discussion)</b>	
<b>Park fees for residential in-fill lots, per square foot</b>	
Single-family	\$1.41
Single-Family, Detached Accessory Structure	\$0.35
Accessory Dwelling Unit	\$0.35
Multi-family	\$2.35
<b>Public Facilities Fees, per square foot.</b>	
<b>Single-family residential:</b>	
General Government	\$1.35
Police	\$0.45
Parks	\$1.41
Fire	\$0.49
Storm Drain	\$0.06
Traffic	\$2.18
<b>Multi-family residential:</b>	
General Government	\$2.23
Police	\$0.74
Parks	\$2.35
Fire	\$0.83
Storm Drain	\$0.07
Traffic	\$3.39
<b>Public Facilities Fees, per square foot</b>	
<b>Non-residential, commercial:</b>	
General Government	\$0.29
Police	\$0.07
Parks	\$0.02
Fire	\$0.26
Storm Drain	\$0.04

<b>DEVELOPMENT IMPACT FEES</b>	
<b>Public Facilities Fees, per square foot</b>	
Traffic	\$3.87
<b>Non-residential, office:</b>	
General Government	\$0.37
Police	\$0.09
Parks	\$0.02
Fire	\$0.36
Storm Drain	\$0.04
Traffic	\$2.36
<b>Non-residential, industrial:</b>	
General Government	\$0.10
Police	\$0.04
Parks	\$0.02
Fire	\$0.09
<b>Public Facilities Fees, per square foot (continued)</b>	
Storm Drain	\$0.04
Traffic	\$1.36
<b>PLANNING DIVISION</b>	
<b>Affordable Housing In-Lieu:</b>	
Funding assistance application fee	\$635
Reasonable Accommodation (ADA) fee (no fee required if in conjunction with other discretionary permit)	\$123

**PLANNING DIVISION Cont.**

**Coastal Permits (may be billed at direct cost)**

<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>	<b>Proposed Fee Effective 7/1/21 (Plus CPI)</b>
Coastal Permit in combination with Conditional Use Permit	No Fee	No Fee
Coastal Permit (Administrative)	\$1,032	\$1,410
Regular CDP Without CUP - New single family and single family additions over 25%, Multiple Dwelling, Office, Commercial, Convention, Industrial & Institutional	\$8,491	\$13,545
Additions between 10% and 25% to a Single Family Dwelling in Coastal Appeals area (Planning Commission)	\$3,296	\$5,865
Emergency Permit (excluding required regular CDP)	\$1,035	
Other administrative – Tree Removal, private	\$425	\$570

<b>Environmental (may be billed at direct cost):</b>		
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>	<b>Proposed Fee Effective 7/1/21 (Plus CPI)</b>
Categorical Exemption	\$67	
Negative Declaration	\$2,422	\$4,035
Mitigated Negative Declaration If contracted = contract amount + 25% administrative fee	In House - \$ 4,902 per application Outside - \$4,902 as a deposit for outside consultant plus 25% Administrative Fee	In House - \$6,660 per application, Outside - \$6,660 as a deposit for outside consultant plus 25% Administrative Fee
Filing Fee - for environmental document	\$195	
Environmental Impact Report - Contract Amount + 25% administrative fee	Initial \$5,000 deposit for cost of staff and outside consultant	
Archaeology Research Fee – Santa Barbara Central Coast Information Services	\$144	
<b>Miscellaneous:</b>		
<a href="#"><u>Sidewalk Vending Permit</u></a>	<del>\$331</del> 25 (initial fee and annual renewal fee)	
Letter regarding land use confirmation or other research – per hour cost	\$159	
Development Agreement – charged at fully allocated hourly rates for all personnel involved, plus any outside costs	\$10,000 deposit	
Extra Planning Commission Meeting	\$745	\$2,180
Applicant Requested Continuance	\$128	
Fine, in addition to permit fee	two times the permit fee + plus \$50 per day – after notice.	

<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>	<b>Proposed Fee Effective 7/1/21 (Plus CPI)</b>
Appeal of City decision, excluding Coastal Permits in the appeal jurisdiction – refundable if appellant prevails	\$275*	\$300
Telecomm Facility – Administrative (new fee)	\$154	
Street name/Rename Processing	\$353	
Commercial Medical Cannabis	\$18,000 deposit for cost of staff time and outside consultant	
Vacation Rental Monitoring Fee	\$108 per permit	
Conceptual Review Fee – Fee is credited toward any future discretionary permit application within 24 months.	\$2,768 per application	\$4,355 per application
<b>Notification fees:</b>		
Planning Commission Hearing	\$454	
Administrative Permit Noticing	\$292	\$530
<b>Sign Permits:</b>		
Sign Permit	\$331	\$595
Sign Exception (CUP)	\$1,756	\$3,450
Pole Sign (CUP)	\$1,756	\$3,450

\*Estimated Cost of Appeal is \$3,495. The \$275 appeal fee denotes 8% cost recovery.

<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>	<b>Proposed Fee Effective 7/1/21 (Plus CPI)</b>
Sign Program (New Fee)	\$438	\$1,280
Fines – Temporary, beyond time allowed by Ordinance – per day after notice given	\$50 per day after notice given	
Fines – Permanently attached sign w/o permit – per day after notice	\$50 per day after notice given	
<b>Subdivisions: all Subdivisions may be billed at direct cost</b>		
Tentative Parcel Map Application	\$6,682 per map	
Tentative Tract Map 0 to 10 lots, add \$100.00 per lot over 10 lots	\$9,053 per map	\$12,915 per map
Lot Line Adjustment	\$1,952 per application	\$5,915 per application
Certificate of compliance (legal determination) – initial fee covers up to 4 lots. Add \$250 per lot over 4 lots	\$1,220 + \$256 per lot for every lot over 4	
Lot Mergers	\$2,050	\$5,915
<b>Text Amendments &amp; Annexations (May be billed at direct cost)</b>		
<p>Zone Ord. Changes/LCP</p> <ul style="list-style-type: none"> <li>- Minor (single section revisions/additions)</li> <li>- Major (multiple sections revised/added)</li> </ul> <p>If contracted – contract amount + 25% administrative fee. Fee amount becomes an initial deposit.</p>	<p>Minor = \$ 5,000 deposit for cost of staff and outside consultant</p> <p>Major = \$ 10,000 deposit for cost of staff and outside consultant</p>	

<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>	<b>Proposed Fee Effective 7/1/21 (Plus CPI)</b>
Specific Plan (Billed as deposit with charges at the fully allocated hourly rates for all personnel involved + any outside costs). If contracted = cost + 25% administration fee. Fee amount becomes an initial deposit.	\$5,000 deposit for cost of staff and outside consultant	
General Plan/Local Coastal Plan Amendment: - Minor (single section revisions/additions) - Major (multiple sections revised/added) If contracted – cost + 25% administrative fee. Fee amount becomes an initial deposit.	\$ 5,000 deposit for cost of staff and outside consultant  \$10,000 deposit for cost of staff and outside consultant	
Annexations – Deposit to be determined by staff. Billed at fully allocated staff cost. If contracted – contract amount + 25% administrative fee.	\$ 10,000 deposit for cost of staff and outside consultant	
<b>Time Extensions</b>		
Time extension for CUP, regular Coastal Permits and variance (Planning Commission)	\$1,506	\$2,540
Time Extensions for Tract Maps and Parcel Maps	\$1,505	\$3,515
Time Extension - Administrative	\$292	
<b>Use Permits</b> - All use permits may be billed at direct cost at the discretion of the Community Development Director and the scheduled fee would then be deemed as a deposit.  All Projects in the Planned Development Overlay require a Use Permit		
Conditional Use Permit (CUP)	\$8,491	\$13,545
CUP Concept Plan	\$11,215	\$14,890

<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>	<b>Proposed Fee Effective 7/1/21 (Plus CPI)</b>
CUP Precise Plan	\$4,880	\$10,235
CUP Combined Concept/Precise Plan	\$11,215	\$14,890
One SFR in a Planned Development Zone or Bluff Area	\$6,929	
Occupancy Change in Commercial/Industrial Zones	\$1,562	\$5,745
Additions to non-conforming structures, not adding units or new uses	\$3,275	\$5,990
Minor Use Permit (Residential & Industrial Uses)	\$952	\$2,305
Temporary Use Permit – Longer than 10 days	\$1,332	\$1,725
Outdoor display and sales and outdoor dining	\$1,264	\$1,725
Administrative Temporary Use Permit – 7 consecutive days or 10 non-consecutive days	\$292	\$620
Amendments to Existing Permits (Planning Commission)	\$4,346	\$8,960
Major modification while processing	\$2,571	\$5,035
Minor amendments to existing permits (Administrative)	\$378	\$705
Special Use Permit (Minor – PC Review)	\$2,786	\$5,665
Special Use Permit (Major – PC Review)	\$8,369	\$13,190

<b>Variations</b>		
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>	<b>Proposed Fee Effective 7/1/21 (Plus CPI)</b>
Variance	\$4,178	\$5,665
Variance processed with other permits	\$1,025	
Minor Variance	\$697	
Parking Exception (will always be accompanied by a Conditional Use Permit, Minor Use Permit or Coastal Development Permit)	\$382	\$1,000
<b>Laserfiche Applies to all Planning and Building Permits</b>		
Laserfiche of planning and building documents, including scanning and storage. Fee based on plan set pages only.	\$15 for first page of plan set, and \$7 for each additional page.	

<b>PUBLIC WORKS</b>	
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
<b>IMPACT FEES</b>	
<b>Water Impact fee (Capacity Credit is given for existing meter ) Based on Water &amp; Wastewater Impact Fee Update, Bartle Wells Associates, 3/17/15</b>	
Less than 1-inch meter	\$5,721
1 inch meter	\$7,674
1-1/2 inch meter	\$15,346
2 inch meter	\$24,555
3 inch meter	\$46,041
<b>Wastewater fee (Capacity Credit is given based on existing water meter size) Based on Water &amp; Wastewater Impact Fee Update, Bartle Wells Associates, 3/17/15</b>	
Less than 1-inch meter	\$5,777
1 inch meter	\$7,702
1-1/2 inch meter	\$15,439
2 inch meter	\$24,648
3 inch meter	\$46,214

**ENGINEERING DEVELOPMENT REVIEW FEES****Flood Hazard Development Permit (MC 14.72.040) - time and materials costs may be added to minimum, when actual cost exceeds the minimum fee (PW):**

<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
Permit, minimum fee	\$369
Flood plain letter	\$163
<b>City Engineer Map Review Fees Subdivisions - (PW):</b>	
Final Map - Tract, minimum fee (MC 16.24.040J)	\$6,406
Final Map – Tract, Per lot for every lot over 4 lots	\$248
Final Parcel Maps	\$4,794
Map Amendment Review, minimum fee	\$1,528

<b>Public Improvement Plans Inspections/Plan Review - time and materials costs may be added to minimum, when actual cost exceeds the minimum fee:</b>		
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>	<b>Proposed Fee Effective 7/1/21 (Plus ENR)</b>
Public/Subdivision Improvement Plan Check, and Inspection as a Percentage of the approved Engineer's estimate for Subdivision Improvements	6.3- Percent	
Lease Line Adjustment	\$1,054 per application	\$2,140 per application
<b>Abandonment Process:</b>		
Street/R-O-W Abandonment Process	\$7,111	
Summary Abandonment	\$1,580	\$3,570
Right of Way Dedication	\$516 per permit	
<b>Encroachment Permits (MC 13.16.140) - time and materials costs may be added to minimum, when actual cost exceeds the minimum fee (PW):</b>		
Regular – Surface Improvements	\$316	
Regular – Underground Improvements	\$527	
Special - Private Encroachments into the Public R/W, Landscaping plant materials and exempt.	\$1,200	
Annual Utility Encroachment Permit	\$3,038	\$3,750
Wide Load Permit with Traffic Control Plans - Per Year (Set by State of California)	\$95	
Wide Load Permit with Traffic Control Plans - One Time (Set by State of California)	\$17	

<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>	<b>Proposed Fee Effective 7/1/21 (Plus ENR)</b>
Temporary Encroachment Agreement. Plus current San Luis Obispo Recording Fees	\$158	
<b>Street &amp; Sidewalks:</b>		
Exception Application Exception Application (Sidewalk Deferral) Plus current San Luis Obispo Recording Fees	\$339	\$805
<b>PLANNING AND ENGINEERING DEVELOPMENT REVIEW FEES</b>		
<b>Storm Water Fees (PW):</b>		
<b>Single Family; Other than Single Family (per 6,000 square foot lot area, or fraction thereof):</b>		
Planning review of preliminary stormwater plan	\$ 163 per application	
Building permit review of stormwater plan	\$ 332 per permit	
Inspection of stormwater facility/erosion control	\$ 200 per application	
<b>Trees (PW):</b>		
Removal Permit (to trim, brace or remove, MC 12.08.110)	\$313	
<b>WATER</b>		
<b>Water Service:</b>		
Application (MC 13.04.07)	\$51 per account	

<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>	<b>Proposed Fee Effective 7/1/21 (Plus CPI)</b>
<b>Meter Installations/Connections:</b>		
3/4 inch Meter/Service (Only installed where Fire sprinklers are not required)	City Installation: \$1,604 Contractor Provides Service Line Install: \$461 plus actual cost of parts. Partial credit may apply if staff is able to use existing parts.	
1 inch meter Meter/Service	City Installation: \$2,151 Contractor Provides Service Line Install: \$461 plus actual cost of parts. Partial credit may apply if staff is able to use existing parts.	
1-1/2"meters and above	City Installation: \$2,722 Contractor Provides Service Line Install: Actual cost of outside contractor & parts.	
Meter Box Installation/Replacement	\$533 per meter box, paved/concrete location \$338 per meter box, unpaved location	
Water Meter Re-Read	\$67	
Reconnection (MC 13.04.310)	\$87	
After - Hours Water Meter Turn Off/On	\$307	\$580
Water meter lock and any other damage. Subject to Police investigation and potential prosecution for theft of water and tampering with City Property	T&M	

<b>Meter Installations/Connections (continued):</b>	
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20 (</b>
Water Meter Testing (Remove, test and replace meter); fee refunded if meter test indicates an overage of greater than 2%	\$ 261 per test plus outside cost of testing. Fee refunded if meter test indicates an overage of greater than 2%.
Water Equivalency Unit (WEU) "In-Lieu" Fee - <b>per WEU required</b> . In-lieu fee is an alternative for an applicant that does not provide the WEU offset, as required and set by Council Resolution	2 x \$3,217/WEU required = \$6,435
Fire Hydrants Meter Installation and Removal for Contractor Use (MC 13.04.360): Rental, per day plus cost of water at current rate structure.  Hydrant Meter Rental, per day plus cost of water at current rate structure.	\$251 per rental plus \$5 per day and \$1,500 refundable deposit. Water Meter will be read and billed on a monthly basis.
Certificate of Compliance – Water Retrofit	\$77
Water Service Refundable Deposit - residential tenants only	\$100

<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
<b>WASTEWATER</b>	
Connection Permit - This is in addition to an Encroachment Permit.	\$159
Discharge Fee - Tank Trucks and Commercial per truck, for gallon. No septage allowed	\$ 266+ \$0.25/gal or fraction there of
Raising Manhole to Grade	\$159 per manhole
Sewage Spill Cleanup - cost of providing service Sewage spill clean up	Fully allocated hourly rate for all staff involved.
Fats, Oils & Grease Inspection	\$159 – inspection \$159 - reinspection
<b>OTHER FEES</b>	
Dedication 15 Gallon Tree and Plaque	Actual Cost of Labor and Parts
Dedication Bench and 1 Plaque Space	Actual Cost of Labor and Parts
Dedication Whole Bench with 3 Plaque Spaces	Actual cost of labor and parts
Other Park Amenity Dedication	To Be Determined on an individual basis

<b>POLICE SERVICES</b>		
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>	
<b>Permits and Licenses:</b>		
Tow/Taxi Service Provider Application Fee	\$820	\$1,805
Taxi Operator Permit Application Fee	\$615	\$905
Taxi Operator Permit Application Renewal Fee	\$149	
Second Hand Dealer Permit - City Application Fee (does not include Department of Justice fee) (MBMC 5.40.330)	\$512	\$1,040
Second Hand Dealer Permit renewal - City Application Fee (does not include Department of Justice fee) (MBMC 5.40.330)	\$282	
Massage Therapist/Parlor Permit Application Fee (MBMC 5.40.330)	\$149	
Special Events	Fully Allocated Hourly Rate for all staff involved	
ABC Permit	\$77 per permit	
<b>Support Services Activity:</b>		
Digital Photo Reproduction to CD - per hour, 1 hour minimum	Service no longer offered. Refer to Copy – Digital fee, \$5 per device	
Audio/Video Tape Reproduction - per hour, 1 hour minimum	Service no longer offered. Refer to Copy – Digital fee, \$5 per device	
Record Searches/Reviews/Clearance/Responses - per hour, 1 hour minimum	\$ 67 per letter	

<b>Officer Activity:</b>	
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
Equipment Citation Sign Off	\$15
Vehicle Impound Fee Administrative Costs (CVD 22850.5)	\$190
Abandoned Vehicle Removal (junk vehicles/parts)	\$190
<b>Other Police Services:</b>	
Firearms-seizure/storage (PC 33880)	\$128
<b>State Mandated Costs</b>	
Concealed Weapons Permit (does not include DOJ or other fees (PC25455) Fees set by California Penal Code Sections 12050-12054 and 26190a	\$100 per permit (\$20 paid at time of application with remaining amount paid upon issuing of permit) Psychological testing costs are added to the above fees up to \$150. Permit requires fingerprinting.
Renewal of Concealed Weapons Permit (does not include cost of ID card) Fees set by California Penal Code Sections 12050-12054 and 26190a	Renewal Permit - \$25 Amended Permit - \$10
Subpoena Duces Tecum (does not include costs of report, etc) (EC 1563(b)(1))	Subpoenaed Non-Sworn \$ 35 per day plus \$0.20 per mile (California Government Code Section 68093) Subpoenaed Peace Officer – Full cost to the public entity incurred in paying the peace officer, firefighter his or her salary or other compensation and traveling expense for each day that such officer is required to remain in attendance (California Government Code 68097.2)  Subpoena Duces Tecum - \$15 (California Government Code Section 1563(b)(6))
Delinquent Parking Citation Copy (VC 40206.5)	Remove. Refer to the City's Copies – Printed Fee
Repossessed Vehicle (GC 41612)	\$15 Fee set by California Government Code 41612

<b>State Mandated Costs Cont.</b>	
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
Live scan Fingerprint Fees (PC 13300(e))	\$ 35 per request
<b>Cost Recovery:</b>	
DUI Emergency Response (MBMC 3.40.030)	Per Government Code Section 53155, charge the actual costs incurred up to \$12,000 per response for all responding personnel.
False Alarm Response (after 3 <sup>rd</sup> false alarm in a year) (MBMC 9.22.020)	No Charge – 1 <sup>st</sup> and 2 <sup>nd</sup> response within a year \$380 – 3 <sup>rd</sup> and subsequent response within a year.

