

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – MAY 13, 2014
VETERAN’S MEMORIAL HALL – 6:00P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Edward Kreins	Interim City Manager
	Joe Pannone	City Attorney
	Jamie Boucher	City Clerk
	Susan Slayton	Administrative Services Director
	Eric Endersby	Harbor Director
	Rob Livick	Public Services Director
	Amy Christey	Police Chief
	Cindy Jacinth	Associate Planner

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT – Interim City Attorney Joe Pannone reported that with regards to Closed Session Item: Government Code Section 54956.8, Conference with Real Property Negotiators regarding: portions of APN No. 066-331-039 (Lila Keiser Park, Cal Poly Storage, Fisherman’s Gear Storage and nearby areas); Lease Site 138 and 139, 1253 and 1257 Embarcadero; and, Lease Sites 144/144W, 1287 Embarcadero, the Council did not take any reportable action pursuant to the Brown Act.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

Mayor Irons presented a Proclamation to Robert Davis for Bike Month and the Declaration of the Morro Bay Bike Committee as the City’s Bike Advocates.

PUBLIC COMMENT

Don Napier presented the Morro Bay Business Spot. Don is a retired Kern County Fire Captain who provides 1st Responder CPR Training. He stated that only 1% of those in the US take a CPR and First Aid class; he stressed, it’s not “if,” it’s “when.” His class covers infant, child and adult CPR. It also covers all phases of First Aid. He promises his prices will beat any

competitor on the Central Coast by \$25/person. He can be reached at captainnapier@gmail.com or at (661) 205-2848.

Steve Mahr with Community Health Centers spoke on the status transportation access concerns over the closure of the Morro Bay CHC office. They have successfully transitioned 762 active Morro Bay patients to their Casa Street office. Those patients received an immediate advantage of increased access to services. Using a navigational call center, they reached out by phone to all patients with a brief survey to get a general sense of how they were feeling about the change. 40% of those patients have been to a CHC clinic since the closure. Of those surveyed, skewing towards the older population, there were issues about transportation; education seems to be the sticking point and they realize more information needs to be made available. He did state that they offer door to door shuttle service, free RTA passes as well as Ride-on service. They guarantee that their shuttle service will get you to your appointment on time. He finished by saying the call center is still reaching out to those patients where transportation is a barrier.

Ken Vesterfelt thanked all the volunteers, trophy sponsors as well as event sponsors for the Morro Bay Car Show. He especially thanked Bill Peirce, John Lewan and Mike Tannler who worked tirelessly in getting the barricades out. He also thanked the Car Show entrants, many for staying an entire week. A final thanks went to the Bay Cruisers, sponsors of the Thursday evening check-in. He truly appreciates the support the community and City has given over the years.

Larry Newland announced the See the Sub event coming on May 24th from 10am – 4pm. It's the public's first opportunity to tour the DSRV Sub. Admission is \$5/adult and free for children under 12. The DSRV is only one of two built and this is the first time the public has ever been able to look inside. He thanked the many Maritime Museum Association members for all the volunteer hours spent helping out.

Matt Makowetski stated that the City will be interviewing vendors to redo our water rates which is both exciting and problematic. We have some big concerns – people with fixed incomes, low incomes, and businesses that these changes matter to. The interviews are being held on Friday, May 16th. He urged the public to send their concerns and questions to Public Services. He also spoke on the Bike Bridge across the creek. He has seen such an overwhelming positive response to this project; he sees it as tying the City together. He urged the Council when they talk about this item, to keep in mind how important it is to the City of Morro Bay.

Lynda Merrill stated it was great to see the Harbor being dredged again; the new sidewalks look terrific; feels that secondary units protect our neighborhoods; is looking forward to the next North Embarcadero presentation; and regarding C-4, report recommending WRF sites and reclamation – she is interested in hearing about the WRF update.

Lori French spoke on behalf of, but not solely for, the haul out facility and cold storage unit. When their family hauls their boats out, they try and do it out of Avila but now can't as the facility has been turned into an rv resort. The next option is to try for Moss Landing at Gravelles which now is also not an option as they are getting squeezed out by the Monterey Bay Aquarium and the sanctuary. Richmond becomes their next option which is not a safe work or living

environment. A haul out facility in Morro Bay would be lucrative, would attract out of town fishermen and would bring commerce to Morro Bay. She also announced the opening of Grandma's Frozen Yogurt, she is pleased to see them here as a small business and encourages all to go.