<b>FIRE</b>	
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
<b>Permits:</b>	
Permit Inspection Fees:	
Any single permit identified in Title 24 CFC and not specifically addressed in the Master Fee Schedule	\$282 per permit
Any combination of permits shall not exceed	\$1,179
Special Occurrence or Use Permit (equipment & personnel charges additional)	\$150
<b>Equipment &amp; Personnel Charges:</b>	
Engine or Truck: per hour, per vehicle (personnel charges additional)	\$132
Squad/Rescue: per hour, per vehicle (personnel charges additional)	\$96
Utility/Command Vehicle: per hour, per vehicle (personnel charges additional)	\$46
Personnel charges	Per hour, per person – 2 hour minimum, unless otherwise specified, at current productive hourly rate

<b>Plan Review Fees:</b>		
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>	<b>Proposed Fee Effective 7/1/21 (Plus CPI)</b>
Fire Plan Concept Review	Fully allocated hourly rate with no charge for first 15 minutes.	
Plan Review	1.1% of total valuation plus use of outside consultant for Plan Review & Inspection based on actual cost	
Additional Plan Review required by changes, additions or revisions to approved plans	Personnel charges, as specified in Equipment & Personnel Charges, on an hourly basis, plus actual cost of outside consultant for Plan Review	
<b>Fire Protection:</b>		
System & Equipment Fees:		
Fire Sprinkler System Installation Inspection - (above ground):		
Residential	\$ 190	
Commercial	\$285+ \$ 15 per head	
Commercial projects or tenant improvements under 1,000 sq. ft.	\$ 190 + \$ 15 per head	
Use of Outside Consultants for Plan Review & and/or Inspection	\$195 + actual cost	
Request for Building Fire Flow Calculations	\$205	\$385
Request for Hydrant Flow Information	\$195	
Fire & Safety Inspection Program	\$40 – B2 Business Inspection (4 yr Self Inspection Program) \$140 – NonB2 Business Inspection (Annual Inspection) Fees collected through Business Licensing.	
Request for Hydrant Flow Test	\$75 fee plus personnel & equipment as specified in Personnel and Equipment Charges, 1 hr min	
<b>Engine company business inspection:</b>		
1st and 2nd inspections	No charge	
3rd and subsequent inspections	\$348	

<b>Fire Prevention Cont:</b>	
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
<b>New and annual business/facility inspection fees:</b>	
Administrative citation for failure to correct a violation shall be charged per 1.03.050 of the Municipal Code	1 <sup>st</sup> Citation \$ 102
Administrative citation for second violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$205
Administrative citation for third and each additional violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$513
<b>Annual weed and hazard abatement inspection fees:</b>	
1st inspection for compliance	No charge
2nd and subsequent inspections	\$195
Administrative citation for failure to correct a violation shall be charged per 1.03.050 of the Municipal Code	\$150
Administrative citation for second violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$299
Administrative citation for third and each additional violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$599

<b>Incident Response Fees:</b>	
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
Negligent Incidents	<p>Response due to negligent/malicious act (e.g., DUI traffic accident, climber on Morro Rock, incendiary fire, negligent hazardous material incident, negligent confined space incident, etc.)</p> <p>Two hour minimum to be charged as specified by Personnel &amp; Equipment Charges plus any material costs and contract services used.</p>
Excessive or Malicious False Alarms	<p>Emergency response due to "Failure to Notify" when working on or testing fire/alarm system</p> <p>0.5 hours minimum to be charged as specified by Personnel &amp; Equipment Charges.</p>
Alarm system malfunction resulting in 2 in 30 days or 3 in 12 months	Charged as specified by Personnel & Equipment Charges plus any material costs
<b>Other Fire Services:</b>	
Fire response report, per report	\$128
Additional copies, per page	See General Fees for copy charges
Cause & Origin investigation reports, per report	\$369

<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
Non-renewal of required annual permit	Charge double permit fee rate
Failure to obtain permit	Charge double permit fee rate
Missed site inspection appointment	\$195
Failure to meet permit requirements/requiring re-inspection	\$195
<b>Permits - California Fire Code:</b>	
See operational and construction permits identified in the California Fire Code, Section 105	
<b>Plan Review Fees:</b>	
Plan Review Fees	Total valuation to recover the cost of providing service
Use of outside consultant for Plan Review and/or Inspection	\$75 plus actual cost of consultant
All Plan Review Fees shown are minimum amounts, based on average processing. Large or complex projects may be subject to increased fees based upon time, costs, or equipment costs as shown per Equipment & Personnel Charges.	

## HARBOR DEPARTMENT

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

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

### VESSEL FEES

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

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

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

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

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

FEE NAME	Adopted Fee Effective 7/1/20 *Effective 10/1/20
Commercial Fishing Slips – monthly rate per foot	\$7.10*
Commercial Fishing Slip Waiting List Deposit	\$435
Head Float Berth – monthly rate	\$256.25
Transient Slips – monthly sublease rate per foot	\$ 11 Commercial; \$14 Recreational
Transient Slips – daily rate per foot	\$ 1 Commercial; \$1.50 Recreational
T-Piers – daily rate per foot	\$0.35*
Floating Dock	\$0.45
A1-5 Anchorage Area – first 5 days	\$0.00
A1-5 Anchorage Area – daily rate/foot over 5 days	\$0.40

<b>Vessel Fees (continued)</b>	
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
Temporary Moorage – large vessels or equipment requiring special accommodation or assistance – daily rate	\$187
Impound Fee	\$218
Impounded Vessels – daily storage rate per foot	\$2.31
<b>MOORING FEES</b>	
<b>1. Guest Mooring stay limited to 30 days in any 6-month period without prior approval of the Harbor Department.</b>	
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
City Moorings – monthly rate	\$282
Private Moorings – monthly rate	\$96
Guest Moorings – daily rate per foot	\$0.46
Mooring Ownership Transfer – private moorings	\$1,290

**SERVICE FEES**

**1. South T-Pier Hoist may only be used for fish unloading only in certain cases; see Harbor Department Rules and Regulations.**

**2. Dry Storage fee is for use of each approximate 10-foot by 30-foot space; may be pro-rated.**

**3. Triangle Lot Boat Storage fee is for use of each approximate 12-foot by 30-foot space; minimum monthly increments.**

<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
T-Pier Electrical Convenience Fee – daily rate	\$3.08
South T-Pier Hoist – rate per use	\$16.50
South T-Pier Hoist Fish Unloading – per hour	\$86.20
Wharfage – rate per ton	\$1.13
Loaned Electric Cord or Adaptor Replacement	\$188
Dry Storage – monthly rate	\$102
Triangle Lot Trailer/Boat Storage – monthly rate	\$102

**LIVEABOARD FEES**

**1. Liveaboard permits are valid for 2 fiscal years. Any Liveaboard application, submitted during the period January 1 through June 30, is valid only for that fiscal year and the following fiscal year. Any Liveaboard application, submitted July 1 through December 31, will only be valid for the remainder of that fiscal year and the following fiscal year.**

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

<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20 *Effective 10/1/20</b>
Liveaboard Permit Administration - Monthly	\$44.80*
Liveaboard Permit Inspection – biennial (if done by Harbor Patrol)	\$150

**EQUIPMENT & PERSONNEL CHARGES**

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

**2. Personnel and vessels/vehicles charged on an hourly basis with a 1-hour minimum.**

<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
Patrol Officer – per hour	\$154
Patrol Supervisor – per hour	\$179
Lifeguard	\$28

### LAUNCH RAMP PARKING FEES

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

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

<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
Daily (or any part thereof)	\$6
Annual Permit	\$159
Failure to Pay Established Fee	\$50
Failure to Visibly Display Receipt	\$50

<b>LEASE ADMINISTRATION FEES</b>	
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>
New Master Lease Negotiation & City Council Approval	\$ 2,870
Other Actions Requiring City Council Approval (lease amendment, lease assignment & assumption, deed of trust approval, lease line adjustment, license agreement approval, building lease approval)	\$1,435
Sublease Approval	\$ 410

**RECREATION**

**FACILITY RENTALS:**

**COMMUNITY CENTER**

FEE NAME	Adopted Fee Effective 7/1/20	
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Auditorium – Per Hour	\$92	\$ 138
Auditorium, one-half – Per Hour	\$56	\$82
Multi-Purpose Room – Per Hour	\$51	\$77
Lounge – Per Hour	\$41	\$61
Studio – Per Hour	\$31	\$46
Conference Room – Per Hour	\$15	\$26
Kitchen – Per Hour Note: Kitchen only rentals permitted Monday – Friday; weekend rentals must be combined with room rental.	\$26	\$31
Kitchen – 8 Hours	\$128	\$154

<b>VETERAN'S MEMORIAL BUILDING</b>		
<b>FEE NAME</b>	<b>Adopted Fee Effective 7/1/20</b>	
	<b>Resident/Non-Profit Groups</b>	<b>Non-Resident/For-Profit Groups</b>
Assembly, w/o kitchen – Per Hour	\$41	\$54
Complete, w/o kitchen – Per Hour	\$46	\$61
Meeting, w/o kitchen – Per Hour	\$34	\$45
Kitchen & barbeque – Per Hour Note: Kitchen only rentals permitted Monday – Friday; weekend rentals must be combined with room rental.	\$25	\$31
Kitchen – 8 hours	\$128	\$154

**RECREATION FACILITY RENTALS (CONTINUED)**

**TEEN CENTER**

	<b>Resident/Non-Profit Groups</b>	<b>Non-Resident/For-Profit Groups</b>
Per hour – up to 50 participants, includes one staff	\$77	\$102
Per hour - over 50 participants, includes two staff	\$102	\$128
Processing Fee: \$10, non-refundable	\$10 – Park Reservations \$26 – Facility/ Field/Court Rental \$36 Bounce House \$36 – Alcohol/Security	
Public Special Event/Festival Processing Fee (all public space rentals):	\$354 per event, non-refundable	
Security Deposit: \$150, no alcohol or live music \$500, alcohol and/or live music \$750, alcohol and/or live music over 200 people The City reserves the right to require additional security deposit limits at its discretion.	Facility Impact fee, non-refundable, per event based on group size: 100-200 participants: \$169 201 or more participants: \$348	
Event set-up: \$51 per hour Event breakdown: \$51 per hour Veteran’s Memorial Building stage use, set-up and breakdown: \$102 flat rate	Facility Attendant(s): \$20 per hour each Security Guard(s): \$32 per hour each (Required for events with alcohol and/or dancing) Unscheduled overtime: \$77 per hour	
Insurance: cost based on event size/type	Cancellations: 20% charge of invoiced costs	

<b>HOURLY and PARK USE FEES (continued)</b>		
	<b>Resident/Non-Profit Groups</b>	<b>Non-Resident/For-Profit Groups</b>
Anchor Memorial Park Open Area Bayshore Bluffs Open Area Centennial Parkway Open Area City Park Open Area Cloisters Park Open Area General Open Area Monte Young Open Area Tidelands Park Open Area Coleman Park Coleman Basketball Courts Del Mar Park Hillside or Meadow Del Mar Park Basketball Courts Del Mar Pickleball Courts Del Mar Tennis Courts Lila Keiser Park BBQ (Excluding Tournament Use) Monte Young Tennis Courts North Point Overlook	\$82/4 Hours \$246/day per area	\$102/4 Hours \$307/day per area
Lila Keiser Park Tournament Use (does not include field prep, or hourly use rates)	\$546	\$1,093
Public Special Event/Festival	\$546	\$1,093
Morro Beach Private Reception/Event – up to 100 people	\$205	\$307
Morro Beach Private Reception/Event – beyond 100 people	\$307	\$461
Morro Rock Parking Lot – Available only for public special events (non-exclusive use)	\$307	\$461

<b>HOURLY and PARK USE FEES (continued)</b>		
	<b>Resident/Non-Profit Groups</b>	<b>Non-Resident/For-Profit Groups</b>
Giant Chessboard – Wooden Pieces	\$44	\$88
Giant Chessboard – Plastic Pieces	\$12	\$18
Basketball Courts, Pickleball Court & Tennis Court Hourly	\$8	\$10
Lila Keiser hourly field rental w/o lights	\$8	\$10
Lila Keiser hourly field rental w/ lights	\$20	\$31
Lila Keiser field preparation	\$31	\$41
City Park Banner Placement	\$ 128/wk	\$ 179/wk
<b>ADDITIONAL FEES</b>		
Security Deposit: \$50, Bounce House \$150, no alcohol or live music \$500, alcohol and/or live music \$500 Organized Sporting Event (tournaments) \$500 Public Special Event/Festival The City reserves the right to require additional security deposit limits at its discretion	Lila Keiser Support Services: \$28 per hour Insurance: cost based on event size/type Cancellations: 20% of invoiced costs	

<b>MISCELLANEOUS PROPERTY USE</b>		
	<b>Resident/Non-Profit Groups</b>	<b>Non-Resident/For-Profit Groups</b>
Recreation equipment rental, per bag Includes one: Horseshoes, Badminton, Volleyball, Bocce Ball	\$12	\$18
Skate Park - Per Hour (2 hour minimum)	\$ 76	\$ 102
Photography/Filming – Per Day	\$546	\$1,092
<b>ADDITIONAL FEES</b>		
Equipment Rental Deposit: \$50 Photography/Filming Deposit: \$1,025		

## MORRO BAY TRANSIT AND TROLLEY

### Morro Bay Transit - Fixed Route

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

### Morro Bay Transit - Call-a-Ride:

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

### Morro Bay Trolley Fares (Ages 12 and up):

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

### Morro Bay Trolley Advertising:

Exterior Side of Trolley (approx. 36"x20") - with supplied sign	\$411
Exterior Side of Trolley (approx. 36"x20") - MB Community Foundation supplied sign	\$480
Exterior Rear of Trolley (approx. 24"x20") - with supplied sign	\$374
Exterior Rear of Trolley (approx. 24"x20") - MB Community Foundation supplied sign	\$411
Interior (approx. 26"x12") - with supplied sign	\$176
Interior (approx. 26"x12") - MB Community Foundation supplied sign	\$213

**Morro Bay Trolley Rental Rates:**

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

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

Transportation of passengers to and from one location to another or continuous loop with multiple stops; plus cost of fuel	\$117
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One day, outside City limits, per hour (3 hour minimum)

Transportation of passengers to and from one location to another or continuous loop with multiple stops; plus cost of fuel	\$117
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AGENDA NO: C-1

MEETING DATE: June 23, 2020

# Staff Report

**TO:** Honorable Mayor and City Council

**DATE:** June 17, 2020

**FROM:** Jennifer Callaway, Finance Director

**SUBJECT:** Adopt Resolution No. 61-20 Approving the Fiscal Year 2020/21 Operating and Capital Budgets and Resolution No. 62-20 Adopting the City’s Salary Schedule and Resolution No. 63-20 Amending Compensation and Benefits for the Unrepresented Management Designated Employees to add the City Engineer Job Classification

## **RECOMMENDATION**

Staff Recommends the City Council

1. Adopt Resolution No. 61-20, authorizing the Fiscal Year (FY) 2020/21 Operating and Capital Budgets, including any amendments approved by the City Council, prior to the adoption of that Resolution; and
2. Adopt Resolution No. 62-20 approving the City’s Salary Schedules for FY 2020/21; and
3. Adopt Resolution No. 63-20 amending the Compensation and Benefits Resolution for Unrepresented Management Designated Employees to add the City Engineer job classification.
4. Discuss and consider providing direction to staff on options from Roundtable Group of community members, including: a) RV camping; b) paid parking; c) sale/lease of surplus City property; and, d) a variety of other options to address the City’s budget challenges

## **FISCAL IMPACT**

The fiscal impact is presented in the summary form in the Financial Summaries chapter of the Proposed Operating and Capital Budgets for FY 2020/21 (page B-1). The FY 2020/21 budget is a balanced budget with total City Expenditures totaling \$96.5 million (inclusive of capital projects and transfers), notably due to the planned progression of the Water Reclamation Facility project.

## **BACKGROUND/DISCUSSION**

The City Council conducted a budget study session on June 3, 2020. During this discussion, staff provided an update on the ten-year financial forecast, rock solid together financial and economic recovery plan, and the FY 2020/21 proposed budget, being a fluid budget document that will be reviewed and updated regularly as the City continues to move through the reopening process.

Since presentation of the draft proposed FY 2020/21 budget, the City has made minor edits and changes, reflected in the draft budget for consideration in Attachment 1. In addition, as staff continues to evaluate priorities and workload, especially in light of the staffing reductions, the proposed budget for consideration includes the conversion of the City Engineer position from a

Prepared By:   JC  

Dept Review: \_\_\_\_\_

City Manager Review:   SC  

City Attorney Review:   CFN

temporary position to a permanent position. With the defunding of one Assistant Civil Engineer position due to the COVID-19 pandemic, and in assessing departmental capacity and need, staff feels it is critical to retain the City Engineer position going forward. Staff also recommends that Council adopt Resolution No. 63-20, adding the classification of City Engineer to the management employee group. The City Engineer position is currently a contract position, which staff recommends be converted to a permanent position in the management classification. Resolution No. 63-20 rescinds and replaces Resolution No. 33-17 and reflects current classifications, salaries and benefits for the City's unrepresented management personnel.

It should be noted that the Public Works Director Position is not funded in the proposed budget. An organizational assessment of the Department and its structure is currently underway and it is anticipated that recommendations from that assessment will be brought forward to Council at the end of the calendar year, with any funding augmentations needed to coincide with the mid-year budget review, pending availability of funds at that time.

In addition, the proposed budget for Recreation includes placeholder numbers. As we move further into reopening, staff will continue to assess the ability to provide programs. Staff recommends that as programs are reinstated, they move towards a cost recovery model to help sustain the Recreation Division during these uncertain times. Consistent with all components of the FY20/21 budget, this will be a fluid process and brought forward to Council for periodic review and discussion.

The City is working within the budget to achieve City Council Goals , which include the following:

1. Achieve Fiscal and Economic Sustainability
2. Improve Communication and Engagement
3. Update Land Use Plans and Address Affordable Housing Issues
4. Improve Public Infrastructure

## Community Priorities

Last year, the City conducted a community survey to solicit feedback from residents on their City service needs and priorities. 81% of respondents said they preferred maintaining Morro Bay's locally controlled Police and Fire Departments over contracting these services to outside agencies. Over the last several months, the City has expanded this conversation through **Join the Conversation** – a community survey to engage our residents and local businesses around their own local recovery and relief needs and priorities. To date, we have received over 600 responses with maintaining our local Police and Fire Departments and maintaining healthy, safe and clean public areas at the top of the list of community priorities.

The pandemic clearly demonstrates the need to be prepared for any medical crisis. Nearly 70% of calls to the Morro Bay Fire Department are related to emergency rescue and medical emergencies. As public safety is a significant part of the budget, the City seeks to prevent significant reduction to service from our local Morro Bay Fire and Police Departments so that local firefighter-paramedics, police officers and harbor patrol can continue to respond to local life-threatening emergencies.

Other priorities also identified by residents included:

- ✓ Maintaining 24/7 911 emergency response
  - Maintaining 24/7 paramedic services
  - Maintaining 24/7 police services
  - Maintaining 24/7 fire protection services
- ✓ Keeping beaches, public areas and public restrooms healthy, safe and clean

- ✓ Protecting the financial stability of the City, its residents and businesses
- ✓ Requiring public disclosure of all spending
- ✓ Keeping the harbor and waterfront clean and safe
- ✓ Preparing for any future medical or catastrophic emergency

The health and well-being of our residents remains our utmost concern and residents can rest assured, the City is taking all necessary action to maintain providing essential City services and provide resources to our most vulnerable residents. Furthermore, the City must continue to ensure that we are prepared for any future medical or catastrophic emergency including preparing our local Police and Fire Departments by preventing service reductions, updating emergency communication systems and maintaining rapid 911 emergency response capacity.

As it is clear the City will not be receiving help from the State or Federal governments, Morro Bay must be able to be self-reliant on the path to recovery and self-sufficient in the face of any future health or catastrophic emergency. An additional source of locally controlled revenue is needed to maintain and provide the relief priorities and services that Morro Bay residents and businesses are relying on for our own local recovery.

### **City Manager’s Round Table – Sales Tax and Other Budget Measures**

In addition to the community outreach efforts – “Join the Conversation! Working together towards recovery,” the City Manager formed a Roundtable Group (Group) of community members to provide valuable feedback and recommendations to the City Manager on both short-term and long-term revenue opportunities and expenditure reductions or cost control measures. The Group consisted of seven Morro Bay community members, all of whom have experience managing organizations/businesses and budgets and represent various perspectives about the City and community priorities. The Group met three times, where they reviewed the City’s existing efforts to address the budget deficit, results from the 2019 Community survey, and considered additional measures.

The Group submitted a report to the City Manager with recommendations for short-term revenue enhancements, expense reductions and long-term revenue enhancements (Attachment No 5). In addition to supporting the City’s budget reduction efforts already in place, the Group recommends that City Council consider additional sources of locally controlled recovery and relief funding to address the impacts of COVID-19 and existing budget deficits. An additional source of locally controlled funding could help preserve core City services that the community have identified as top priorities, including public safety. The Group further recommends consideration of RV camping, paid parking, sale/lease of surplus City property, and a variety of other options to address the City’s budget challenges. All of these items were discussed at our June 3, 2020 budget study session and staff is moving forward with each item, as per Council direction.

### **Sale or Lease of Property**

As previously discussed, the City of Morro Bay currently owns approximately 215 acres of real property in 72 parcels. Included in the 72 parcels are six parcels outside the City’s corporate boundary. This does not include any of the City’s Rights of Way or easements. Rights of Way and easements are only for the public use as long as they are needed for that purpose. Except in the case of fee owned Rights of Way, should the public’s rights be abandoned or vacated, they revert back to the underlying property owner

Listed below are parcels identified that have potential for sale/lease. Staff asks for specific direction from Council, by means of a motion, as to which parcels the City Council is interested in pursuing

potential options for sale and direct staff to obtain a market analysis to assess either sale or lease value.

- Bike Park at Little Morro Creek Road
- 460 Bonita Street (Fire Station)
- Teen Center – Atascadero Rd
- Parking Lot – Next to Lemos (being sold to the Water/Sewer Funds for the WRF project)
- Market Ave (Parking Lots, Residential Rental, Maintenance Shop)
- 555 Harbor Street (site of the City Hall Annex Building)
- 570 Dunes Street (Residential Rental)
- 985 Shasta (Vacant Residential/Temporary Park – proposed site for bocce ball and greenhouse)
- 955 Shasta (Public Works and Community Development Building)
- Parcel located on the corner of Downey and Bolton
- Well Sites (Owned by Enterprise Fund)

### **CONCLUSION**

Pending further Council discussion, staff is recommending adoption of Resolution No. 61-20, which authorizes the Fiscal Year 2020/21 Operating and Capital Budgets. Any amendments made during the Council meeting will be incorporated into the final budget document.