Lisa Winn provided a Chamber of Commerce event update: Thursday, May 15th – Morro Bay Business Forum: Business and Home Safety & Security, at the Veteran's Hall starting at 830am; May 15th – Chamber Mixer at the office of McElhinney & McElhinney beginning at 530pm; May 16th – Bike Breakfast at the Chamber office – will also have lots of give-a-ways; May 19th – last Sign Ordinance meeting for the Embarcadero Businesses, held at 830am at the Community Center; and they just got the contract signed for their Mobil App so it is now being worked on.

Susan Stewart spoke on the 4th Quarter Sales Tax report. She said there were some interesting things to look at: she noticed that while the downtown area has the 2nd highest number of businesses, it has the lowest sales tax revenue generated – maybe it's a good time to look at a zoning change to the downtown to encourage more restaurant and retail. Also, overall while the numbers were up; Morro Bay still has the lowest sales tax revenue per business of any community in the County. Marketing is a critical component, but we also need to look at product – what is the experience we are offering people. Maybe look at incentives for new businesses.

Roger Ewing is in support of staff's recommendation on the ordinance for granny units. This will help to ensure we have a stock of affordable housing units. Keeping a granny unit at 900 square feet or lower is a step in the right direction; allowing a granny unit to go to 1200 square feet or more isn't affordable. He applauds the 50% inclusion. He also wanted to publicly thank Ken Vesterfelt, who rarely gets recognized, who has been dedicating himself for the betterment of our community, has been an integral part of the car show, wears the uniform of a volunteer policeman, and is a gentleman – “Keep up the good work.”

Nancy Castle spoke on Monday night dinners. There have been no lower than 30 diners and even served 60 on the last Monday of April. Since they are growing, they could always use more help. You can either show up or contact her at 471-5770. She wanted to thank Sun n Buns and Rock Coffee Shop for their generous donations to the meals. Also, EBAC is meeting on May 15th at 345pm at St. Tims. EBAC is working to care for our community and do good things. Finally, the Historical Society is having a meeting at the Natural History Museum on Sunday, May 18th at 4pm.

David Nelson spoke on the deferral of the Dynegy payment. He thinks we need some commitment on when this payment will occur. He feels they have been given a free ride. He also thinks we need to find out when they will be taking down the power plant. He continues in the belief that the holes in the stack are producing pollutants; and in fact his reports say that the 3 smoke stacks are the highest pollutants in the County. Just because they aren't working, doesn't mean they aren't still polluting the air. He urges us to err on the side of precaution.

Gary Hixon feels everybody is doing a good job; summer time is here; he tries to help others find lost dogs; his u-tube video, Innerspace, is available now; and the streets and sidewalks are looking better.

The public comment period was closed.

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

A-1 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON APRIL 22, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 PROCLAMATION RECOGNIZING MAY 2014 AS “BIKE MONTH AND DECLARING THE MORRO BAY BIKE COMMITTEE AS THE CITY’S “BIKE ADVOCATES”; (MAYOR)

RECOMMENDATION: Present and approve as submitted.

A-3 ADOPTION OF RESOLUTION 32-14, MODIFYING THE WATER ALLOCATION PROGRAM FOR 2014; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution 32-14.

A-4 STATUS REPORT OF A MAJOR MAINTENANCE & REPAIR PLAN (MMRP) FOR THE EXISTING WASTEWATER TREATMENT PLAN; (PUBLIC SERVICES)

RECOMMENDATION: Approve as submitted.

A-5 WATER RECLAMATION FACILITY (WRF) PROJECT STATUS AND DISCUSSION; (PUBLIC SERVICES)

RECOMMENDATION: Approve as submitted.

A-6 DEFERRAL OF DYNEGY COMMUNITY DEVELOPMENT FUND PAYMENT; (CITY ATTORNEY)

RECOMMENDATION: Authorize the third deferral of Dynegy’s Community Development Fund (“CDF”) Payment until August 29, 2014, together with a waiver of any applicable late fees or default claims related to the deferral.

A-7 RECERTIFICATION OF THE UPDATED SEWER SYSTEM MANAGEMENT PLAN; (PUBLIC SERVICES)

RECOMMENDATION: Recertify the updated Sewer System Management Plan (SSMP).