### **ATTACHMENTS:**

1. [Proposed FY 2020/21 Operating and Capital Budgets](#)
2. Resolution No. 61-20 Adopting the Fiscal Year 2020/21 Operating and Capital Budgets.
  - a. Proposed FY 2020/21 City of Morro Bay Operating and Capital Budgets.
3. Resolution No. 62-20 Adopting the City's Salary Schedule.
  - b. City's Salary Schedule
4. Resolution No. 63-20 Establishing Compensation and Benefits for Unrepresented Management Employees
5. Roundtable Group Report

**RESOLUTION NO. 61-20**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA,  
ADOPTING THE FY 2020/21 FISCAL YEAR OPERATING AND CAPITAL BUDGETS**

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

**WHEREAS**, the City of Morro Bay is required to appropriate and expend funds, to conduct the day-to-day business activity of the City; and

**WHEREAS**, the Morro Bay City Council finds and determines those appropriations and expenditures are necessary for continued efficiency, economy, and effectiveness of the City government operations; and

**WHEREAS**, the City Council recognizes Capital Improvement Projects, authorized and approved in the current and prior fiscal years, may not be completed by June 23, 2020; and

**WHEREAS**, the continuing efforts of staff to operate the business of the City, within an approved budget, and to create savings, wherever feasible, are acknowledged by the City Council.

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

1. The Fiscal Year 2020/21 Operating and Capital Budgets, including any amendments made during the City Council meeting dated June 23, 2020, are adopted and incorporated herein by reference; and
2. Staff is directed to prepare and publish a final budget document, with approved amendments; and
3. Subject to paragraph 4, below, the City Manager is authorized to transfer appropriations within the adopted budget, including from and to capital projects or capital outlay items, so long as those changes do not significantly and negatively prevent implementation of any City Council direction or policy, and total appropriations are not exceeded; and
4. City Council approval is required to transfer appropriations between funds and may approve amendments to adopted budget by adoption of one or more resolutions; and
5. City Council authorizes and directs the transfer of balances for capital projects, approved in the current and prior fiscal years, but not completed by June 30, 2020, to the Capital Improvement Project Fund(s) for the FY 2020/21 fiscal year; and
6. City Council approval is required for any proposed increase to the number of CalPERS benefited, budgeted positions, hired; and
7. In the FY 09/10, the City Council deferred Management Employees' 3% COLA. The Management Employees thank the City Council for returning ½% of that deferral in FY 2013/14. In FY 2014/15, the Management Employees agreed to waive 1 ½% of the deferral, retaining 1% for future City Council consideration. For FY 2020/21, the City Manager, Department Directors, Management and Confidential Employees and members of the Morro Bay Police Officer's Association and SEIU employee group have agreed to salary concessions of up to 5% through December 31, 2020 at which time the need for concessions will be reevaluated; and
8. Per City Council minute order May 24, 2004, any expenditures, in excess of the assessments received for the Cloister Assessment District, will be subsidized by the General Fund, without additional request made to the City Council; and

9. The City Council is committed to supporting Tourism and Marketing efforts within the City, and will continue to do so with the FY 2020/21 budget, per Resolution No. 59-20 adopted by the City Council on the same date as this resolution.

**PASSED AND ADOPTED**, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 23<sup>rd</sup> day of June 2020, by the following vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
JOHN HEADDING, Mayor

ATTEST:

\_\_\_\_\_  
DANA SWANSON, City Clerk

**RESOLUTION NO. 62-20**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA,  
APPROVING THE FISCAL YEAR 2020-2021 SALARY SCHEDULE**

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

**WHEREAS**, the California Public Employees' Retirement System (CalPERS), has requested all CalPERS employers list their compensation levels on one document, approved and adopted by the governing body, in accordance with 2 California Code of Regulations (CCR), section 570.5, and meeting all of the following requirements thereof:

1. Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
2. Identifies the position title for every employee position;
3. Shows the pay rate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
4. Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
5. Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
6. Indicates an effective date and date of any revisions;
7. Is retained by the employer and available for public inspection for not less than five years; and
8. Does not reference another document in lieu of disclosing the pay rate; and

**WHEREAS**, the formal approval of the pay schedules requires that they are duly approved and adopted by the City Council, and the 2 CCR 570.5 regulation requires the adoption of the Salary Schedule for Fiscal Year 2020-21, attached as Exhibit A and incorporated herein by reference.

**NOW, THEREFORE, BE IT RESOLVED** the City Council of the City of Morro Bay does hereby approve the Salary Schedules attached hereto as Exhibit A.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 23rd day of June, 2020, by the following vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
JOHN HEADDING, Mayor

ATTEST:

\_\_\_\_\_  
DANA SWANSON, City Clerk

**CITY OF MORRO BAY  
 COMBINED SALARY SCHEDULE  
 FISCAL YEAR 2020-21: 7/1/20 - 12/31/20**

TITLE	GROUP	STEP 1 Annual	STEP 2 Annual	STEP 3 Annual	STEP 4 Annual	STEP 5 Annual	STEP 6 Annual
ACCOUNT CLERK IN-TRAINING	S	30,837	32,460	34,084	35,788	37,577	
ACCOUNT CLERK I	S	37,281	39,243	41,206	43,266	45,429	
CONSOLIDATED MAINTENANCE WRK I	S	37,281	39,243	41,206	43,266	45,429	
OFFICE ASST. III	S	37,281	39,243	41,206	43,266	45,429	
OFFICE ASST. IV	S	40,307	42,428	44,550	46,777	49,116	
ACCOUNT CLERK II	S	41,875	44,079	46,283	48,598	51,029	
CONSOLIDATED MAINTENANCE WRK II	S	41,875	44,079	46,283	48,598	51,029	
PERMIT TECHNICIAN	S	42,886	45,143	47,400	49,770	52,258	
ACCOUNT CLERK III	S	44,850	47,210	49,570	52,049	54,651	
CONSOLIDATED MAINTENANCE WRK III	S	44,850	47,210	49,570	52,049	54,651	
ADMINISTRATIVE TECHNICIAN	S	45,642	48,044	50,446	52,969	55,617	
PERMIT TECHNICIAN - CERTIFIED	S	45,642	48,044	50,446	52,969	55,617	
SUPPORT SERVICES TECHNICIAN	S	45,642	48,044	50,446	52,969	55,617	
PROPERTY EVIDENCE CLERK	S	45,642	48,044	50,446	52,969	55,617	
MECHANIC	S	47,102	49,581	52,060	54,663	57,396	
RECREATION COORDINATOR	S	47,102	49,581	52,060	54,663	57,396	
HUMAN RESOURCES ANALYST I	C	51,956	54,553	57,281	60,145	63,152	
SUPPORT SERVICES COORDINATOR	C	51,956	54,553	57,281	60,145	63,152	
HARBOR PATROL OFFICER	S	52,038	54,777	57,516	60,392	63,412	
ENGINEERING TECHNICIAN III	S	53,350	56,158	58,966	61,914	65,010	
RECREATION SUPERVISOR	S	53,350	56,158	58,966	61,914	65,010	
UTILITY OPERATOR	S	53,433	56,245	59,057	62,010	65,110	
ASSISTANT PLANNER	S	53,683	56,508	59,334	62,300	65,415	
BUILDING INSPECTOR	S	55,827	58,765	61,704	64,789	68,028	
EXECUTIVE ASSISTANT/DEPUTY CLERK	C	55,827	58,765	61,704	64,789	68,028	
FIREFIGHTER	F	59,065	62,018	65,119	68,375	71,794	

UTILITY OPERATOR MC (MULTIPLE CERT)	S	57,173	60,182	63,191	66,351	69,668	
SENIOR ACCOUNTING TECHNICIAN	C	58,033	61,087	64,142	67,346	70,716	
POLICE SUPPORT SERVICES MANAGER	M	58,033	61,087	64,142	67,349	70,716	
HARBOR BUSINESS COORD	S	58,111	61,169	64,228	67,439	70,811	
POLICE OFFICER	P	61,894	65,152	68,410	71,830	75,422	79,193
HARBOR PATROL SUPERVISOR	S	61,297	64,523	67,749	71,136	74,693	
FIRE ENGINEER	F	64,573	67,802	71,192	74,751	78,489	
ENGINEERING TECHNICIAN IV	S	62,477	65,765	69,053	72,506	76,131	
ASSISTANT ENGINEER	S	62,477	65,765	69,053	72,506	76,131	
ASSOCIATE PLANNER	S	62,477	65,765	69,053	72,506	76,131	
BUILDING INSPECTOR/PLANS EXAMINER	S	62,477	65,765	69,053	72,506	76,131	
CONSOLIDATED MAINT FIELD SUPV	S	62,477	65,765	69,053	72,506	76,131	
HUMAN RESOURCES ANALYST II	C	62,477	65,765	69,053	72,506	76,131	
LEAD UTILITY OPERATOR	S	63,726	67,080	70,434	73,955	77,653	
MANAGEMENT ANALYST	M	63,795	67,153	70,510	74,036	77,738	
POLICE DETECTIVE	P	64,989	68,410	71,831	75,422	79,194	83,153
POLICE SCHOOL RESOURCE OFFICER	P	64,989	68,410	71,831	75,422	79,194	83,153
POLICE SENIOR OFFICER	P	64,989	68,410	71,831	75,422	79,194	83,153
FIRE CAPTAIN	F	74,227	77,938	81,835	85,927	90,223	
ASSOCIATE CIVIL ENGINEER	S	71,848	75,629	79,411	83,381	87,550	
WASTEWATER SYSTEMS SUPV	S	71,848	75,629	79,411	83,381	87,550	
BUDGET/ACCOUNTING MANAGER	M	74,605	78,532	82,458	86,581	90,910	
CONSOLIDATED MAINTENANCE SUPT	M	74,605	78,532	82,458	86,581	90,910	
ENVIRONMENTAL PROGRAMS MANAGER	M	74,605	78,532	82,458	86,581	90,910	
INFORMATION SYSTEMS TECHNICIAN	M	74,605	78,532	82,458	86,581	90,910	
RECREATION SERVICES MANAGER	M	74,605	78,532	82,458	86,581	90,910	
SENIOR PLANNER	M	74,605	78,532	82,458	86,581	90,910	
TOURISM MANAGER	M	74,605	78,532	82,458	86,581	90,910	
POLICE SERGEANT	P	77,188	81,251	85,314	89,580	94,059	98,762
PLANNING MANAGER	M	82,068	86,171	90,480	95,004	99,754	
SENIOR CIVIL ENGINEER	M	82,068	86,171	90,480	95,004	99,754	
FIRE MARSHAL	F	88,114	92,520	97,146	102,003	107,103	
CITY CLERK/HR MANAGER	M	95,573	100,603	105,633	110,914	116,460	

CITY ENGINEER	M	96,718	101,808	106,898	112,243	117,856	
COMMUNITY DEVELOPMENT MANAGER	M	96,718	101,808	106,898	112,243	117,856	
UTILITY DIVISION MANAGER	M	96,718	101,808	106,898	112,243	117,856	
POLICE COMMANDER	M	108,585	114,300	120,015	126,015	132,316	
DEPUTY CITY MANAGER	E	114,802	120,542	126,569	132,898	139,543	
COMMUNITY DEVELOPMENT DIRECTOR	E	114,802	120,542	126,569	132,898	139,543	
FINANCE DIRECTOR	E	114,802	120,542	126,569	132,898	139,543	
PUBLIC WORKS DIRECTOR	E	119,084	125,038	131,290	137,854	144,747	
HARBOR DIRECTOR	E	121,305	127,370	133,738	140,425	147,447	sworn
FIRE CHIEF	E	125,260	131,523	138,100	145,005	152,255	sworn
POLICE CHIEF	E	121,305	127,370	133,738	140,425	147,447	sworn
CITY MANAGER	E	170,976	175,250	179,631	184,122	188,725	

**CITY OF MORRO BAY  
COMBINED SALARY SCHEDULE  
FISCAL YEAR 2020-21: 1/1/21-06/30/21**

TITLE	GROUP	STEP 1 Annual	STEP 2 Annual	STEP 3 Annual	STEP 4 Annual	STEP 5 Annual	STEP 6 Annual
ACCOUNT CLERK IN-TRAINING	S	32,460	34,083	35,787	37,577	39,455	
ACCOUNT CLERK I	S	39,243	41,205	43,265	45,429	47,700	
CONSOLIDATED MAINTENANCE WRK I	S	39,243	41,205	43,265	45,429	47,700	
OFFICE ASST. III	S	39,243	41,205	43,265	45,429	47,700	
OFFICE ASST. IV	S	42,428	44,549	46,777	49,116	51,571	
ACCOUNT CLERK II	S	44,079	46,283	48,597	51,027	53,578	
CONSOLIDATED MAINTENANCE WRK II	S	44,079	46,283	48,597	51,027	53,578	
PERMIT TECHNICIAN	S	45,143	47,400	49,770	52,259	54,872	
ACCOUNT CLERK III	S	47,210	49,571	52,049	54,651	57,384	
CONSOLIDATED MAINTENANCE WRK III	S	47,210	49,571	52,049	54,651	57,384	
ADMINISTRATIVE TECHNICIAN	S	48,044	50,446	52,969	55,617	58,398	
PERMIT TECHNICIAN - CERTIFIED	S	48,044	50,446	52,969	55,617	58,398	
SUPPORT SERVICES TECHNICIAN	S	48,044	50,446	52,969	55,617	58,398	
PROPERTY EVIDENCE CLERK	S	48,044	50,446	52,969	55,617	58,398	
MECHANIC	S	49,581	52,060	54,663	57,396	60,266	
RECREATION COORDINATOR	S	49,581	52,060	54,663	57,396	60,266	
HUMAN RESOURCES ANALYST I	C	54,690	57,425	60,296	63,311	66,476	
SUPPORT SERVICES COORDINATOR	C	54,690	57,425	60,296	63,311	66,476	
HARBOR PATROL OFFICER	S	54,777	57,516	60,392	63,411	66,582	
ENGINEERING TECHNICIAN III	S	56,158	58,966	61,914	65,010	68,260	
RECREATION SUPERVISOR	S	56,158	58,966	61,914	65,010	68,260	
UTILITY OPERATOR	S	56,245	59,057	62,010	65,111	68,366	
ASSISTANT PLANNER	S	56,508	59,333	62,300	65,415	68,686	
BUILDING INSPECTOR	S	58,765	61,703	64,788	68,028	71,429	
EXECUTIVE ASSISTANT/DEPUTY CLERK	C	58,765	61,703	64,788	68,028	71,429	
FIREFIGHTER	F	59,065	62,018	65,119	68,375	71,794	

UTILITY OPERATOR MC (MULTIPLE CERT)	S	60,182	63,191	66,351	69,668	73,152	
SENIOR ACCOUNTING TECHNICIAN	C	61,087	64,141	67,348	70,716	74,252	
POLICE SUPPORT SERVICES MANAGER	M	61,087	64,141	67,348	70,716	74,252	
HARBOR BUSINESS COORD	S	61,169	64,227	67,439	70,811	74,351	
POLICE OFFICER	P	65,152	68,410	71,830	75,422	79,193	83,152
HARBOR PATROL SUPERVISOR	S	64,523	67,749	71,137	74,693	78,428	
FIRE ENGINEER	F	64,573	67,802	71,192	74,751	78,489	
ENGINEERING TECHNICIAN IV	S	65,765	69,053	72,506	76,131	79,938	
ASSISTANT ENGINEER	S	65,765	69,053	72,506	76,131	79,938	
ASSOCIATE PLANNER	S	65,765	69,053	72,506	76,131	79,938	
BUILDING INSPECTOR/PLANS EXAMINER	S	65,765	69,053	72,506	76,131	79,938	
CONSOLIDATED MAINT FIELD SUPV	S	65,765	69,053	72,506	76,131	79,938	
HUMAN RESOURCES ANALYST II	C	65,765	69,053	72,506	76,131	79,938	
LEAD UTILITY OPERATOR	S	67,080	70,434	73,956	77,653	81,536	
MANAGEMENT ANALYST	M	67,153	70,511	74,036	77,738	81,625	
POLICE DETECTIVE	P	68,410	71,831	75,422	79,193	83,153	87,310
POLICE SCHOOL RESOURCE OFFICER	P	68,410	71,831	75,422	79,193	83,153	87,310
POLICE SENIOR OFFICER	P	68,410	71,831	75,422	79,193	83,153	87,310
FIRE CAPTAIN	F	74,227	77,938	81,835	85,927	90,223	
ASSOCIATE CIVIL ENGINEER	S	75,629	79,410	83,381	87,550	91,928	
WASTEWATER SYSTEMS SUPV	S	75,629	79,410	83,381	87,550	91,928	
BUDGET/ACCOUNTING MANAGER	M	78,532	82,459	86,582	90,911	95,456	
CONSOLIDATED MAINTENANCE SUPT	M	78,532	82,459	86,582	90,911	95,456	
ENVIRONMENTAL PROGRAMS MANAGER	M	78,532	82,459	86,582	90,911	95,456	
INFORMATION SYSTEMS TECHNICIAN	M	78,532	82,459	86,582	90,911	95,456	
RECREATION SERVICES MANAGER	M	78,532	82,459	86,582	90,911	95,456	
SENIOR PLANNER	M	78,532	82,459	86,582	90,911	95,456	
TOURISM MANAGER	M	78,532	82,459	86,582	90,911	95,456	
POLICE SERGEANT	P	81,251	85,314	89,579	94,058	98,761	103,699
PLANNING MANAGER	M	86,387	90,706	95,242	100,004	105,004	
SENIOR CIVIL ENGINEER	M	86,387	90,706	95,242	100,004	105,004	
FIRE MARSHAL	F	88,114	92,520	97,146	102,003	107,103	
CITY CLERK/HR MANAGER	M	100,603	105,633	110,915	116,461	122,284	

CITY ENGINEER	M	101,808	106,898	112,243	117,855	123,748	
COMMUNITY DEVELOPMENT MANAGER	M	101,808	106,898	112,243	117,855	123,748	
UTILITY DIVISION MANAGER	M	101,808	106,898	112,243	117,855	123,748	
POLICE COMMANDER	M	114,300	120,015	126,016	132,317	138,932	
DEPUTY CITY MANAGER	E	124,785	131,024	137,575	144,454	151,677	
COMMUNITY DEVELOPMENT DIRECTOR	E	124,785	131,024	137,575	144,454	151,677	
FINANCE DIRECTOR	E	124,785	131,024	137,575	144,454	151,677	
PUBLIC WORKS DIRECTOR	E	129,439	135,911	142,706	149,842	157,334	
HARBOR DIRECTOR	E	131,853	138,446	145,368	152,636	160,268	sworn
FIRE CHIEF	E	131,853	138,446	145,368	152,636	160,268	sworn
POLICE CHIEF	E	131,853	138,446	145,368	152,636	160,268	sworn
CITY MANAGER	E	174,465	178,827	183,297	187,880	192,577	

**RESOLUTION NO. 63-20**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA,  
ESTABLISHING COMPENSATION AND BENEFITS FOR THE  
UNREPRESENTED MANAGEMENT DESIGNATED EMPLOYEES  
OF THE CITY OF MORRO BAY AND RESCINDING RESOLUTION NO. 33-17**

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

**WHEREAS**, Section 36506 of the California Government Code requires the City Council to fix the compensation of all appointive officers and employees by resolution or ordinance; and

**WHEREAS**, Morro Bay Municipal Code Section 2.20.020 also provides the salaries and compensation of officers and employees of the City of Morro Bay ("City") shall be as fixed and determined by resolution of the City Council, except as specifically fixed in Chapter 2.20 of the Morro Bay Municipal Code; and

**WHEREAS**, the City has established a system of classification for all positions within the City service with descriptive occupational titles, used to identify and distinguish classifications and/or positions from one another, based on job duties, essential functions, knowledge, skills, abilities and minimum requirements; and

**WHEREAS**, the Meyers-Milias-Brown Act ("MMBA") (Government Code sections 3500 *et seq.*)<sup>1</sup> governs labor relations between local government employers and employees and Section 3507.5 thereof permits a public agency to adopt local rules and regulations providing for the designation of the "management" employees of the public agency and restricting such employees from representing any employee organization, which represents other employees of the public agency, on matters within the scope of representation; and

**WHEREAS**, the City's Employer-Employee Relations Resolution, Resolution No. 08-17, represents the City's adoption of local rules and regulations for the administration of employer-employee relations, including, but not limited to, the designation of "management" employees, summarized in brief from that resolution as generally defined as meaning those employees who are have significant responsibilities for formulating and administering City policies and programs and the authority to exercise independent judgment to hire, discipline, promote, discharge; assign, or transfer other employees or who have responsibility to use independent judgment to direct such employees, adjust their grievances, or recommend personnel action; and

**WHEREAS**, the City has designated such "management" employees as more fully identified and listed herein below; and

**WHEREAS**, the "management" employees identified and listed herein are "unrepresented," meaning that they are not part of any City Council determined appropriate bargaining unit nor represented by any recognized employee organization as defined by the City's Employer-Employee Relations Resolution and the MMBA; and

**WHEREAS**, on June 27, 2017, the City Council of the City adopted Resolution No. 33-17, establishing the compensation and benefits for the City's unrepresented management employees; and

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<sup>1</sup> Unless otherwise stated, references to Sections will be to the Government Code.

**WHEREAS**, on April 28, 2020 in response to COVID-19 pandemic, the City Council adopted Resolution No. 37-20 implementing a five percent (5%) base salary reduction effective May 2, 2020 through December 31, 2020; and

**WHEREAS**, on November 29, 2018, due to restructuring of the City Clerk's Office to include supervision of Risk Management and Human Resources, the City Council approved the new job description and the City Clerk was reclassified as City Clerk/Human Resources Manager on December 1, 2018; and

**WHEREAS**, effective March 21, 2020, the City's former Public Works Director was reclassified to the position of City Engineer, which was initially intended to be a temporary position, and the City Council approved an employment contract between the City and the City Engineer memorializing the terms and conditions of his employment as City Engineer for a minimum term of six months ("City Engineer Employment Agreement"). The City Council now desires to add the position of City Engineer to the list of management classifications included in this resolution, such that the position of City Engineer would no longer be temporary, the terms and conditions of the City Engineer's employment with the City would be consistent with other management classifications, and the compensation and benefits for the position of City Engineer would be as set forth in this resolution rather than the City Engineer Employment Agreement; and

**WHEREAS**, the City Council of the City desires, through this resolution, to rescind Resolution No. 33-17 and revise the City's resolution regarding the compensation and benefits for the City's unrepresented management employees to do the following: i) update the management classification salary scheduled attached as Attachment "A" to reflect the five percent (5%) base salary reduction effective through December 31, 2020; ii) update the classification list to include the revised "City Clerk/Human Resources Manager" job title; iii) update the classification list to add City Engineer; and iv) update the health, life, vision and dental insurance contributions to reflect the current amounts.

**NOW, THEREFORE, BE IT RESOLVED** the Morro Bay City Council does hereby adopt this Resolution, establishing compensation and benefits for the City of Morro Bay's unrepresented management employees and rescinding and replacing any prior compensation and benefits resolutions, contracts, agreements or memorandum for such employees, including, but not limited to Resolution No. 33-17:

A. CLASSIFICATION/POSITION LIST

The following are the authorized management positions:

1. Police Commander
2. Utility Division Manager
3. City Clerk/Human Resources Manager
4. Capital Projects Manager
5. City Engineer
6. Consolidated Maintenance Superintendent
7. Information Systems Technician
8. Environmental Programs Manager
9. Tourism Manager
10. Budget/Accounting Manager
11. Senior Planner
12. Recreation Services Manager
13. Management Analyst
14. Support Services Manager

B. NORMAL WORK HOURS

Management employees are expected to work during normal City business hours and may be required to work longer hours (more than an eight-hour day and more than five days per week), but are not subject to overtime compensation, as they are considered *exempt* employees, within the definition of FLSA. The occasional use of alternative work schedules can be implemented upon approval of the City Manager.

C. EXEMPT TIME OFF

As stated in B above, management employees are considered *exempt* employees. However, the City provides various leave banks for employees' use, with accrual and use record-keeping being required to properly maintain the leave banks.

Time off of less than two continuous hours in a day does not need to be recorded by exempt employees. Abuses of this exception, such as daily use or random periods within a day, will not be allowed; however, this exception is also not allowed to be combined with other leaves.

D. ADMINISTRATIVE LEAVE

Management employees receive seventy-two hours annually in paid administrative leave in a lump sum accrual at the beginning of each fiscal year. The City Manager, or designee, upon recommendation by the management employee's Department Head, may grant additional administrative leave to the management employee. All leave time (vacation, sick leave, holiday, etc.) will be taken off on an hour-for-hour basis equaling employee actual time off from work during normal business hours, regardless of accumulation rates.

With each fiscal year end, up to twenty-four hours of unused administrative leave from the prior fiscal year may be carried over to the next fiscal year by written request of the employee. The administrative leave bank may never accrue more than ninety-six hours (72 + 24).

New management employees will be provided a pro-rata share of the annual seventy-two-hour administrative leave bank upon employment.

Administrative leave is a compensable leave, and any remaining hours in the employee's bank will be paid out upon separation from City service, at the employee's current hourly rate of pay.

E. VACATION LEAVE

Management employees accrue vacation, based on the schedule below:

<u>Service Years</u>	<u>Entitlement in Days</u>
1 thru 2	10
3 thru 4	11
5 thru 6	12
7 thru 8	13
9 thru 10	14
11 thru 12	15
13 thru 14	16

15 thru 16	17
17 thru 18	18
19 thru 20	19
21 or more	20

Management employees are subject to a maximum leave accumulation of three hundred hours. Any hours, exceeding the maximum accumulation, will be paid out in December of each fiscal year, unless the management employee has a specific need to retain the hours beyond the maximum accumulation. This need must be written and approved by both the employee's Department Head and the City Manager, or designee. All leave time (vacation, sick leave, holiday, etc.) will be taken off on an hour-for-hour basis equaling employee actual time off from work during normal business hours, regardless of accumulation rates.

Management employees may exercise the option to convert, into cash, a maximum of forty hours of accrued vacation leave each fiscal year, at the employee's current hourly rate of pay.

Vacation accrual is a compensable leave, and any hours remaining in the employee's vacation bank will be paid out upon separation from City service, at the employee's current hourly rate of pay.

F. HOLIDAYS

The following days are paid holidays for management employees:

Independence Day	July 4
Labor Day	1st Monday in September
Veteran's Day	November 11
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving	Friday after Thanksgiving
Christmas Day	December 25
New Year's Day	January 1
Martin Luther King, Jr. Day	3rd Monday in January
Lincoln's Birthday	February 12
Washington's Birthday	3rd Monday in February
Memorial Day	Last Monday in May
Floating Holiday	Varies
Floating Holiday	Varies

Any holiday, which falls on a Saturday or Sunday, will be officially designated as a "HOLIDAY" on the prior Friday (if Saturday) or Monday (if Sunday).

For management employees, one holiday equals eight hours, unless the employee is working the 9/80 alternative work schedule where one holiday shall equal nine hours.

Floating holiday hours are recorded in a bank in July of each fiscal year, and may be carried over to the next fiscal year, to a maximum accumulation of forty-eight-hours of holiday time. Hours of holiday time accumulated over forty-eight hours will be paid out in December. All leave time (vacation, sick leave, holiday, etc.) will be taken off on an hour-for-hour basis equaling employee actual time off from work during normal business hours, regardless of accumulation rates.

Floating holiday pay is a compensable leave, and any remaining hours in the employee's bank will be paid out upon separation from City service, at the employee's current hourly rate of pay.

**G. SICK LEAVE**

All employees accrue ninety-six hours per year in a sick leave bank to be used for employee illness, forty-eight hours of which may be used in the care of the employee's family member for illness or for any other reason mandated by law. All leave time (vacation, sick leave, holiday, etc.) will be taken off on an hour-for-hour basis equaling employee actual time off from work during normal business hours, regardless of accumulation rates.

Upon retirement from City service, remaining unused sick leave converts to time served under the applicable contract between the City and the California Public Employees' Retirement System ("CalPERS"), if any. Sick leave converted to service credit for CalPERS purposes cannot be compensated (converted to dollars).

Based on individual utilization of paid sick leave in the preceding calendar year, management employees may convert unused accumulated sick leave into paid vacation leave once per calendar year, pursuant to the formula below:

<u>Sick Leave Utilization</u>	<u>Sick Leave</u>	<u>Maximum Conversion to Vacation Leave</u>
0 hours	96 hours	48 hours
.25 to 8 hours	72 hours	36 hours
8.25 to 16 hours	48 hours	24 hours
16.25 to 25 hours	24 hours	12 hours
Over 25 hours	0 hours	0 hours

At least one-hundred sixty accrued hours must remain in the management employee's sick leave bank for an employee to be eligible for conversion or for a conversion to be authorized. In addition, the right to convert does not carry over or rollover from calendar year to calendar year; failure to request conversion in any calendar year eliminates the right to do so for that calendar year.

Upon the Service Retirement of a management employee, who has more than ten years of service with the City, said employee shall be entitled to receive payment for up to the first seven hundred twenty hours of his/her accrued sick leave at thirty-five percent of the employee's rate of pay, as of the date of service retirement. Service Retirement is defined as service retirement from both the City and CalPERS. Voluntary separation or termination actions are excluded from this benefit.

**H. RETIREMENT BENEFITS**

All employees, enrolled in the CalPERS retirement system, bear the risk of payment of any increases in the employee contribution, above the current percentage, made by action of

CalPERS, the California Public Employees Pension Reform Act of 2013 ("PEPRA") or related legislation, and/or the State Legislature.

All employee CalPERS contributions are paid to CalPERS, based upon tax treatment currently permitted by the State Franchise Tax Board and the Internal Revenue Service ("IRS").

The following is descriptive information on City CalPERS-contracted retirement plans:

CalPERS Miscellaneous Plans

All employees pay 100% of the employee contribution to CalPERS, which is currently:

1. Tier 1 Classic members = 8%
2. Tier 2 Classic members = 7%
3. Tier 3 PEPRA members = 6.75%

Tier 1: All employees, who were hired prior to December 10, 2011, receive the following CalPERS retirement formula and optional benefits (existing Tier 1 employees, promoted to another position within the City, will not be considered new hires, with respect to retirement formulas):

1. 2.7% @ 55 formula (Section 21354.5)
2. Unused Sick Leave Credit (Section 20965)
3. Military Service Credit (Section 21024 & 21027)
4. Final Compensation 1 Year (Section 20042)
5. 1959 Survivor Benefit, Level 4 (Section 21574)
6. Pre-Retirement Option 2W Death Benefit (Section 21548)

Tier 2: All employees, who were hired on or after December 10, 2011, but before January 1, 2013, and those hired on or after January 1, 2013, who meet the CalPERS definition of *classic member*, as determined by CalPERS under PEPRA and related legislation, receive the following CalPERS retirement formula and optional benefits:

1. 2% @ 60 formula (benefit factor increases to 2.418% @ 63+) (Section 21353)
2. Unused Sick Leave Credit (Section 20965)
3. Military Service Credit (Section 21024 & 21027)
4. Final Compensation 3 Years (Section 20037)
5. 1959 Survivor Benefit, Level 4 (Section 21574)
6. Pre-Retirement Option 2W Death Benefit (Section 21548)

Tier 3: All employees, who were hired on or after January 1, 2013, and meet the definition of *new member*, as determined by CalPERS under PEPRA and related legislation, receive the following CalPERS retirement formula and optional benefits:

1. 2% @ 62 formula (benefit factor increases to 2.5% @ 67+) (Section 7522.20)
2. Final Compensation 3 Years (Section 20037)
3. Member contribution rate of fifty percent of the expected normal cost rate, which is currently 13.5% (6.75% is employee's portion)
4. Unused Sick Leave Credit (Section 20965)
5. Military Service Credit (Section 21024 and 21027)
6. 1959 Survivor Benefit, Level 4 (21574)

7. Pre-Retirement Option 2W Death Benefit (Section 21548)

CalPERS Safety Plans

All employees pay 100% of the employee contribution to CalPERS, which is currently:

1. Tier 1 and Tier 2 Classic members = 9%
2. Tier 3 PEPRA members = 12% (50% of the normal contribution rate)

Tier 1: All employees, who were hired prior to September 17, 2011, receive the following CalPERS retirement formula and optional benefits (existing Tier 1 employees, promoted to another position within the City, will not be considered new hires, with respect to retirement formulas):

1. 3% @ 50 formula (Section 21362.2)
2. Unused Sick Leave Credit (Section 20965)
3. Military Service Credit (Section 21024 & 21027)
4. Final Compensation 1 Year (Section 20042)
5. 1959 Survivor Benefit, Level 4 (Section 21574)
6. Pre-Retirement Option 2W Death Benefit (Section 21548)

Tier 2: All employees, who were hired on or after September 17, 2011, but before January 1, 2013, and those hired on or after January 1, 2013, who meet the definition of *classic member*, as determined by CalPERS under PEPRA and related legislation, receive the following CalPERS retirement formula and optional benefits:

1. 3% @ 55 formula (Section 21363.1)
2. Unused Sick Leave Credit (Section 20965)
3. Military Service Credit (Section 21024 & 21027)
4. Final Compensation 3 Years (Section 20037)
5. 1959 Survivor Benefit, Level 4 (Section 21574)
6. Pre-Retirement Option 2W Death Benefit (Section 21548)

Tier 3: All employees, who were hired on or after January 1, 2013, and meet the definition of *new member*, as determined by CalPERS under PEPRA and related legislation, receive the following CalPERS retirement formula and optional benefits:

1. 2.7% @ 57 formula
2. Final Compensation 3 Years (Section 20037)
3. Member contribution rate of fifty percent of the expected normal cost rate, which is currently 23% (11.5% is employee's portion)
4. Unused Sick Leave Credit (Section 20965)
5. Military Service Credit (Section 21024 and 21027)
6. 1959 Survivor Benefit, Level 4 (21574)
7. Pre-Retirement Option 2W Death Benefit (Section 21548)

I. HEALTH/LIFE/VISION/DENTAL INSURANCE

Effective January 1, 2018, all employees receive the following contribution toward the purchase of CalPERS health insurance, which includes the required CalPERS monthly contribution:

Employee only - up to \$715/month or cost of insurance, whichever is less

Employee + 1 – up to \$1,135/month or cost of insurance, whichever is less  
Employee + family - up to \$1,460/month or cost of insurance, whichever is less

Life insurance is provided at \$50,000 and is paid for by the City for the employee only.

Effective January 1, 2020, all employees receive the following contribution toward the purchase of Life, Vision and Dental insurances:

	<u>Life</u>	<u>Vision</u>	<u>Dental</u>	<u>Total</u>	<u>Bank</u>	<u>EE Pays</u>
Employee only	\$8.70	\$ 8.73	\$ 56.68	\$ 74.11	\$ 71.18	\$ 2.93
Employee + 1	\$8.70	\$ 16.40	\$156.84	\$181.94	\$170.19	\$11.75
Employee + 2+	\$8.70	\$ 23.34	\$156.84	\$188.88	\$176.67	\$12.21

For retired employees, City contributes the required CalPERS monthly contribution towards CalPERS health plans, as selected by retiree.

**J. LONG-TERM DISABILITY (“LTD”) INSURANCE PROGRAM**

Management employees do not participate in the California State Disability Insurance program. City provides LTD to its management employees, and pays the cost for the plan.

**K. DEFERRED COMPENSATION PROGRAM**

Management employees receive a matching contribution up to \$1,500, per calendar year, paid to employee’s deferred compensation plan, or approved retiree medical savings plan. City matching contributions are paid on a 2:1 basis (e.g., employee contributes \$2, City contributes \$1).

**L. SPECIAL PAY**

Management employees may receive up to \$150 reimbursement per fiscal year, to purchase steel-toed shoes, as required in the performance of their job duties. Proof of purchase is required, and reimbursement is based on price paid, not to exceed \$150 per fiscal year. Once purchased, footwear must be worn while working.

**M. COMPENSATION ADJUSTMENTS**

Annual Cost of Living Adjustments (COLA) and/or equity adjustments may be given to management employees, as determined by the City Manager and approved by the City Council; neither is guaranteed. Pursuant to Resolution No. 37-20, the City Council implemented a five percent (5%) base salary reduction effective May 2, 2020 through December 31, 2020. Management employee salaries effective through December 31, 2020 are reflected in Attachment “A”.

**N. EDUCATION REIMBURSEMENT**

City will reimburse its management employees for costs associated with job-related and job-required certifications, correspondence courses, and/or licenses (except Class III driver’s license), upon successful completion of the examination or course by the employee. Written authorization, from the employee’s Department Director, is required in advance. Reimbursement includes application fees, examination fees, and certificate fees. Renewal fees may be paid in advance by City. This provision does not apply to continuing education requirements.

City will provide a City vehicle, when available, for required transportation, and will permit paid time for employee to take examinations, scheduled during normal working hours. If no City

vehicle is available, then City will reimburse mileage for the use of the management employee's personal vehicle, at current IRS mileage rates.

**PASSED AND ADOPTED**, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 23<sup>rd</sup> day of June 2020, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
JOHN HEADDING, Mayor

ATTEST:

\_\_\_\_\_  
DANA SWANSON, City Clerk

**ATTACHMENT A**

**MANAGEMENT SALARY SCHEDULE**  
**(Effective May 2, 2020 through December 31, 2020)**

<b><u>POSITION</u></b>	<b>ANNUAL COMPENSATION RANGE</b>				
	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>4</u></b>	<b><u>5</u></b>
Police Commander	108,585	114,300	120,015	126,015	132,316
Utility Division Manager City Engineer	96,718	101,808	106,898	112,243	117,856
City Clerk/Human Resources Manager	95,573	100,603	105,633	110,914	116,460
Consolidated Maintenance Supt Information Systems Tech Capital Projects Manager Tourism Manager Environmental Programs Manager	74,605	78,532	82,458	86,581	90,910
Budget/Accounting Manager Senior Planner Recreation Services Manager	63,795	67,153	70,510	74,036	77,738
Management Analyst	58,033	61,087	64,142	67,349	70,716
Support Services Manager					

**TO:** Scott Collins  
**FROM:** City Managers Roundtable Group  
**DATE:** May 27, 2020  
**SUBJECT: Review of Revenue Enhancements and Expense Reductions**

**At the first meeting the group established following objective:**

*The Roundtable Group (Group) would recommend to the City Manager suggestions on revenue enhancements and expense reductions in light of the financial burden that was placed on the City due to the Covid-19 virus, to help with the local relief and recovery plan.*

**Methodology**

The Group reviewed the expenditure reduction and recovery efforts already put in place by the City, including pay cuts; freezing of vacant positions, travel and training; full-time and part-time employee layoffs; curtailing of all other spending; responsible use of reserves; and pursuit of State and Federal assistance. The Group supports those proactive measures. Following that, each member of the Group independently submitted suggestions. These suggestions were consolidated into three groups, Short Term Revenue Enhancements, Expense Reductions, and Long-Term Revenue Enhancements. Each item on the consolidated list was discussed at our final meeting. The following are those suggestions and the results of the discussions.

**Short Term Revenue Enhancements**

1). *Place a measure on the November 2020 ballot for a one-half (.5%), one (1%), or one-and-a-half (1.5%) percent increase in the general use sales tax.*

Discussion: The Group agreed that a sales tax increase makes the most sense to immediately provide stability to the City's finances. The Group also discussed the percentage of the increase and agreed the most important consideration was to be consistent with the increases that are being proposed by the other cities in the county. Because of concern that a sales tax measure might fail and put in jeopardy a 2022 ballot measure, the Group discussed the need to update the survey that was done in the fall of 2019 in light of the changes that the COVID-19 virus has caused. Even though a second survey would be more limited in scope and therefore less expensive the group felt the spending the money (est.\$20K) at this time would not be appropriate. Also, at least one city in SLO County is considering retesting; Morro Bay would have access to the outcome.

Assuming that the City Council votes to place a sales tax measure on the November 2020 ballot a campaign committee will need to be formed to promote the measure. The City was facing a challenging long-term budget scenario prior to COVID-19, and the effects of COVID-19 have served to significantly exacerbate those issues. Since a 1% sales tax increase will generate north

of \$2 million dollars annually the City's senior management will develop ideas on what services that funding could preserve.

2). *Paid Parking in the lot below 781 Market St and/or at the Rock for the summer. Use the honor system vs. worrying about enforcement. (4.28.20 CC Meeting mixed direction from CC---2019/20 Goal 2.3).*

Discussion: The Group felt this was a simple way to quickly raise money; however, after the City Manager explained the many required steps needed to accomplish paid parking (study, community outreach, Coastal Commission review, etc.), the group recommended that this item be moved to the long-term revenue enhancement list. The City should make an effort to try and implement paid parking especially in the public waterfront lots by the summer of 2021.

3). *RV Parking-Allow dry-RV parking immediately in the waterfront locations that require little or no financial investment. Expedite the permit process. Don't allow the Coastal Commission to delay the program. Since the Harbor Fund needs the revenue as badly as the General Fund, allow the Harbor Department to manage the program for the summer and retain the revenue. Also consider allowing dry-RV camping below 781 Market.*

Discussion: The City is actively pursuing dry-RV camping. There was discussion about two areas that would require very little investment. The triangle lot is already graded and has a public bathroom in close proximity. To make the space more attractive, the Group suggested to the City Manager that he talk with the Maritime Museum and ask them to clean up and/or move (possibility to the Harbor Department Storage Yard) the majority of their stored items along the west wall. In addition, the space below 781 Market was an RV campground in the past, and may be a good spot for some camp spaces.

4). *Cannabis—the City is missing out on \$\$\$ without “adult use” recreational sales. What is the hold up? Can we expedite this process? (4.28.20 CC meeting-staff directed to expedite permit---2019/20 Goal 1.2)*

Discussion: The City Manager explained there were issues holding up the opening of the two dispensaries which he could not discuss due to active litigation. Each location will require extensive interior work prior to opening. The current opening dates will probably stretch until Labor Day, if not longer. The City Manager indicated that City Council will review adult use dispensing at their May 26, 2020 meeting.

5). *Reprioritize the Community Development's work schedule so all commercial new development and change of use permits are their #1 priority for the next 12 months. (2019/20 Goal 1.4)*

Discussion: The City Manager will review permitting priorities with the Community Development Director. The sooner a new business can open, the sooner the City can start collecting sales tax.