A-8 RESOLUTION 30-24 APPROVING AN ADDENDUM TO THE MITIGATED NEGATIVE DECLARATION - MORRO CREEK MULTI-USE TRAIL AND BRIDGE PROJECT; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution 30-14, making the necessary findings for approval of the Addendum to the adopted Mitigated Negative Declaration and reaffirm the Conditional Use Permit (#UP0-371) for the construction of the Morro Creek Multi-Use Trail and Bridge Project.

Mayor Irons opened up the public comment period for items on the Consent Calendar; seeing none, the public comment period was closed.

Councilmember Smukler pulled Items A-1 and A-3 from the Consent Calendar.

MOTION: Councilmember Christine Johnson moved the City Council approve Items A-2, A-4, A-5, A-6, A-7, and A-8 of the Consent Calendar as presented. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

A-1 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON APRIL 22, 2014; (ADMINISTRATION)

Councilmember Smukler, after talking with the City Clerk, stated that on page 9, there was clean up on the vote needed. The Clerk agreed that there was a mistake/typo and has been fixed. Councilmember Christine Johnson, after speaking with the City Clerk, had received a request from Cindy Betonte requesting the Neighborhood Watch website and email address included in their public comment. The Clerk added those to the minutes. Mayor Irons requested additional information be added regarding Consent Item A-7, addressing Mr. Livick's responses to public comment questions and New Business Item D-1 summing up questions and answers posed to Mr. Livick.

MOTION: Councilmember Smukler moved to continue Item A-1 and bring it back to the next meeting with the changes as requested. The motion was seconded by Mayor Irons and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

A-3 ADOPTION OF RESOLUTION 32-14, MODIFYING THE WATER ALLOCATION PROGRAM FOR 2014; (PUBLIC SERVICES)

Councilmember Smukler thought it would be beneficial to add additional information regarding answering the questions "what is technically complete/in the pipeline." He felt it would be

beneficial to have an additional “whereas” stating that projects that are technically complete are exempt. Mr. Livick felt that information could be stated in a “now therefore be it resolved” stating “projects technically/deemed complete as of the date of adoption would not be subject to this Resolution.” Councilmember Smukler would also like to see Waterless toilets added to the list of water saving best management practices.

MOTION: Councilmember Smukler moved approval of Resolution 32-14 with an additional “Therefore be it resolved that projects technically/deemed complete as of the date of adoption of the Resolution would be exempt...”, would like to add waterless toilets in the list of BMP’s as well as any and all BMP’s that would be allowed under the Plumbing Code. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No’s: None

B. PUBLIC HEARINGS

B-1 RESOLUTION NO. 29-14 DECLARING THE INTENTION TO CONTINUE THE PROGRAM AND ASSESSMENTS FOR THE 2014/15 FISCAL YEAR FOR THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (MBTBID) AND SCHEDULING A PUBLIC HEARING TO LEVY THE ASSESSMENTS; (ADMINISTRATIVE SERVICES)

Administrative Services Director Susan Slayton presented the staff report.

Mayor Irons opened up the public hearing for Item B-1; seeing none, the public hearing was closed.

MOTION: Councilmember Nancy Johnson moved to approve Resolution 29-14 declaring the intention to continue the program and assessments for the 2014/15 fiscal year for the Morro Bay Tourism Bureau Improvement District and schedule a public hearing to levy the assessments for May 27, 2014. The motion was seconded by Councilmember Leage and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No’s: None

B-2 RESOLUTION NO. 28-14 APPROVING THE ENGINEERS REPORT AND DECLARING THE INTENT TO LEVY THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)

Administrative Services Director Susan Slayton presented the staff report.

Mayor Irons opened the public hearing for Item B-2.

David Nelson spoke commending the park at North Point which was put there for a reason and the assessment district was part of the deal. He asked Council to continue the assessment.

The public hearing for Item B-2 was closed.

Councilmember Smukler thanked the Recreation & Parks Department staff for repairing the stairs in the area.

MOTION: Councilmember Smukler moved to adopt Resolution 28-14, approve the Engineer's Report, and establish the public hearing date to levy the assessment as June 24, 2014. The motion was seconded by Councilmember Nancy Johnson and carried unanimously.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

B-3 RESOLUTION NO. 27-14 APPROVING THE ENGINEERS REPORT AND DECLARING THE INTENT TO LEVY THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)

Administrative Services Director Susan Slayton presented the staff report.