6). *Provide restaurants with permitting flexibility to expand seating while complying with the Governor's guidelines until they are allowed to resume normal operations.*

Discussion: The Group felt strongly that anything the City could do to expand the restaurants seating capacity while still staying within the County's guidelines was really important not only for the financial health of the business, but also for the financial benefit to the City's General and Harbor Funds. This is a Coastal Commission issue for waterfront restaurants. The City Manager mentioned that other coastal cities were also trying to secure permission to expand seating into public areas on a temporary basis. The Group recommends the City send a letter to the Coastal Commission requesting they expedite approval of this option for restaurants.

7). *Immediately implement the new building and impact fees for residential construction only. In the 2020/21 proposed budget the Community Development Department is only recovering 47% of their expenses.*

Discussion: The City Finance Director agreed to reviewing the possibility of bringing forward to the City Council a discussion of raising only the residential building and impact fees sooner than some of the other fee increases that have yet to be implemented. She explained that there is a 60-day waiting period once the City Council has approved the fee increase before they could be implemented.

8). *When the Recreation Division's programs restart, restructure the fees so the entire Division achieves 100% cost recovery. In fiscal year 2019 the Division's revenue only covered 57% of the expenses.*

Discussion: The City Manager will discuss the fee structure with the Recreation Division Manager. One of the Committee members who has experience with the before- and after-school programs and the summer enrichment programs indicated from casual conversations with other users that the City should be charging market rates for these programs.

The Senior programs were discussed. While some of the programs include seniors that have limited financial capacity others appeal to senior participants who have the financial resources to pay a fee. The City Manager will review all of the Senior programs with the Recreation Division Manager.

9). *Rent or sell the Dunes Street house. If rented speed up the process by contracting with one of Morro Bay's Property Managers.*

Discussion: The Group was split if the house should be sold or rented. It was pointed out the Dunes property along with the adjoining lot have been designated to be included in a future Civic Center in at least one (if not more) downtown revitalization studies that have been done over the years.

10). *License food vendors in limited locations near the waterfront.*

Discussion: The Group was not in favor of this idea because a) the difficulty of maintaining social distancing and b) added competition for the already struggling Embarcadero restaurants and c) If there is food available at the Rock some folks may never venture into the retail section of the Embarcadero.

11). *Become more aggressive in issuing traffic violation ticket especially speeding.*

Discussion: Before the Police Department can be more aggressive in enforcing speeding violations it must complete a “Speed Survey”. The Survey was funded during the mid-year budget review. The Group felt that the Survey should be contracted immediately. Not only would the speeding violations generate revenue, but as word got out that the City was ticketing folks for speeding the ones that constantly violate the law may slow down. If there is a funding issue in the General Fund revisit Measure Q.

12). *Sale of vacant land— (#’s is from the attachment to the 4.28.20 CC agenda)*

- *Residential lot a corner of Bolton and Downing in the Harbor Tract (#47)*
- *Residential lot below the Water Tanks on Kings (#65)*
- *Three lots in Chorro Valley—these may not be buildable because of potable water issues, but might be attractive for livestock or construction storage. (#’s 69, 70, & 71). Even though they probably have limited value they are still an asset and if the City has no attention of ever using the water wells, they should be sold.*

Discussion: The lot on Bolton in the Harbor Tract was originally purchased for a possible additional off ramp from Hwy 1 into the Harbor Tract. Since the idea was rejected by Cal Trans, the lot should be put up for sale. The value should be in the \$200K range.

The lot on Kings below the Kings Water Tanks might not be saleable because of underlaying water infrastructure. If it is determined that the pipes leading from the tanks that go deep enough or could be moved inexpensively the lot should be sold.

The vacant lots in the Chorro Valley include the City wells which are no longer in use because of nitrate issues. Because there is no infrastructure to move the well water to the Water Treatment Plant to remove the nitrates the wells should be formally abandoned. The property is probably not buildable because of the potable water and flood plain issues, but the property could be suitable for livestock. Even though there is little value in these properties they should be sold. The proceeds will likely go to the Water Fund.

13). *Review sale of Bonita St. Fire Station, (4.28.20 CC meeting—Mayor requested staff to investigate).*

Discussion: The Fire Chief explained that the Bonita St. Station is important to retain for a number of reasons. It is the only storage location for reserve engine 5392. Having the third apparatus that is capable of pumping water allows the City to retain a higher fire prevention rating which lowers all Morro Bay property owners fire insurance premiums. Another reason is in case of a flood that cuts the City in half at Morro Creek the Fire Department will still have the capability to respond to emergencies in the northern half of town.

14). *Determine if maintaining the Teen Center program is still valid and if not sell the property.*

Discussion: Two members of the group that have had experience with the Teen Center program felt very strongly that the program should continue. Their reason was the program serves disadvantaged teens who really need the support that the program provides.

Another member of the group suggested that the City look into the feasibility of selling the back two-thirds of the property. Additionally, the Group suggested to the City Manager that the back portion of the property which appears to be in disrepair, be inspected to be sure it is safe.

### **Expense Reductions**

Discussion: The Group did not discuss each expense reduction suggestion. The Finance Director mentioned that she thought they were all valid ideas. She also explained that in the Public Sector there were challenges with contracting out work that makes it more difficult to eliminate certain position by outsourcing them. As noted in the introduction, the City has made a number of expense reductions to address the financial fallout of COVID-19, and there aren't many remaining options left that don't cut City services to the bone.

- Remittance Processing---move to a bank lock box. Review cost of accepting credit cards vs. in-house processing (could impact late fees). Even though the employee is paid out of the water and sewer funds it would still be a savings. (San Luis Obispo uses a 3<sup>rd</sup> party processor)
- Payroll Processing- Determine if this function can be performed for less money by a payroll processor.
- Change payroll cycle to 24 per year.
- Information Technology—Investigate outsourcing the function to a firm that provides 24/7 support (Pismo Beach maybe outsourcing IT to ExpressTech)
- Environmental Program Management—could a private sector firm preform the same functions at less cost than a full-time City benefited employee?
- Review cellphone reimbursements.
- In the next labor negotiations increase employee contributions and/or copays for health, dental, vision & OPEB
- Several Members of the group had individual meetings with the City Staff to discuss specific personnel reductions.

### **Long Term Revenue Enhancement Projects**

Discussion: The following suggestions were primarily made by one member of the Group. They were briefly discussed. The general consensus was most made sense, but additional review and study is required before recommendations can be made.

- 1). Solicit/incentivize small business development that generates sales tax--vintage cars? hybrids and energy efficient vehicles? Green manufacturing? We need higher tax sales!
- 2). Regional promotion to encourage SLO county shoppers to come to Morro Bay.
- 3). Restructure City/Community Promotions again. Consider 1% county BID contribution and increase TOT to 11 or 12%. Reduce or eliminate TBID. Earmark a reasonable budget amount for a promotion's agency with oversight through a community board and city staff. Continue without administrative-level position.
- 4). Push as hard as we can to get offshore wind energy (2019/20 Goal 1.10) as a part of Morro Bay's economic profile. Consider other alternative energy sources that "fit" here. Consider partnering with institutions of higher learning to develop graduate level programs for development and production of alternative energy.
- 5). Create BIDS in various parts of town that deal with structural improvements and economic vitality (e.g. you could penalize those with vacant/unproductive storefronts and lots with fines after 18 months, etc.).
- 6). Establish a separate source of revenue for the Harbor Fund.
- 7). Redevelopment/development of larger vacant properties: power plant, Bank of America, Market Plaza area. (2019/20 Goal 1.3)
- 8). Develop a small to mid-sized conference center.
- 9). Investigate what SLO county film commission is doing and actively promote Morro Bay as a site.

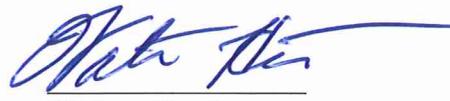
Respectfully Submitted,

  
Homer Alexander

  
Jeff Eckles

  
Jen Ford

  
Mary Hwass-Hay

  
Walter Heath

  
John Solu

  
Susan Stewart

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AGENDA NO: C-2

MEETING DATE: June 23, 2020

# Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** June 17, 2020

**FROM:** Rob Livick, PE/PLS – City Engineer  
Joe Mueller, Utility Division Manager

**SUBJECT:** Approval of Amendment No. 3 to the Water Reclamation Facility Program Management Contract and Authorization for the Public Works Director to Sign the Agreement to Cover Planned Program Management Costs for Fiscal Year 2020/2021

### **RECOMMENDATION**

Staff recommends the City Council approve, and authorize the City Manager to sign, Amendment No. 3 (Attachment 1) to the existing agreement with Carollo Engineers, Inc., (Carollo), dated April 11, 2018, for continued program management of the Water Reclamation Facility (WRF) Project in an increased amount of \$2,073,133 to cover estimated program management scope of work and costs for FY 2020/21.

### **PROGRAM MANAGEMENT STRUCTURE**

At the April 10, 2018, City Council meeting, Carollo was awarded a contract for program management services. When initially hired in April 2018, Carollo provided a detailed scope and budget for \$292,000 for work to be performed between April 11, 2018, and December 31, 2018, and constituted the total Phase 1 program management effort. Each year of the WRF Project, City staff reviews Carollo’s scope and budget for the upcoming fiscal year and presents them to the City Council for review and approval. That approach allows flexibility as the WRF Project moves through each phase and when new information and WRF Project definition become available. City staff will return to City Council during the budgeting process in spring 2021 to present a budget allocation that will cover the scope of work for Carollo for FY 2021/2022.

### **FISCAL IMPACT**

Carollo has developed a Scope of Services, included as Exhibit A in Amendment No. 3 (Attachment 2), for program management services through FY 2020/2021. For ease of understanding, the amendments are budget allocations for the upcoming fiscal year with remaining funds from current year carrying forward into the next fiscal year. The additional funds necessary to extend these program management services through the end of the FY 2020/2021 is \$2,073,133. When added to the estimated carryover from FY 2019/2020, the total program management budget for FY 2020/2021 will be \$3,303,412. A summary of the original contract, Amendment No. 1, Amendment No. 2, and Amendment No. 3 is included in the table below.

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

Original Agreement	\$292,000
Budget Allocation No. 1	\$1,606,948
Budget Allocation No. 2	\$2,381,968
Budget Allocation No. 3	\$2,073,133
<b>Total</b>	<b>\$6,360,378</b>

Approval of Amendment No. 3 (Budget Allocation No. 3) will increase Carollo's total allocated budget to \$6,360,378. That total is within the \$7,642,000 estimate included in Carollo's original agreement for the entire duration of the WRF project. Like Amendment No. 3, all future amendments (budget allocations) will be developed with staff and brought to the City Council for review and approval through the annual budget process.

When initially hired in April 2018, Carollo provided an estimate of \$7.64 Million for the entirety of the program management effort (anticipated end date in FY22/23) for Carollo and their known sub-consultants and scope at that time. During the development of Amendment No. 2 in November 2019, Carollo revised the total Program Management projection to \$9.7 Million. During the most recent Project budget reconciliation completed at the end of Q3 FY 2019/2020, the estimate at completion for Carollo was \$9.8 Million.

In order to determine the additional budget allocation for Amendment No. 3 (Budget Allocation No. 3), Carollo developed an estimate of the entire program management effort for FY 2020/2021 as shown in Exhibit B (Attachment 3). Current expenditures through FY 2019/2020 were forecasted based on actual expenditures through May 2020 and current estimates for June 2020. A summary of the anticipated expenditures through the end of FY 2019/2020 and the forecasted program management effort for FY 2020/2021 is summarized in the table below. Information for individual tasks is included in Attachment 4.

Description	Value
Contract Amount (including Original Agreement, Amendment No. 1, and Amendment No. 2)	\$4,280,916
Expended through FY 19/20 (estimated) <sup>(1)</sup>	\$3,050,637
<b>Remaining Contract (as of July 2020)</b>	<b>\$1,230,279</b>
Contract Amount (Amendment No. 3)	\$2,073,133
<b>Total Contract Remaining after Amendment No. 3</b>	<b>\$3,303,412</b>
Projected Expenditures for FY 20/21 <sup>(2)</sup>	\$3,176,314
<b>Budget to Carry-Over to FY 21/22<sup>(3)</sup></b>	<b>\$127,098</b>
Notes:	
1. Costs include actual charges for Carollo through May 2020 and estimates for June 2020.	
2. Anticipated expenditures are consistent with the City's FY 20/21 budget for the WRF Project.	
3. Budget carry-over only occurs for tasks not receiving additional funds from Amendment No. 3 that will continue into FY 21/22.	

### **Anticipated Work in FY2020/2021**

In March 2020, the City issued a Notice to Proceed (NTP) for construction of the WRF. With the start of construction, the Project is now in Phase 3 (Project Oversight). While the Program Manager will continue to perform some ongoing elements of Phase 2 (Project Implementation), including supporting stakeholder meetings, project controls, public outreach, and permitting support, a significant portion of the program management work will be supporting construction of the WRF and Conveyance Facilities. Carollo will continue to provide construction oversight services for the WRF throughout the next fiscal year. Carollo will also begin construction management for the Conveyance Facilities portion of the Project starting in August 2020. The Conveyance Facilities

component of the Project was recently advertised for bidding on June 16, 2020 and the City plans to open bids on July 28, 2020.

Following execution of the original agreement with Carollo on April 10, 2018, several additional tasks were identified that were not previously anticipated. These Additional Services (Phase 4) include operations support, development of reports to satisfy special conditions in the Coastal Development Permit (CDP), and development of an Outfall Management Plan. The completion of much of that work was anticipated in FY 2019/2020 and is carrying over into FY 2020/2021 with only a small portion of Budget Allocation No. 3 (~\$25,000) associated with Phase 4.

#### **Local Labor on Program Management Team**

City Council requested information about the number of members of the Carollo program team that live in the City of Morro Bay/SLO County region. At this time, 1 member of the Carollo team (including their sub-contractors) is from Morro Bay and 10 members live within SLO County.

#### **CONCLUSION**

Staff recommends the City Council approve Amendment No. 3 and authorize the City Manager to sign it.

#### **ATTACHMENT**

1. Amendment No. 3
2. Exhibit A (Scope of Services)
3. Exhibit B (FY 20/21 Budget)
4. Budget Allocation No. 3 Summary

**AMENDMENT NO. 3 TO THE AGREEMENT  
FOR CONSULTANT SERVICES  
BETWEEN THE CITY OF MORRO BAY  
AND CAROLLO ENGINEER, INC.**

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This Amendment No. 3 is entered by and among the CITY OF MORRO BAY, a municipal corporation (“City”) and CAROLLO ENGINEEERS, INC., a Delaware Corporation (“Consultant”). City and Consultant are sometimes collectively referred to as the “Parties.”

**RECITALS**

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

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

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

WHEREAS, the Parties amended the Agreement on November 7, 2019, to include additional services for a portion of the Project Implementation and Project Oversight phases of the WRF Project (Phase 2 and 3) and established a total not-to-exceed amount of \$4,280,916 for the Agreement; and

WHEREAS, the Agreement, the November 27, 2018 amendment, and November 07, 2019 amendment are hereinafter referred to as the “Amended Agreement”; and

WHEREAS, the Parties now agree it is time again to amend the Amended Agreement to provide for Consultant’s continued Program Management services through the end of Fiscal Year 2020/2021 for continuation of Phase 3; and

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

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

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

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

1. The additional services to be provided by the Consultant, pursuant to the Amended Agreement, as hereby amended, shall include the Scope of Work, as set forth in Exhibit A, attached hereto and incorporated herein by this reference (the "Additional Work"). The Additional Work shall be satisfactorily completed no later than June 30, 2021, unless the Amended Agreement is further amended.
2. The compensation to be paid for the Additional Work that is satisfactorily completed shall (i) be paid in accordance with Exhibit B, attached hereto and incorporated herein by this reference and the rates established by the Amended Agreement on a time and materials basis, and (ii) not exceed \$2,073,133, for a total not-to-exceed amount of \$6,360,378 for the Amended Agreement.
3. Except as expressly stated herein, all terms and conditions in the Amended Agreement shall remain in full force and effect.
4. The effective date of this Amendment No. 3 shall be deemed to be June 23, 2020.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 3 to be executed by their duly authorized representatives.

CITY OF MORRO BAY  
a municipal corporation

CONSULTANT

CAROLLO ENGINEERS, INC.

By: \_\_\_\_\_  
Scott Collins, City Manager

By: \_\_\_\_\_  
Eric Casares, P.E.,  
Its Vice President

Dated: June \_\_, 2020

Attest:

By: \_\_\_\_\_  
Ken Wilkins, P.E.,  
Its Senior Vice President

\_\_\_\_\_  
Dana Swanson, City Clerk

Dated: June \_\_, 2020

Approved As To Form:

\_\_\_\_\_  
Chris Neumeyer, City Attorney

## EXHIBIT A

### SCOPE OF SERVICES

This Scope of Services is the third budget allocation (Fiscal Year 2020/2021) for the existing agreement executed with Carollo Engineers, Inc., (PROGRAM MANAGER) dated April 11, 2018 to provide Program Management Services to the CITY related to the Water Reclamation Facility Project (PROJECT). The major components of the PROJECT include:

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

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

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

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

- **Completed**
  - Evaluation of the PROJECT
  - PROJECT implementation
  - Procurement of the WRF design-build team
  - WRF design-build contract negotiations
- **Ongoing**
  - PROJECT controls
  - Permitting support
  - Funding support
  - Public outreach
  - Coordination with other PROJECT consultants
  - WRF design-build technical support services
  - WRF design-build management services

- Construction oversight for the WRF
- CONVEYANCE FACILITIES technical support services
- Construction management for the CONVEYANCE FACILITIES
- **Future Budget Allocation**
  - Start-up and operational support services for the WRF
  - Development of a request for proposals (RFP) for design of the RECYCLED WATER FACILITIES
  - Procurement of the designer for the RECYCLED WATER FACILITIES
  - Bidding services for the RECYCLED WATER FACILITIES
  - Construction management for the RECYCLED WATER FACILITIES

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

The PROGRAM MANAGER was the lead advisor to the CITY for the DB TEAM. The PROGRAM MANAGER will continue to provide key advice and coordinate the procurement of the CONVEYANCE FACILITIES contractor, whereas the CITY's CONVEYANCE FACILITIES design engineer will take the lead in answering questions and developing addenda during the bid process. The PROGRAM MANAGER will be the adviser to the CITY for the procurement of the RECYCLED WATER FACILITIES design engineer and the primary contact with those proposing on that project on behalf of the CITY.

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

**Phase 2 (Project Implementation):** The second portion of Phase 2 of PROGRAM MANAGEMENT is included in this Scope of Services. Phase 2 will continue through June 31, 2021. This Scope of Service is intended to cover the period between July 01, 2020 and June 31, 2021. The remaining portion of Phase 2 will be included in a latter Scope of Services. These services will include:

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

**Phase 3 (Project Oversight):** The second portion of Phase 3 for PROGRAM MANAGEMENT is included in this Scope of Services. Phase 3 will continue through September 2023. Phase 3 will focus on program controls, funding support, permitting support, construction oversight for the WRF, construction management for the CONVEYANCE FACILITIES, and construction management for the RECYCLED WATER FACILITIES. The remaining portion of Phase 3 will be included in latter Scopes of Service. These services will include:

- FY 21/22:
  - Construction support for the WRF from July 01, 2021 to June 30, 2022
  - Construction management for CONVEYANCE FACILITIES from July 01, 2021 to June 30, 2022
- FY 22/23:

- Construction support for the WRF from July 01, 2022 to March 2023
- Construction management for CONVEYANCE FACILITIES from July 01, 2022 to August 2022
- Construction management for RECYCLED WATER FACILITIES from September 2022 to September 2023

It is anticipated additional Scope of Services will be developed for each fiscal year of the PROJECT and will be accompanied by a corresponding budget allocation.

Exhibit B has been provided to show the total level of effort anticipated for the PROGRAM MANAGER for the upcoming FY 19/20.

**Tasks for Phase 1 Project Confirmation**

Tasks for Phase 1 have been completed. The budget allocation is being updated to cover the overage on Tasks 1 through 5.

Previous Approved Contract Amount	Expenditures through FY 19/20	Remaining Budget	Additional Funds (FY 20/21 Allocation)	Anticipated Expenditures in FY 20/21	Remaining at the End of FY 20/21	Total Contract Amount
\$265,390	\$271,719	\$(6,329)	<u>\$6,329</u>	\$-	\$-	\$278,047

**Task 1 – Project Assessment (Complete)**

No additional effort will be assigned to this task.

**Task 2 – Technical Evaluation (Complete)**

No additional effort will be assigned to this task.

**Task 3 – Design-Build Procurement Support (Complete)**

No additional effort will be assigned to this task.

**Task 4 – Project Controls Plan (Complete)**

No additional effort will be assigned to this task.

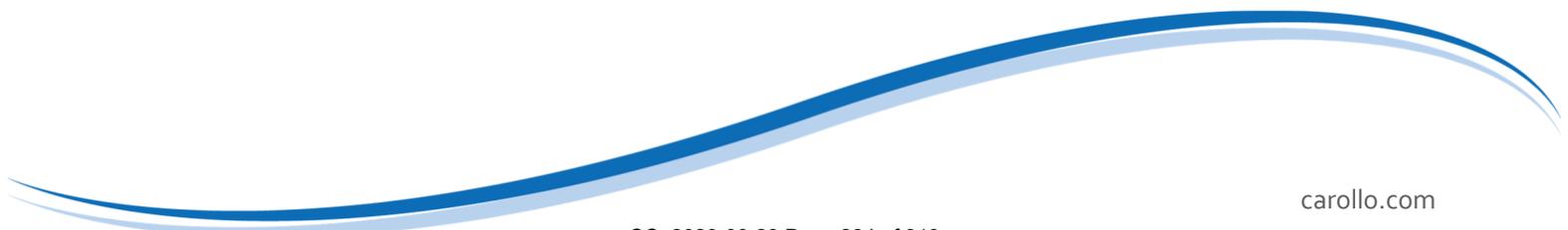
**Task 5 – Project Team Integration Plan (Complete)**

No additional effort will be assigned to this task.

**Tasks for Phase 2 Project Confirmation**

**Task 6 – Routine Project Update Meetings (July 01, 2020 to June 30, 2021)**

Previous Approved Contract Amount	Expenditures through FY 19/20	Remaining Budget	Additional Funds (FY 20/21 Allocation)	Anticipated Expenditures in FY 20/21	Remaining at the End of FY 20/21	Total Contract Amount
\$455,081	\$257,151	\$197,930	\$-	\$131,312	\$66,618	\$455,081



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

**Subtask 6.1 – Project Update Meetings**

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

**Subtask 6.2 – Internal Project Status Meetings**

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

**Subtask 6.3 – City Council Meetings**

PROGRAM MANAGER will attend monthly CITY Council meetings for the PROJECT to communicate the PROJECT progress to the CITY Council. PROGRAM MANAGER will assist CITY staff with development of the Staff Report and will be responsible for preparation of the CITY Council presentation. PROGRAM MANAGER will also attend Citizen's Finance Advisory Committee (CFAC) and Public Works Advisory Board (PWAB) meetings as needed.

**Subtask 6.4 – Project Monitoring and Reporting**

PROGRAM MANAGER will monitor PROJECT schedule and budget and prepare monthly progress reports on the status of the PROJECT.

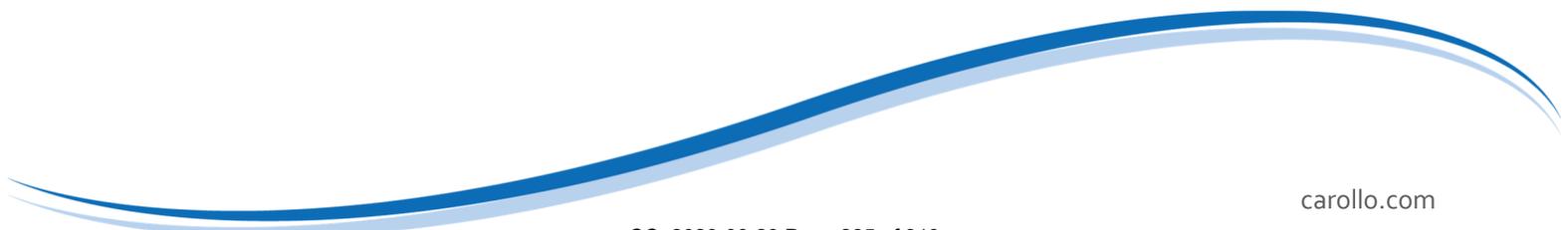
**Task 6 Deliverables:**

- PROJECT Update Meetings (regular up to thirty [30])
- Internal PROJECT Status Meetings (weekly up to forty [40])
- CITY Council, CFAC and WRFAC Meetings (monthly up to twelve [12])
- Monthly Invoices and Progress Reports (monthly up to twelve [12])

**Task 7 – Program Management Oversight (July 01, 2020 to June 30, 2021)**

Previous Approved Contract Amount	Expenditures through FY 19/20	Remaining Budget	Additional Funds (FY 20/21 Allocation)	Anticipated Expenditures in FY 20/21	Remaining at the End of FY 20/21	Total Contract Amount
\$52,189	\$32,209	\$19,980	\$-	\$18,836	\$1,144	\$52,189

PROGRAM MANAGER will be responsible for management and coordination of PROGRAM MANAGER's resources and staffing.



### Task 8 – Project Controls

Previous Approved Contract Amount	Expenditures through FY 19/20	Remaining Budget	Additional Funds (FY 20/21 Allocation)	Anticipated Expenditures in FY 20/21	Remaining at the End of FY 20/21	Total Contract Amount
\$402,836	\$246,286	\$156,550	<b>\$49,770</b>	\$206,320	\$-	\$452,606

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

- WRF
- CONVEYANCE FACILITIES
- RECYCLED WATER FACILITIES

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

- Scope, budget, and schedule management.
- Interface with the established PMIS.
- Management and coordination of subconsultants.
- Monthly invoicing and schedule updates.
- Monthly progress report preparation.

#### Subtask 8.1 – Project Management Information System (PMIS) Development

No additional effort will be assigned to this task.

#### Subtask 8.2 – Project Monitoring and Reporting

Using the previously developed PMIS, the PROGRAM MANAGER will monitor and report on the status of the PROJECT. PROGRAM MANAGER will monitor the scope, budget, schedule, and risks for both the PROJECT as a whole as well as the three (3) individual PROJECT components described above. The status for each PROJECT component and the aggregate of the projects will be measured against the PROJECT targets for schedule, budget, quality, and other key performance indicators (KPIs). PROGRAM MANAGER will coordinate with PROJECT team members (i.e., subconsultants, contractors, CITY staff, etc.) to obtain status information and report on the PROJECT activities. Scope, budget, schedule, and risk management updates for each PROJECT component will be provided to the PROGRAM MANAGER by the Project Manager for the three (3) projects. PROGRAM MANAGER will report on the PROJECT status as part of monthly CITY Council update meetings, quarterly CFAC meetings, quarterly WRFAC meetings, and other outreach efforts (i.e., website, mailings, etc.).

##### Subtask 8.2.1 – Scope Management

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

#### Subtask 8.2.2 – Schedule Management

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

#### Subtask 8.2.3 – Budget Management/Cost Control

PROGRAM MANAGER will manage the PROJECT Baseline Budget, including the budget for each of the PROJECT components, and monitor the financial performance of the PROJECT in relation to the baseline budget for the duration of the PROJECT. The PROGRAM MANAGER will use information from individual Project Managers and CITY internal costs to compare current financial performance against the baseline budget and schedule. A monthly earned value analysis for the PROGRAM MANAGER's activities will also be performed. PROGRAM MANAGER will discuss financial performance with the CITY at the progress meetings and provide monthly budget updates with cash flow projections as part of the PROJECT Monitoring and Reporting task and at monthly CITY Council meetings.

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

#### Subtask 8.2.4 – Document Management

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

#### Subtask 8.2.5 – Project Reporting

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

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

**Task 8 Deliverables:**

- Project Monthly and Quarterly Reports (monthly up to twelve [12]).

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

Previous Approved Contract Amount	Expenditures through FY 19/20	Remaining Budget	Additional Funds (FY 20/21 Allocation)	Anticipated Expenditures in FY 20/21	Remaining at the End of FY 20/21	Total Contract Amount
\$165,984	\$94,569	\$71,415	\$-	\$26,368	\$45,047	\$165,984

**Subtask 9.1 – Master Water Reclamation Plan Completion Support**

No additional effort will be assigned to this task.

**Subtask 9.2 – Title XVI Crosswalk Document**

PROGRAM MANAGER submitted a Title XVI Feasibility Study to the United States Bureau of Reclamation (USBR) in February 2020. PROGRAM MANAGER will continue coordination with USBR in anticipation of funding becoming available for the program in FY 20/21 or FY 21/22.

**Subtask 9.3 – WIFIA Funding Support**

No additional effort will be assigned to this task.

**Subtask 9.4 – CWSRF Funding Support**

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

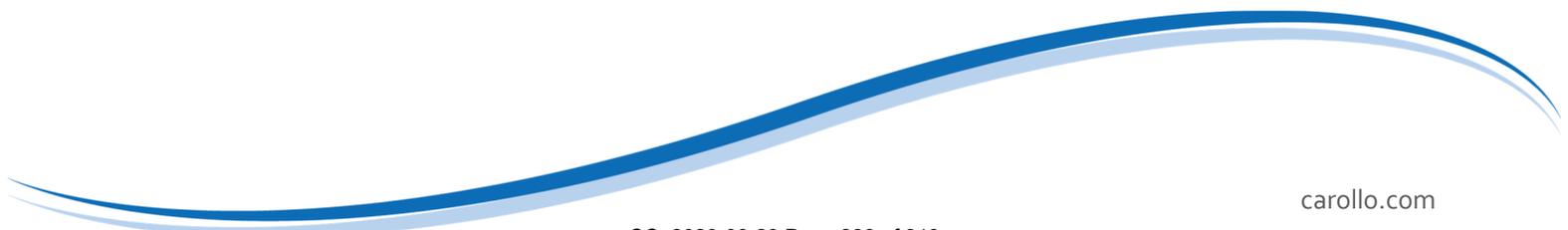
- Participation in regular, weekly coordination calls with CWSRF staff;
- Answering questions and providing clarification regarding the CITY's CWSRF application; and
- General support for finalizing a funding agreement with CWSRF.

**Task 9 Deliverables:**

- NA

**Task 9 Assumptions:**

- Scope of Services does not include development of a Title XVI grant proposal. The Scope of Services can be amended to include this application when grant funds are made available to the CITY.
- A total of (10) weekly coordination calls will be held with CWSRF staff.



**Task 10 – Permitting Support (July 01, 2020 to June 30, 2021)**

Previous Approved Contract Amount	Expenditures through FY 19/20	Remaining Budget	Additional Funds (FY 20/21 Allocation)	Anticipated Expenditures in FY 20/21	Remaining at the End of FY 20/21	Total Contract Amount
\$598,242	\$742,508	(144,266)	<b>\$335,622</b>	\$191,356	\$-	\$933,864

**Subtask 10.1 – Land Use Permitting**

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

**Subtask 10.1.1 – Resource Regulatory Agency Permitting**

The PROJECT requires a variety of permits from State and federal resource regulatory agencies. At this time, it has been determined that the PROJECT will not require a Section 404 permit pursuant to the Clean Water Act from the U.S. Army Corps of Engineers (USACE) or a Section 401 certification from the Regional Water Quality Control Board (RWQCB). Based on coordination with the California Department of Fish and Wildlife (CDFW), a Streambed Alteration Agreement (SAA) for both the WRF and CONVEYANCE FACILITIES components of the PROJECT is needed. PROGRAM MANAGER has submitted notification to CDFW for the WRF and is continuing to coordinate with CDFW regarding development of the SAA. PROGRAM MANAGER has developed notification for the CONVEYANCE FACILITIES and will submit it to CDFW in June 2020.

The additional effort needed to secure the SAA permits for both the WRF and CONVEYANCE FACILITIES permits is included in this Scope of Services.

**Subtask 10.1.2 – Land Use Permitting**

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

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

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

The PROJECT pursued a consolidated CDP from the CCC. On July 11, 2019, the CCC approved a CDP for the PROJECT. No additional effort for the CDP is included in this Scope of Services.

A Caltrans encroachment permit is needed since pipelines will be located within the Caltrans right-of-way (i.e., Highway 1 onramp). The CONVEYANCE FACILITIES design engineer and PROGRAM MANAGER submitted the encroachment permit application in 2020.

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

**Subtask 10.1.3 – Annexation**

No additional effort will be assigned to this task.

#### Subtask 10.1.4 – Monitor Procurement

The FEIR and Final Biological Opinion (BO) with United States Fish and Wildlife Service (USFWS) requires biological monitoring for the all elements of the PROJECT. Biological monitoring for the WRF is being done by Kevin Merk Associates (KMA) as a subconsultant to the PROGRAM MANAGER. For the CONVEYANCE FACILITIES and RECYCLED WATER FACILITIES, the biological monitoring will be directly contracted with the CITY. For this Scope of Services, the PROGRAM MANAGER will develop a Request for Proposals (RFP) and facilitate procurement of the biological monitor for the CONVEYANCE FACILITIES component of the Project.

#### Subtask 10.2 – Potable Reuse

##### Subtask 10.2.1 – Title 22 Engineer's Report

PROGRAM MANAGER has been developing the Draft Engineer's Report for indirect potable reuse (IPR) and anticipates delivering an incomplete draft it to the Division of Drinking Water (DDW) in June 2020. This draft will exclude the hydrogeological information as the work currently being done by GSI Water Solutions, Inc. (GSI) is still ongoing.

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

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

The additional effort identified in this Scope of Services includes completion of the Draft Engineer's Report, ESCP, and the other stand-alone pretreatment program documents including:

- Updated Sewer Use Ordinance (SUO)
- Industrial Waste Survey (IWS)
- Enforcement Response Plan (ERP)
- Source Mapping
- Funding Plan
- Communication and Outreach Plan
- Development of Local Limits (LL)

#### Subtask 10.2.2 – Report of Waste Discharge

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

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

- Potable reuse program summary;
- NPDES summary for the relevant utilities;
- Documentation of water and wastewater characteristics;
- Summary of preliminary, secondary, and advanced treatment facilities;
- Summary of treatment and recharge operations;
- Recycled water rules and regulations;
- Documentation of best management practices including industrial pretreatment, laboratory monitoring, etc.;
- Groundwater quality assessment; and
- Anti-degradation analysis.

#### Subtask 10.2.3 – Brine Analysis and Management

Brine Analysis and Management will be completed under Subtask 14.4 – Dilution Modeling.

#### Subtask 10.2.4 – Permitting Guidance and Regulatory Meetings

A total of three (4) meetings between DDW and the RWQCB have been included in this Scope of Services.

#### Subtask 10.3 – SAFE System

No additional effort will be assigned to this task.

#### Subtask 10.4 – Archeological/Paleontological Monitoring and Tribal Representation

##### Subtask 10.4.1 – Programmatic Agreement Coordination

The CITY finalized a Programmatic Agreement (PA) with the State Historic Preservation Office (SHPO) in November 2019. The PA requires the following:

- Monitoring Plan for the CONVEYANCE FACILITIES (referred to as Phase 2 in the PA)
- Pre-Construction Archeological Study for the CONVEYANCE FACILITIES (referred to as Phase 2 in the PA)
- Monitoring Plan for the RECYCLED WATER FACILITIES (referred to as Phase 3 in the PA)
- Pre-Construction Archeological Study for the RECYCLED WATER FACILITIES (referred to as Phase 3 in the PA)

While these items will be prepared by Far Western, who is directly contracted with the CITY, the PROGRAM MANAGER will review and coordinate Far Western’s activities.

**Subtask 10.4.2 – Archeological/Paleontological Monitoring and Tribal Representation**

The FEIR and PA require archeological/paleontological monitoring and tribal representation for the construction for all phases of the PROJECT. While this work is being managed by the WRF Design-Build Team for the WRF, it is anticipated that the monitors and representatives for the CONVEYANCE FACILITIES and RECYCLED WATER FACILITIES components of the PROJECT will be directly contracted with the CITY. For this Scope of Services, the PROGRAM MANAGER will develop a RFP and facilitate procurement of the archeological/paleontological monitoring and tribal representation for the CONVEYANCE FACILITIES component of the Project.

**Task 10 Assumptions:**

- Scope of Services includes coordination with regulatory agencies, CITY, and COUNTY and does not include any supplemental CEQA studies or environmental documents in addition to the FEIR and the FEIR Addendum.

**Task 10 Deliverables:**

- Final Title 22 Engineering Report
  - Current Percent Complete (end of FY19/20) = 65 percent
  - Anticipated Percent Complete (end of FY20/21) = 100 percent
- Draft ROWD
  - Current Percent Complete (end of FY19/20) = 0 percent
  - Anticipated Percent Complete (end of FY20/21) = 100 percent
- Final ROWD
  - Current Percent Complete (end of FY19/20) = 0 percent
  - Anticipated Percent Complete (end of FY20/21) = 50 percent
- RFP for the Biological Monitor for the CONVEYANCE FACILITIES
  - Current Percent Complete (end of FY19/20) = 0 percent
  - Anticipated Percent Complete (end of FY20/21) = 100 percent
- RFP for Archeological/Paleontological Monitoring and Tribal Representation for the CONVEYANCE FACILITIES
  - Current Percent Complete (end of FY19/20) = 0 percent
  - Anticipated Percent Complete (end of FY20/21) = 100 percent

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

Previous Approved Contract Amount	Expenditures through FY 19/20	Remaining Budget	Additional Funds (FY 20/21 Allocation)	Anticipated Expenditures in FY 20/21	Remaining at the End of FY 20/21	Total Contract Amount
\$425,306	\$310,884	\$114,421	<b>\$46,863</b>	\$161,284	\$-	\$472,168

The PROJECT is not only a significant undertaking for the CITY, but it is also a highly-visible program throughout the CITY that impacts customers, residents, business owners, community leaders, elected

officials, regulatory authorities, and funding partners. Clear, timely, and informative communication is instrumental to encouraging trust and collaboration for the successful completion of the PROJECT.

#### **Subtask 11.1 – Public Outreach Plan**

No additional effort will be assigned to this task.

#### **Subtask 11.2 – Public Outreach (FY 18/19)**

No additional effort will be assigned to this task.

#### **Subtask 11.3 – Monthly Coordination Meetings**

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

#### **Subtask 11.4 – Public Outreach (FY 19/20)**

No additional effort will be assigned to this task.

#### **Subtask 11.5 – Public Outreach (FY 20/21)**

Subtask 11.5 includes the anticipated notifications and materials to be developed and used during FY 20/21 and will include the following components:

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

##### **Subtask 11.5.1 – Notifications**

Quarterly utility bill newsletter inserts will be used to keep the community updated on the status of the CONVEYANCE FACILITIES component of the PROJECT after construction begins in October 2020.

Newsletters will be brief, and professionally designed with both text and visual elements to convey technical concepts and address known questions. Content for these CITY-wide bill inserts will be provided by the PROGRAM MANAGER in English and Spanish.

Direct email will continue to be used to reach a broad base of business owners in advance of meetings and events, and to provide PROJECT updates throughout the construction of the CONVEYANCE FACILITIES component of the PROJECT. Email notifications can include links to website information and can include visual elements like photos and maps. Email contact information will be collected during meetings, public outreach efforts, and subscriptions to the PROJECT website. It is estimated that up to four email newsletters will be developed.

##### **Subtask 11.5.2 – Phone Line and Community Inquiries**

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

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

**Subtask 11.5.3 – Website Update and Management**

A new PROJECT website was recently launched in spring 2020. The website will serve as the online hub for PROJECT updates and materials, and will serve as the go-to source of information about the PROJECT. A designated page was developed on the website for construction notices and schedule information. However, the CITY and PROGRAM MANAGER have determined the need for additional content for the website including:

- Information on the potable reuse elements of the PROJECT (i.e., technology selection, regulatory requirements, etc.)
- Information to support the CITY’s new ESCP

These content updates will be made under this Scope of Services.

**Task 11 Deliverables:**

- As-needed bill insert newsletters
- Monthly email notifications.
- As-needed social media content
- New website content for potable reuse and support of the ESCP
- Updates to the public inquiry log

**Task 11 Assumptions:**

- CITY to print all materials and provide postage for any mailings
- CITY to provide updates to the PROJECT website in the form of regularly uploading reference material
- CITY to pay monthly subscription fees for the information line

**Task 12 - Conveyance Facilities Design Oversight (July 01, 2020 to June 30, 2021)**

Previous Approved Contract Amount	Expenditures through FY 19/20	Remaining Budget	Additional Funds (FY 20/21 Allocation)	Anticipated Expenditures in FY 20/21	Remaining at the End of FY 20/21	Total Contract Amount
\$160,110	\$200,543	\$(40,433)	<b><u>\$83,133</u></b>	\$42,700	\$-	\$243,243

**Subtask 12.1 – General Design Oversight Services**

No additional effort will be assigned to this task.

**Subtask 12.2 – Subsurface Utility Investigations**

No additional effort will be assigned to this task.

**Subtask 12.3 – Bidding Support Services**

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

**Task 12 Deliverables:**

- Agenda and meeting minutes for pre-bid meeting.
- Addenda (up to three [3])

**Task 12 Assumptions:**

- NA

**Task 13 – WRF Onsite DB Support (July 01, 2019 to June 30, 2020)**

Previous Approved Contract Amount	Expenditures through FY 19/20	Remaining Budget	Additional Funds (FY 20/21 Allocation)	Anticipated Expenditures in FY 20/21	Remaining at the End of FY 20/21	Total Contract Amount
\$439,200	\$476,769	\$(37,568)	<b><u>\$82,984</u></b>	\$40,376	\$-	\$522,185

**Subtask 13.1 – Design Build Kick-Off Meeting**

No additional effort will be assigned to this task.