Mayor Irons opened public hearing for Item B-3.

David Nelson stated the assessment was agreed upon for the development of this land; people who built and moved there knew it was part of the deal. It's a great park, it's good for the City; just make the assessment fair for everybody.

Dawn Beattie thanked staff for acknowledging expenses over and above the assessment were not their responsibility. She urged Council to please vote to acknowledge staff's findings and move forward.

The public hearing for Item B-3 was closed.

Councilmember Smukler stated that during his time on Council, this has been a challenging issue; he feels that where we are at this point is an excellent launching place to this new relationship of a more transparent and collaborative work effort to maintain the park. He thanked staff for getting this together and the residents for being available and keeping us focused on this.

Councilmember Christine Johnson echoed Councilmember Smukler's sentiments. She also thanked staff and residents for hanging in there. She feels positive about ratifying the subsidy.

Mayor Irons also thanked staff.

MOTION: Councilmember Christine Johnson moved to approve Resolution 27-14, approving the Engineer's Report and declaring the intent to levy the annual assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District including ratifying the subsidy of \$87,743.61 from the General Fund. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

C. UNFINISHED BUSINESS

C-1 ADOPTION OF ORDINANCE 585; AMENDMENTS TO TITLE 17 - ZONING TEXT AMENDMENT (#A00-013) AMENDING SECONDARY UNIT ORDINANCE; (PUBLIC SERVICES)

Associate Planner Cindy Jacinth presented the staff report.

Mayor Irons opened up the public comment period for Item C-1.

David Nelson stated that this is talking about quality of life. Once you start going above 900 square feet, you get congestion and we start losing our character. If you want an R2, we have R2 lots. He feels the 50% rule works really well.

Nancy Bast feels that granny units are wonderful because it gives people the chance to afford to live in a wonderful place. She hopes Council will reconsider the 50% rule. 900 square feet is perfectly adequate living space.

Barry Brannin states we are effectively changing R1 to R2. For example, rents for any kind of house by the beach are very high, he envisions that we are going to be having additional beach rentals in all the areas that we can. He feels that 600 square feet would be the right size, there isn't a need for 900 square feet, it's too large. He also feels that 50% is also too large. The ordinance is well written but not restrictive enough. He also feels there should be a 1000 feet notification area.

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

Councilmember Christine Jonson clarified that it is 50% or 900 square feet, whichever is less; and anything larger up to 1200 square feet would require a CUP.

Councilmember Smukler stated a secondary unit is an important component of housing stock in Morro Bay. He's heard we are too strict and we're not strict enough. We find ourselves in the middle which he feels is actually a good place to be. We need to take this seriously; the quality of life comment is right on. We have something here he feels is quite moderate and is where he feels we need to be.

Councilmember Christine Johnson stated that Morro Bay is actually celebrated at her SLO Housing Trust Fund Commission meeting for the ordinance being presented tonight. The

conversation countywide is about affordable housing and where are people going to live as more lots are gone. This seems to be a compromise policy from the beginning; let's watch and see what the follow through is going to be.

Councilmember Leage stated that the 50% is a sticker for him. If you have a smaller home and want to keep it, not swap it out, you are stuck with it. If there were a scale, he'd be okay with it.

Mayor Irons stated that in 2005, the original ordinance came forward and was adopted. The 50% part was the result of a very thoughtful process. Council directed this ordinance to come back; and in his opinion, that wasn't necessary, the ordinance was working fine - 50% worked. The biggest question at the time this ordinance was originally crafted was – what is the character of our town? And what is adding difficulty with that? Part of that was parking and can we allow some parking exception in the front set back. That has been addressed. Allowing the parking exceptions within the front set back but still maintains some character. This ordinance was done thoughtfully in 2005 and he is glad to see it back now, the adjustments to the parking are well suited. He doesn't see this difficult to build to.