**Subtask 13.2 – Design-Build Team Meetings**

No additional effort will be assigned to this task.

**Subtask 13.3 – Design Oversight**

No additional effort will be assigned to this task.

**Subtask 13.4 – Major Equipment Procurement Support**

Through FY 19/20, the WRF Design-Build Team has procured the following major pieces of equipment:

- Headworks
- Membrane Bioreactor (MBR)
- Reverse osmosis (RO)

The following major pieces of equipment will be procured during FY 20/21:

- Stormwater Adaptive Filtration Equipment (SAFE)
- Cloth Media Disk Filters
- Biological Nutrient Removal
  - Fine Bubble Membrane Diffusers
  - Hybrid (Screw) Blowers
- Ultraviolet/Advanced Oxidation (UV/AOP)
- Chemical Handling and Feed (i.e., peristaltic pumps)
- Belt Filter Press (BFP)
- Storage and Pumping
  - End-Suction Centrifugal Pumps
  - Glass-Lined Bolted Steel Tank
- Purified Water Conditioning (Calcite Contactors)

Procurement will include the initial review of the procurement packages for the above major pieces of equipment and process areas. Once proposals are received from the equipment manufacturers, the

PROGRAM MANAGER will review the proposals and work with the WRF Design-Build Team and CITY to select the preferred manufacturer. Comments on the major equipment package procurement documents will be consolidated along with comments from CITY staff into a comment form that will be delivered to the WRF Design-Build Team. The review of the results of the procurement will be summarized in a comment form in the PMIS.

**Subtask 13.5 – Major Subconsultant Procurement Support**

No additional effort will be assigned to this task.

**Subtask 13.6 – Process Site Visits**

No additional effort will be assigned to this task.

**Task 13 Deliverables:**

- NA

**Task 13 Assumptions:**

- NA

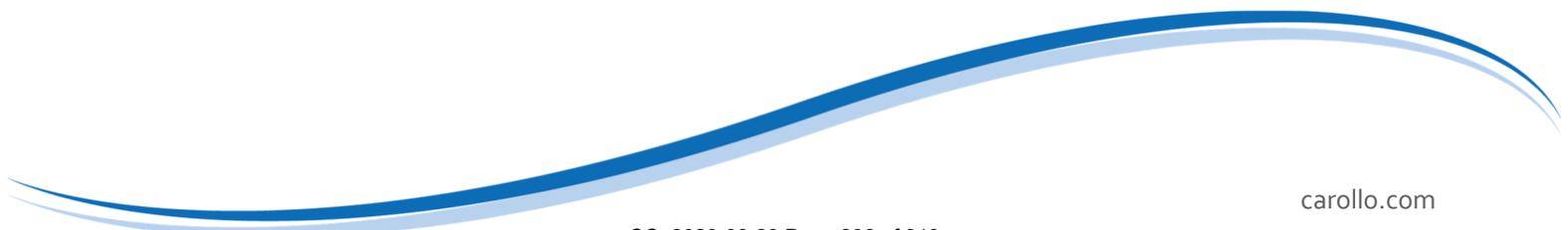
**Task 14 – Outfall Management Plan**

Previous Approved Contract Amount	Expenditures through FY 19/20	Remaining Budget	Additional Funds (FY 20/21 Allocation)	Anticipated Expenditures in FY 20/21	Remaining at the End of FY 20/21	Total Contract Amount
\$303,834	\$48,415	\$255,419	<b>\$4,029</b>	\$259,448	\$-	\$307,863

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

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

This task includes the following subtasks:



- Condition Assessment
- Hydraulic Analysis
- Dilution Modeling

#### **Subtask 14.1 – Outfall Assessment Plan**

No additional effort will be assigned to this task.

#### **Subtask 14.2 – Condition Assessment**

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

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

#### **Subtask 14.3 – Hydraulic Assessment**

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

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

different scenarios), to calculate hydraulic capacity based on projected average and peak flows, and to identify any operational concerns during low flows.

- Prepare a draft technical memorandum that documents the results of the hydraulic assessment. Conduct a workshop with the CITY to review the technical memorandum and to receive CITY comments. Prepare a final technical memorandum and submit it to the CITY.

#### **Subtask 14.4 – Dilution Modeling**

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

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

#### **Subtask 14.5 – Outfall Management Plan Report**

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

#### **Task 14 Deliverables:**

- Draft Outfall Management Plan
  - Current Percent Complete (end of FY19/20) = 0 percent
  - Anticipated Percent Complete (end of FY20/21) = 100 percent
- Final Outfall Management Plan
  - Current Percent Complete (end of FY19/20) = 0 percent
  - Anticipated Percent Complete (end of FY20/21) = 100 percent
- Agenda and meeting minutes for the Condition Assessment Workshop

#### **Task 14 Assumptions:**

- NA

**Task 15 – Coastal Development Permit Compliance**

Previous Approved Contract Amount	Expenditures through FY 19/20	Remaining Budget	Additional Funds (FY 20/21 Allocation)	Anticipated Expenditures in FY 20/21	Remaining at the End of FY 20/21	Total Contract Amount
\$54,228	\$53,256	\$972	<b>\$20,706</b>	\$21,678	\$-	\$74,934

While a CDP has been approved by the CCC for the PROJECT, it has been granted subject to a number of special conditions. Specifically, the permit includes requirements that must be met before the CDP can be issued, before construction can be started, and prior to operation of the new WRF. Since the PROJECT is a combination of three separate project components each with a separate schedule, the CITY is taking a phased approach to compliance with the special conditions. This task includes completion of the plans identified in the special conditions that must be completed before construction can be started on the CONVEYANCE FACILITIES.

**Subtask 15.1 – Revised Final Plans**

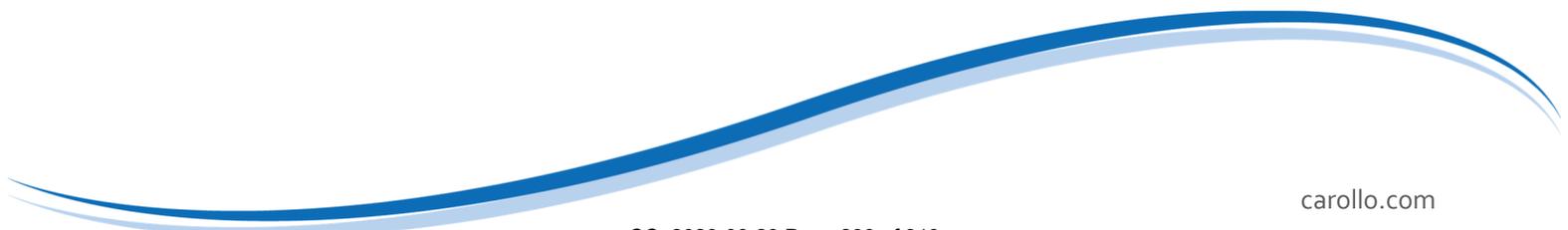
Prior to the issuance of the CDP, the CITY is required to prepare and submit the Revised Final Plans to the CCC for review. As defined in the NOI for Permit No. 3-19-0463, the Revised Final Plans must show the following required changes and clarifications to the PROJECT:

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

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

**Subtask 15.2 – Construction Plan**

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



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

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

**Subtask 15.3 – Recycled Water Management Plan**

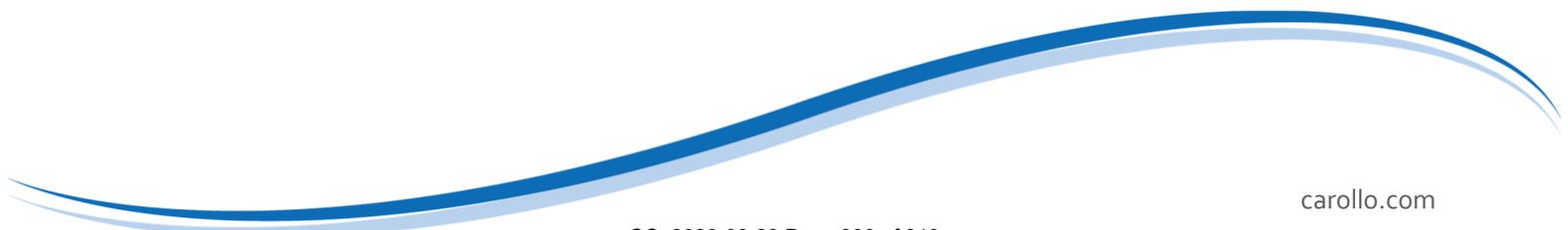
No additional effort will be assigned to this task.

**Subtask 15.4 – Other Authorizations**

Prior to the start of construction for CONVEYANCE FACILITES and RECYCLED WATER FACILITIES,

**Task 16 – Operations Support**

Previous Approved Contract Amount	Expenditures through FY 19/20	Remaining Budget	Additional Funds (FY 20/21 Allocation)	Anticipated Expenditures in FY 20/21	Remaining at the End of FY 20/21	Total Contract Amount
\$21,132	\$10,500	\$10,632	\$-	\$10,379	\$253	\$21,132



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

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

**Task 17 – Recycled Water Facilities Preliminary Design**

Previous Approved Contract Amount	Expenditures through FY 19/20	Remaining Budget	Additional Funds (FY 20/21 Allocation)	Anticipated Expenditures in FY 20/21	Remaining at the End of FY 20/21	Total Contract Amount
\$153,472	\$2,084	\$151,388	\$-	\$137,352	\$14,036	\$153,472

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

**Task 17 Deliverables:**

- Draft and Final RECYCLED WATER FACILITIES PDR
  - Current Percent Complete (end of FY19/20) = 0 percent
  - Anticipated Percent Complete (end of FY20/21) = 100 percent

**Task 18 – WRF Construction Support**

Previous Approved Contract Amount	Expenditures through FY 19/20	Remaining Budget	Additional Funds (FY 20/21 Allocation)	Anticipated Expenditures in FY 20/21	Remaining at the End of FY 20/21	Total Contract Amount
\$783,912	\$303,745	\$480,167	<b>\$288,693</b>	\$773,900	\$-	\$1,072,605

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

PROGRAM MANAGER's level of effort defined for the various tasks herein is based on the time between the Construction Notice-to-Proceed (anticipated to be September 15, 2019) to the DB TEAM for the start of construction through commissioning. The level of effort for this Scope of Services is for the next twelve (12) months of construction. Efforts by the PROGRAM MANAGER after June 30, 2021 will be covered by a future Scope of Services.

#### **Task 18.1 – Pre-Construction Conference**

No additional effort will be assigned to this task.

#### **Subtask 18.2 – Construction Oversight Services**

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

- 40 hours per week during heavy construction (July 2020 through June 2021)

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

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

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

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

PROGRAM MANAGER will be familiar with all Contract Documents for the WRF component of the PROJECT. PROGRAM MANAGER will have responsibility for enforcing the requirements of the Contract

Documents by use of the tools available in Article 8 of the Contract Documents. The CONSTRUCTION MANAGER will provide interpretations and clarifications of Contract Documents.

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

PROGRAM MANAGER's CONSTRUCTION MANAGER will manage construction records for the CITY electronically using the SharePoint PMIS, including files for correspondence, reports, Contract Documents, Change Documents, clarifications, and interpretations of the Contract Documents, progress reports, and other PROJECT-related documents. PROGRAM MANAGER and CITY will provide chain-of-authority to release documents for construction; review DB TEAM management of documents and record drawings; review DB TEAM management of shop drawing reviews, material delivery inspections, etc.; and provide PROJECT record documents to CITY for filing in accordance with CITY procedures.

#### **Subtask 18.3 – Construction Inspection Services**

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

#### **Subtask 18.4 – Geotechnical Construction Support**

No additional effort will be assigned to this task.

#### **Subtask 18.5 – Biological Mitigation Support**

The FEIR includes several mitigation measures for the WRF in regards to biological resources. The PROGRAM MANAGER has included an additional allowance of \$50,000 to provide services of the lead biologist to perform the following subtasks between July 1, 2020 and June 30, 2021.

##### **Subtask 18.5.1 – Education**

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

#### Subtask 18.5.2 – Nesting Bird Survey

No additional effort will be assigned to this task.

#### Subtask 18.5.3 – Monitoring

The PROGRAM MANAGER will provide necessary monitoring through FY 20/21. If the combined effort for Subtask 18.5 exceeds \$100,000 (original \$50,000 allowance and additional \$50,000 allowance provided in this Scope of Services), the PROGRAM MANAGER will discuss an additional budget allocation with the CITY prior to the start of FY 21/22.

#### Subtask 18.6 – Construction Progress Reporting

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

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

- Summary of progress to date including a description of progress since the last report, percent construction complete, percent contractor invoiced, and percent schedule elapsed
- Description of compliance with environmental requirements (i.e., FEIR, Final Biological Opinion, PA with SHPO, etc.)
- Listing of COs including amount, description of work, and change in contract amount and schedule
- Any problems encountered, proposed resolution, schedule for resolution, and status of previous problem resolutions

#### Subtask 18.7 – Construction Progress Meetings

CONSTRUCTION MANAGER will prepare for and lead weekly construction meetings with the CITY and DB TEAM. CONSTRUCTION MANAGER will develop the agenda and meeting minutes.

#### Subtask 18.8 – Project Signage

No additional effort will be assigned to this task.

#### Subtask 18.9 – Construction Control Plan Review

No additional effort will be assigned to this task.

#### Subtask 18.10 – Monthly Progress Payment Review

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

**Task 18.11 – Certified Payroll Review**

PROGRAM MANAGER will review the DB TEAM's certified payroll for compliance with prevailing wage requirements. Any discrepancies will be identified and returned to the DB TEAM for immediate correction. Violations will be addressed in accordance with the State Labor Code. PROGRAM MANAGER will also conduct interviews with select DB TEAM field personnel to confirm payroll conditions. The certified payroll findings will be included in the monthly project progress reporting described in Tasks 18.2 and 18.3. Efforts from this task will ensure the DB TEAM is meeting the CWSRF Davis-Bacon requirements. PROGRAM MANAGER will require the DB TEAM to maintain records on site and periodically check records for completeness and accuracy.

**Task 18.12 – SRF and WIFIA Payment Reimbursement Requests Preparation**

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

**Task 18 Assumptions:**

- CONSTRUCTION MANNAGER will arrange, prepare for, and lead weekly progress meetings.

**Task 18 Deliverables:**

- Development and maintenance of a Dispute Escalation and Resolution Matrix on the PMIS.
- Orderly maintenance of files for correspondence, reports, Contract Documents, Change Documents, clarifications, and interpretations of the Contract Documents, progress reports, and other PROJECT-related documents on the SharePoint PMIS.
- Review of twelve (12) of the DB TEAM's monthly status reports.
- Processing of twelve (12) Applications for Payment, which includes review, verification, and process of the application.
- CONSTRUCTION MANAGER will develop and distribute the agenda prior to the weekly construction meetings.
- CONSTRUCTION MANAGER will record minutes for the weekly progress meetings and distribute electronic copies within seven (7) calendar days after meeting to participants and others affected by decisions made within the meeting.
- CONSTRUCTION MANAGER will provide written comments, compile CITY’S comments, and develop a Comments and Response Log for the various construction control plans for distribution back to the DB team.

**Task 19 – Conveyance Facilities Construction Management**

Previous Approved Contract Amount	Expenditures through FY 19/20	Remaining Budget	Additional Funds (FY 20/21 Allocation)	Anticipated Expenditures in FY 20/21	Remaining at the End of FY 20/21	Total Contract Amount
\$0	\$0	\$0	<b>\$1,155,005</b>	\$1,155,005	\$-	\$1,155,005

PROGRAM MANAGER’s role during Phase 3 of the CONVEYANCE FACILITIES component of the PROJECT will shift from an engineering-focus to a construction and commissioning oversight, auditing, and

support focus. All field and office-related activities during Phase 3 will be coordinated by the PROGRAM MANAGER. Core design oversight team members will continue to provide engineering office support and commissioning support accordingly.

PROGRAM MANAGER's level of effort defined for the various tasks herein is based on the time between the Construction Notice-to-Proceed (anticipated to be September 2020) through commissioning. The level of effort for this Scope of Services is for the first ten (10) months of construction. Efforts by the PROGRAM MANAGER after June 30, 2021 will be covered by a future Scope of Services.

PROGRAM MANAGER will provide a CONVEYANCE FACILITIES CONSTRUCTION MANAGER to oversee all field activities for the PROGRAM MANAGER. The CONVEYANCE FACILITIES CONSTRUCTION MANAGER will be the central liaison for communication between the PROGRAM MANAGER/CITY and the CONVEYANCE FACILITIES contractor (TBD). The CONVEYANCE FACILITIES CONSTRUCTION MANAGER will be provided on-site full-time starting with the Construction Notice to Proceed (NTP) as required by the CITY's CDP Special Condition No. 2 (Construction Plan).

### **Subtask 19.1 – Pre-Construction Services**

#### **Subtask 19.1.1 – Bid Escrow Document Review**

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will perform an escrow review of bid documents provided by the accepted bidder to determine completeness and conformance of the received bid package. CONVEYANCE FACILITIES CONSTRUCTION MANAGER will secure the bid package for duration of construction contract to assist in negotiation and resolution of change orders and potential claims.

#### **Subtask 19.1.2 – Construction Contract Compliance**

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will review the contractor's contract execution for compliance with contract document requirements, CWSRF loan fund requirements, including prevailing wage and apprenticeship program requirements, as well as compliance with all environmental documents.

#### **Subtask 19.1.3 – Pre-Construction Conference**

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will schedule, coordinate, and conduct one (1) pre-construction conference. An agenda will be prepared in advance to notify attendees of key items for discussion. Meeting notes will be prepared and distributed to attendees within ten (10) days of the conference.

### **Subtask 19.2 – Services during Construction**

#### **Subtask 19.2.1 – Documentation System Set-up**

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will modify the PROJECT PMIS for use as a web-based documentation system for construction of the CONVEYANCE FACILITIES. A training session will be held for CITY, designer, and contractor personnel. The system will be tailored to meet the needs of each party and will be maintained by the PROGRAM MANAGER for the duration of the CONVEYANCE FACILITIES component of the PROJECT.

#### Subtask 19.2.2 – Communication and Construction Management Plan

A specific Construction Management Plan for the CONVEYANCE FACILITIES component of the PROJECT will be created to establish specific protocols, communications, and procedures.

#### Subtask 19.2.3 – Manage Field Inspection Personnel

PROGRAM MANAGER will provide resident inspection and the CONVEYANCE FACILITIES CONSTRUCTION MANAGER and/or RESIDENT ENGINEER will manage the activities of the field inspection personnel, including the materials testing subcontractor. The inspectors will prepare daily inspection reports, and our construction team will provide monthly summary reports to the CITY.

#### Subtask 19.2.4 – Track Submittals

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will coordinate and manage the shop drawing and submittal review process between the design engineer and the contractor. All submittals will be handled using the PMIS. CONVEYANCE FACILITIES CONSTRUCTION MANAGER will screen all submittals and determine their completeness before reviewing them or forwarding them to the design engineer for technical review.

#### Subtask 19.2.5 – Prepare Field Memos and Clarifications

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will coordinate and manage preparation of field memos and clarifications of drawings and specifications between the design engineer and the contractor. Memos will be handled in PMIS to allow easy tracking of their status and outcome.

#### Subtask 19.2.6 – Track Requests for Information

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will coordinate and manage the RFI process between the design engineer and the contractor. All RFIs will be handled using the PMIS. CONVEYANCE FACILITIES CONSTRUCTION MANAGER will screen all RFIs and determine their validity before responding to them or forwarding them to the design engineer for response.

#### Subtask 19.2.7 – Review Monthly Progress Payment Requests

We will evaluate the contractor's monthly progress payment requests and recommend payment by the CITY if requirements are met. CONVEYANCE FACILITIES CONSTRUCTION MANAGER will compare requested quantities to the actual quantities completed and negotiate the appropriate progress payment request with the contractor.

#### Subtask 19.2.8 – Review Construction Schedule

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will review and approve the contractor's construction schedule, including updates and revisions, in accordance with the contract documents. CONVEYANCE FACILITIES CONSTRUCTION MANAGER's review will focus on key elements such as logic, duration of activities, duration of start-up and testing, and construction sequencing constraints and milestones.

#### Subtask 19.2.9 – Review Change Order Requests

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will review change order requests in conjunction with the design engineer to determine changes in scope and conditions. PROGRAM MANAGER will

prepare independent cost estimates and negotiate with the contractor. CONVEYANCE FACILITIES CONSTRUCTION MANAGER will prepare and process approved change orders and incorporate them into the contract. CONVEYANCE FACILITIES CONSTRUCTION MANAGER will prepare a log for tracking all potential change orders and agreed upon change orders.

#### Subtask 19.2.10 – Resolve Conflicts

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will work with all parties involved to resolve potential conflicts before they become an issue.

#### Subtask 19.2.11 – Review Labor Compliance

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will monitor project records and review labor compliance of the contractor. CONVEYANCE FACILITIES CONSTRUCTION MANAGER will work with the contractor to correct any deficiencies found and report status to the CITY.