MOTION: Mayor Irons moved to waive the reading of Ordinance 585 in its entirety. The motion was seconded by Councilmember Smukler and carried unanimously.
Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler
No's: None

MOTION: Mayor Irons moved to approve Ordinance 585, with City Attorney Joe Pannone reading the title of Ordinance 585 into the record. The motion was seconded by Councilmember Smukler and carried 3-2 with Councilmembers Nancy Johnson and Leage voting no.
Ayes: Irons, C. Johnson, Smukler
No's: N. Johnson, Leage

C-2 APPROVAL OF CONSULTANT AGREEMENT BETWEEN CITY OF MORRO BAY AND LISA WISE CONSULTING FOR COMPLETION OF BOATYARD AND HAULOUT MARKET ANALYSIS STUDY; (HARBOR)

Harbor Director Eric Endersby presented the staff report.

Mayor Irons opened the public comment period for Item C-2

David Nelson asked if we held the deed for the triangle property at this time. He remembers Mr. Leage giving his concerns about a local boat yard and he hopes this report addresses those questions. He realizes its an important thing but it will take up a large piece of land, that is a large subsidy and will it pay back to the City?

Barry Brannin stated that Avila has the infrastructure, footprint and expertise to have a boatyard. If we are thinking about being an independent entrepreneur to for a boatyard – that's a big nut to cut. He suggested bringing Supervisor Gibson, with a regional view, to hear what our needs are. Maybe what we need to do is think about taking our money to Avila for the prospect of a

regional boatyard facility. He can't imagine, with our tourist traveling the Embarcadero and with the new bridge, that we have the room or ability to have a boatyard.
The public comment period for Item C-2 was closed.

Councilmember Leage is torn on this; his background is fishing and he does all he can to support the fishermen. He has talked to some fishermen who feel a boatyard isn't feasible here. He likes the idea of supporting Avila. He would hate to see us using the triangle property for a boat haulout. There are so many other potential uses for that property.

Councilmember Christine Johnson stated that Council has already agreed to spend the money for the study. This is identified as a City's goal: Goal #7, Key Task f – Continue to work on Boat Haulout and T-Pier projects/improvements. We are asking for another 4 months to get the answers we need on this project, is it economically feasible? She supports moving forward with this.

Councilmember Nancy Johnson stated the goal tonight is to approve or not approve the consultant's agreement. This company will do a good job and she thinks it would answer the questions as to whether or not we could afford a boatyard or not and where it could go. She supports approving the agreement tonight.

Councilmember Smukler thinks the question about Avila and our needs probably fits into the tasks listed in #'s 4, 5 and 6 of the proposal but nowhere in the proposal is Avila mentioned. Mr. Endersby stated that we can certainly ensure Avila is considered in the analysis. Brian Harrington of Lisa Wise Consulting agreed that they will include Avila in the market analysis. Councilmember Smukler went on to state that this is a sound way to phase this study and there is a fund designated for a boatyard analysis. Using this fund will close a long standing question. He is looking forward to the results and either moving on with it or closing it.

Mayor Irons supports this as well. It is a matter of moving this forward; it is a phased approach which is the smart way of doing this.

MOTION: Councilmember Christine Johnson moved approval of the Consultant Agreement between the City of Morro Bay and Lisa Wise Consulting for completion of a boatyard and haulout market analysis study. The motion was seconded by Councilmember Nancy Johnson and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

C-3 ADOPT RESOLUTION 31-14 REAFFIRMING A LOCAL WATER EMERGENCY FOR MORRO BAY; (PUBLIC SERVICES)

Public Services Director Rob Livick presented the staff report.

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

MOTION: Mayor Irons moved approval of Resolution 31-14 reaffirming a local water emergency for Morro Bay. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

C-4 REVIEW OF THE REPORT FROM JOHN F. RICKENBACH CONSULTING REGARDING RECOMMENDED WATER RECLAMATION FACILITY (WRF) SITES AND RECLAMATION; (PUBLIC SERVICES)

Public Services Director Rob Livick presented the staff report.