#### Subtask 19.2.12 – Review Installation and Maintenance of BMPs and Implementation of the SWPPP

CONVEYANCE FACILITIES CONSTRUCTION MANAGER's staff is educated in California's evolving stormwater policies. CONVEYANCE FACILITIES CONSTRUCTION MANAGER will monitor the stormwater protection installed by the contractor and work with him to maintain it and report its effectiveness in accordance with the current state regulations.

#### Subtask 19.2.13 – Documentation of Existing Site Conditions

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will prepare video and photographic records of initial site conditions before the contractor begins construction. Video documentation will be accompanied by a verbal description of existing conditions. A copy of the video and photographic documentation will be provided to the CITY.

#### Subtask 19.2.14 – Electrical Construction Inspection

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will provide a qualified inspector to monitor the contractor's compliance with the specifications requirements in placing the ductbanks and conduit runs. CONVEYANCE FACILITIES CONSTRUCTION MANAGER will inspect and ensure conformance with the specifications on the placement and installation of electrical equipment. Wiring will be inspected for proper terminations and labeling. Installations will be monitored for compliance with NEC and other applicable codes.

#### Subtask 19.2.15 – Electrical Testing

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will work with the designer, contractor and vendors to determine all the required testing, then witness and document all site acceptance tests on electrical equipment. This includes witnessing all point-to-point checks and run tests for electrical equipment. CONVEYANCE FACILITIES CONSTRUCTION MANAGER will confirm that circuit breaker settings conform to the values shown in the short circuit study and that all harmonic filters are correct and in place. All electrical testing results will be documented and filed in the project records.

#### Subtask 19.2.16 – Monitor Contractor's Compliance with Contract Documents

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will review and monitor the contractor's work against the contract documents to ensure compliance. CONVEYANCE FACILITIES CONSTRUCTION

MANAGER will report any non-conformances and deficiencies to the City and contractor and will work with the contractor to correct these deficiencies in a timely manner to the satisfaction of the City.

**Subtask 19.2.17 – Review Certified Payroll**

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will review the contractor and subcontractor certified payroll for compliance with State and Federal prevailing wage requirements. Any discrepancies will be identified and returned to the contractor for immediate correction. Violations will be addressed in accordance with the State Labor Code and Davis Bacon wage requirements. CONVEYANCE FACILITIES CONSTRUCTION MANAGER will also conduct interviews with select contractor field personnel to confirm payroll conditions. Our certified payroll findings will be included in the monthly project progress report.

**Subtask 19.2.18 – Monitor Contractor’s Compliance with CEQA Requirements**

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will maintain a copy of the CEQA requirements and monitor the contractor’s compliance against these requirements. CONVEYANCE FACILITIES CONSTRUCTION MANAGER will periodically inform the CITY and contractor of compliance status and recommend a course of action to the CITY and contractor if these requirements are not being met.

**Subtask 19.2.19 – Monitor and Review Record Drawings**

CONVEYANCE FACILITIES CONSTRUCTION MANAGER will monitor and coordinate the contractor’s recording and maintenance of field changes to plans and specifications during construction on a monthly basis, or more frequently as required. At the 50-, 75-, and 90-percent project completion levels, CONVEYANCE FACILITIES CONSTRUCTION MANAGER will perform a review of the contractor’s working record drawings for general completeness and advise him of status.

**Subtask 19.3 – Provide Material Testing**

A materials testing laboratory will be hired by the PROGRAM MANAGER to take quality assurance samples during construction and report to the CONVEYANCE FACILITIES CONSTRUCTION MANAGER. CONVEYANCE FACILITIES CONSTRUCTION MANAGER will coordinate callouts of the materials testing services firm with the contractor to efficiently use the testing firm. Testing results will be monitored for compliance with the contract documents. Discrepancies will be noted and the contractor will be directed to make necessary corrections.

**Summary of Current and Previous Budget Allocations**

Task	Description	Original Contract	Budget Allocation No. 1	Budget Allocation No. 2	Budget Allocation No. 3	Total Contract Amount
1	Program Assessment	\$36,540				
2	Technical Evaluation	\$51,850				
3	Design-Build Procurement Support	\$95,000			\$6,329	\$278,047
4	Program Controls Plan	\$54,000				

Task	Description	Original Contract	Budget Allocation No. 1	Budget Allocation No. 2	Budget Allocation No. 3	Total Contract Amount
5	Program Team Integration Plan	\$28,000				
6	Routine Project Update Meetings	\$32,000	\$194,057	\$229,024	\$-	\$455,081
7	Program Management Oversight		\$17,389	\$34,800	\$-	\$52,189
8	Project Controls		\$162,596	\$240,240	\$49,770	\$452,606
9	Funding Support		\$77,632	\$88,352	\$-	\$165,984
10	Permitting Support		\$488,242	\$110,000	\$319,142	\$917,384
11	Public Outreach		\$181,246	\$244,060	\$46,863	\$472,168
12	Conveyance Facilities Design Oversight		\$107,478	\$52,632	\$83,133	\$243,243
13	WRF Onsite Design-Build Support		\$372,918	\$66,282	\$82,984	\$522,185
14	Outfall Management Plan			\$303,834	\$4,029	\$307,863
15	Coastal Development Permit Compliance			\$54,228	\$20,706	\$74,934
16	Operations Support			\$21,132	\$-	\$21,132
17	Recycled Water Facilities Preliminary Design			\$153,472	\$-	\$153,472
18	WRF Construction Support			\$783,912	\$288,693	\$1,072,605
19	Conveyance Facilities Construction Management				\$1,155,005	\$1,155,005
	<b>Total</b>	<b>\$297,390</b>	<b>\$1,601,558</b>	<b>\$2,381,968</b>	<b>\$2,073,133</b>	<b>\$6,360,378</b>





Task	Description	Original	Budget Allocation No. 1	Budget Allocation No. 2	Total	Expended through FY19/20	Remaining at Start of FY20/21	Budget Allocation No. 3	Total Expenditures in FY20/21 (Forecasted)	Remaining at End of FY21/22	Total Contract	Task Status for FY20/21	Status for FY21/22
Task 1	Program Assessment	\$ 36,540			\$ 36,540	\$ 41,113							
Task 2	Technical Evaluation	\$ 51,850			\$ 51,850	\$ 76,039							
Task 3	Design-Build Procurement Support	\$ 95,000			\$ 95,000	\$ 124,285	\$ (6,329)	\$ 6,329	\$ -	\$ -	\$ 278,047	Closed	Closed
Task 4	Program Controls Plan	\$ 54,000			\$ 54,000	\$ 27,806							
Task 5	Program Team Integration Plan	\$ 28,000			\$ 28,000	\$ 2,475							
Task 6	Routine Project Update Meetings	\$ 32,000	\$ 194,057	\$ 229,024	\$ 455,081	\$ 257,151	\$ 197,930	\$ -	\$ 131,312	\$ 66,618	\$ 455,081	Ongoing	Ongoing
Task 7	Program Management Oversight		\$ 17,389	\$ 34,800	\$ 52,189	\$ 32,209	\$ 19,980	\$ -	\$ 18,836	\$ 1,144	\$ 52,189	Ongoing	Ongoing
Task 8	Project Controls		\$ 162,596	\$ 240,240	\$ 402,836	\$ 246,286	\$ 156,550	\$ 49,770	\$ 206,320	\$ -	\$ 452,606	Ongoing	Ongoing
Task 9	Funding Support		\$ 77,632	\$ 88,352	\$ 165,984	\$ 94,569	\$ 71,415	\$ -	\$ 26,368	\$ 45,047	\$ 165,984	Ongoing	Ongoing
Task 10	Permitting Support		\$ 488,242	\$ 110,000	\$ 598,242	\$ 742,508	\$ (144,266)	\$ 335,622	\$ 191,356	\$ -	\$ 933,864	Ongoing	Ongoing
Task 11	Public Outreach		\$ 181,246	\$ 244,060	\$ 425,306	\$ 310,884	\$ 114,421	\$ 46,863	\$ 161,284	\$ -	\$ 472,168	Ongoing	Ongoing
Task 12	Conveyance Facilities Design Oversight		\$ 107,478	\$ 52,632	\$ 160,110	\$ 200,543	\$ (40,433)	\$ 83,133	\$ 42,700	\$ -	\$ 243,243	Ongoing	Closed
Task 13	WRF Onsite Design-Build Support		\$ 372,918	\$ 66,282	\$ 439,200	\$ 476,769	\$ (37,568)	\$ 82,984	\$ 40,376	\$ -	\$ 522,185	Ongoing	Closed
Task 14	Outfall Management Plan			\$ 303,834	\$ 303,834	\$ 48,415	\$ 255,419	\$ 4,029	\$ 259,448	\$ -	\$ 307,863	Ongoing	Closed
Task 15	Coastal Development Permit Compliance			\$ 54,228	\$ 54,228	\$ 53,256	\$ 972	\$ 20,706	\$ 21,678	\$ -	\$ 74,934	Ongoing	Closed
Task 16	Operations Support			\$ 21,132	\$ 21,132	\$ 10,500	\$ 10,632	\$ -	\$ 10,379	\$ 253	\$ 21,132	Closed	Closed
Task 17	Recycled Water Facilities Preliminary Design			\$ 153,472	\$ 153,472	\$ 2,084	\$ 151,388	\$ -	\$ 137,352	\$ 14,036	\$ 153,472	Ongoing	Ongoing
Task 18	WRF Construction Support			\$ 783,912	\$ 783,912	\$ 303,745	\$ 480,167	\$ 288,693	\$ 773,900	\$ -	\$ 1,072,605	Ongoing	Ongoing
Task 19	Conveyance Facilities Construction Management							\$ 1,155,005	\$ 1,155,005	\$ -	\$ 1,155,005	Ongoing	Ongoing
Task 20	Recycled Water Facilities Construction Management												
<b>Total</b>		\$ 297,390	\$ 1,601,558	\$ 2,381,968	\$ 4,280,916	\$ 3,050,637	\$ 1,230,279	\$ 2,073,133	\$ 3,176,314	\$ 127,098	\$ 6,360,378		

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AGENDA NO: C-3

MEETING DATE: June 23, 2020

# Staff Report

**TO:** Honorable Mayor and City Council

**DATE:** June 18, 2020

**FROM:** Scott Collins, City Manager  
Jennifer Callaway, Finance Director

**SUBJECT:** Consideration of Temporary Embarcadero Street Closure – Southbound Lane Between Harbor Street and Marina Street

## RECOMMENDATION

Council receive staff presentation and provide direction regarding a potential closure of Embarcadero.

## FISCAL IMPACT

City staff anticipates the estimated costs of the temporary closure will range between \$5,000 to \$20,000, accounting for outreach, signage and lane closure delineator/barricade expenses. Staff does not believe that these expenses will be Federal Emergency Management Agency (FEMA) reimbursable and, if Council were to opt proceed with a temporary closure, staff would recommend funding come from the project accumulation fund (non-General Fund), which has a cash balance of \$300,000.

## BACKGROUND/DISCUSSION

City Council provided general direction to staff at several of their May and June meetings to bring back options for a temporary closure of Embarcadero (the main street on the Waterfront). That was part of a general discussion about creative use of public space to assist local businesses and promote public health during the COVID-19 pandemic. Council has discussed and supported concepts to modify the Embarcadero on a more permanent basis in the past, including a concept to limit car traffic to one-way only, eliminating parking on one side of the street, and widening sidewalks on the water side. In addition, several cities, including Santa Barbara, Ventura and San Luis Obispo have recently moved forward with temporary closures of some of their main commercial thoroughfares in the wake of COVID-19.

Since that recent direction was provided by Council, staff engaged in outreach to the business community and with California Coastal Commission staff and reviewed various road closure options. Coastal Commission staff are supportive of a temporary street closure of the Embarcadero. They are reviewing the temporary road closure as part of the Emergency Coastal Development Permit application that also includes outdoor dining on the waterfront lease sites and in the public right-of-way and a pilot RV camping program. Businesses, on the other hand, have expressed concerns about impacts to their business operations due to the unknowns related to such a change. With many of them just now re-opening their doors following months of closure under the shelter at home orders, they fear this change may obstruct their momentum. Specifically, they are concerned about losing curbside parking for customers and impacts on deliveries and construction projects going on in that area.

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Dept Review: \_\_\_\_\_

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Conversely, staff received correspondence from community members requesting the Embarcadero street be closed so that pedestrians can better socially distance in the popular waterfront area. Sidewalks on the Embarcadero are quite narrow, making it hard to meet the Center for Disease Control and Prevention (CDC) recommended distancing of 6 feet between individuals/groups not part of the same household.

Staff considered the input from Coastal Commission staff, local business owners and community members in developing a temporary road closure approach. Staff looked at two different options: full closure of Embarcadero between Harbor and Marina, and closure of just the southbound lane of the Embarcadero between Harbor and Marina. Staff did not consider extending closure beyond Harbor and Marina as such a measure could significantly impact traffic flow to the northern and southern ends of the waterfront (and access to the boat ramp and Morro Rock facilities depending on how far the closures were extended).

Below is a summary of the two main options:

### **Option 1: Full Closure of Embarcadero**

Under this option, both northbound and southbound lanes of Embarcadero would be closed to vehicular travel between Harbor and Marina streets. All on-street and dead-end parking would be closed in that area, and access to the off-street public parking lot below the old DiStasio's building (714 Embarcadero) would also be closed. This option would also require restricting access to portions of Front Street on-street parking. This option would result in a total combined loss of 183 public parking spaces.

Vehicular traffic heading down to Embarcadero on Marina Street would have the option to head south on Embarcadero to access parking in that area and access the southern end of the waterfront area. Traffic heading down Harbor Street would have the option to route north on Embarcadero and could access the on-street parking in that area and on Front Street and access the northern end of the waterfront area. This allows the full 40-foot street width to be available for both pedestrian and bicycle traffic.

Under this option the City would use existing available traffic control equipment and materials; but some additional materials would be necessary to close Embarcadero at the Marina Street and Harbor street intersections on Embarcadero. Staff anticipate the cost for this option to be about \$5,000 for signs and other material and assumes City staff would be used to set up the barricades.

### **Option 2: Embarcadero Southbound Lane Closure**

Under this option, the southbound lane of Embarcadero would be closed to vehicular travel between Harbor and Marina streets. All on-street and dead-end parking would be closed in that area. However, portions of the on-street parking area on the northbound lane could be used for temporary parking for deliveries. In addition, under this option, the off-street public parking lot at 714 Embarcadero would remain open. This option would result in a total combined loss of 97 public parking spaces.

Vehicular traffic heading down to Embarcadero on Marina Street could turn left to route south to access parking and access the southern end of the waterfront. Traffic could also turn right to route north on Embarcadero and access the public parking lot at 714 Embarcadero or continue along Embarcadero to the northern end of the waterfront area. Traffic heading down Harbor Street would

only have the option to route north on Embarcadero and could access the on-street parking in that area and on Front Street and access the northern end of the waterfront area.

Under this option, the City would need to purchase/rent lane closure equipment to run the entire length of the closure. Pedestrians would be separated from traffic with channelizers along the center of the street along with crowd control barriers. This will leave approximately 20 feet of street width available for pedestrian and bicycle traffic. We anticipate the cost for this option to be from \$15,000 to \$20,000 for material and equipment, and assumes City staff would be used to set up the barricades and associated traffic control.

**Analysis of options**

Both options will improve pedestrian access and promote public health through added room for social distancing. Option 1 provides more access, would have an associated smaller cost to implement. Option 1 also provides for greater flexibility in terms of uses of the Embarcadero and ability to open and close the road if Council desired to limit the closure to weekends only for instance. Option 2 provides for smoother traffic flow, more efficient emergency access, and more parking. Option 2 also allows for delivery truck access on the northbound lane of the Embarcadero. Overall, the impact on businesses would likely be less under Option 2.

Below is a table the delineates via an “x” which option is preferable for the given criteria.

	<b>Option 1: Full Closure</b>	<b>Option 2: One-lane Closure</b>
<b>Parking</b>		<b>x</b>
<b>Traffic</b>		<b>x</b>
<b>Costs</b>	<b>x</b>	
<b>Flexibility</b>	<b>x</b>	
<b>Deliveries</b>		<b>x</b>
<b>Pedestrian Access</b>	<b>x</b>	

**CONCLUSION**

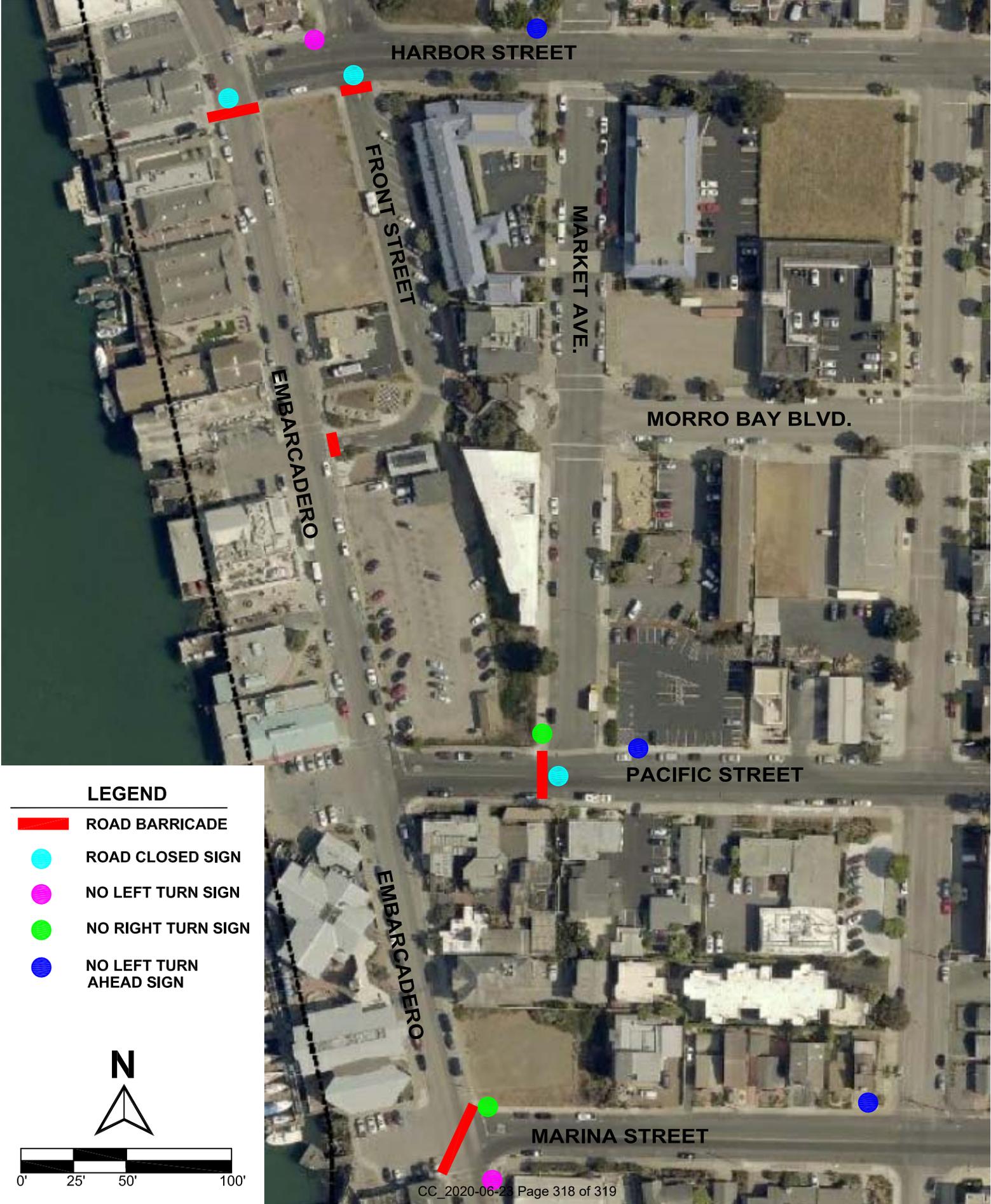
Should City Council desire to implement a temporary closure of the Embarcadero, staff recommends Option 2 described above. This option would have less impact on traffic flow compared to Option 1 and would retain more parking. Further, Option 2 would provide opportunities for temporary parking on the northbound on-street parking for deliveries and construction activities, reducing interruptions on and impacts to businesses in the area. Staff also recommends, should the City Council approve a closure, that we add several Americans with Disabilities Act (ADA) spaces, as required, along Front Street to account for loss of ADA parking spaces on Embarcadero.

If Council would like to proceed further, staff will work in earnest to institute the desired closure option ahead of the upcoming 4<sup>th</sup> of July weekend. The closure, if approved, would likely be in effect through the end of summer (September 2020).

**ATTACHMENTS**

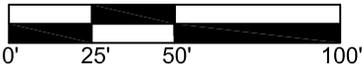
1. Option 1 Map
2. Option 2 Map

# OPTION 1 EMBARCADERO FULL CLOSURE



**LEGEND**

- ROAD BARRICADE
- ROAD CLOSED SIGN
- NO LEFT TURN SIGN
- NO RIGHT TURN SIGN
- NO LEFT TURN AHEAD SIGN



# OPTION 2 EMBARCADERO SOUTH BOUND CLOSURE