John Rickenbach and Mike Nunley of Rickenbach & Associates gave a presentation summarized as follows: the presentation goals are to summarize City Council direction; summarize report findings; make recommendations for the next steps; and take public input. There was a review of prior public input opportunities up through February 2014. City Council past direction was reviewed to include confirmation of goals for the new WRF as well as establishing a 5 year goal to be operational. Three preferred sites were being considered for further study: Morro Valley, Chorro Valley and Giannini Property. Staff has received direction to report on water reclamation opportunities; schedule, work plan and cashflow analysis; project management approach; and technical advisory board committee structure. The goals for the new WRF are to produce tertiary treated wastewater; reclaim wastewater; allow for onsite composting; design for energy recovery; design to treat for contaminants of emerging concern; design for other city functions; and ensure compatibility with neighboring land uses. The report being provided tonight responds to City Council direction; identifies water reclamation opportunities; recommends a specific site for the new WRF; presents a 5-year work plan and cashflow analysis; and recommends project management strategy. Types of water reuse opportunities include irrigated agriculture; landscaping, parks and golf courses; streamflow augmentation in creeks; and groundwater recharge. Water reuse opportunities are located as follows: 92 sites identified from Cayucos to Chorro Valley with most being in Morro Valley (56) (high demand; less distribution costs), only 4 are in Chorro Valley with many (23) in the City with less demand per site. There could be over 1200 acre feet per year of reusable water produced; there is as much as 4700 acre feet demand in the Morro Bay region with 2700 acre feet in Morro Valley, 1100 acre feet in Chorro Valley which suggests that a site on Highway 41 could be a regional hub. There are 9 creek candidates for streamflow augmentation – morro creek, chorro creek, and 7 others. Other possible uses for streamflow augmentation include groundwater recharge, habitat enhancement and direct potable reuse. The number one preferred site is the Rancho Colina site, second is the Righetti site, followed by the Tri-W site and then Giannini site. Rancho Colina was selected for the following reasons: receptive property owner, opportunity to replace old wwtp onsite, excellent proximity to reclamation, previously graded site, suitability as regional facility and consistent with coastal policies. The only identified challenge is that the distance up Highway 41 could affect cost. A preliminary 5 year schedule was provided: requires City to choose a site by September; master planning must begin in September; would need to identify a design-build or CMAR approach; requires multi-disciplinary project management team; requires City address rates and financing quickly; requires Public Services Director have authority to sign contracts and change orders to keep project moving; and realization that the reclamation component online

is a second phase. The cashflow analysis will be continually adjusted and updated; any compressed timeframe will increase costs; there will be substantial quarterly costs by late 2017; design-build and CMAR teams will need to see financing in place to take a RFP/RFQ seriously; need a financing plan; and City must be pursuing funding options. The next steps will include City investigation of stream discharge permitting; City investigation funding sources; reporting to Council during summer 2014; investigation of regional option at CMC; and reporting to Council in September 2014.

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

MOTION: Councilmember Smukler moved to direct staff to begin preliminary discussions with Rancho Colina as our first option and return with a drafted MOU of the goals of each party and a negotiation timeline and that staff continue discussions with the regulators, permitting agencies and partners of the project. The motion was seconded by Mayor Irons and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

MOTION: Councilmember Smukler, as recommended by staff and previously discussed, moved to continue participation to analyze the CMC option on a parallel path. The motion was seconded by Mayor Irons and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

MOTION: Councilmember Smukler moved to direct staff to begin the recruitment process of the Technical Review Committee that would include one representative from the PWAB and one from the Planning Commission as appointed by those bodies; would have 7 total members with potential for 2 alternates. The motion was seconded by Councilmember Nancy Johnson and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

MOTION Councilmember Smukler moved to receive this report, request staff to return with a Resolution ratifying the decisions made tonight and outlining staff direction. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

C-5 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 586 AMENDING SECTION 2.08.120 OF THE MORRO BAY MUNICIPAL CODE RELATING TO MAYOR PRO TEMPORE; (CITY ATTORNEY)

City Attorney Joe Pannone presented the staff report.

Mayor Irons opened up the public comment period for Item C-5.

Carla Wixom asked that the following be brought to the Council's attention: there was fiscal impact as staff time was used in the preparation of the report; in Municipal Code 2.08.120 – Vice Mayor - the current Council Policies and Procedures, do not work consistently with this document. On page 10 of the Policies and Procedures it states, “in the absence of both the Mayor and Vice Mayor, a Mayor Pro Tem shall be selected from the quorum present.”

The public comment period for Item C-5 was closed.

City Attorney Joe Pannone stated that this was purely a designation of a title; it doesn't impact proceedings. Staff is just trying to make it consistent by using the same term. We can go back to the Policies and Procedures to make that change.

Councilmember Christine Johnson feels that if we can provide consistency where we can, then it's worth the time.

Councilmember Nancy Johnson feels that this exercise is a waste of time, energy and money. She feels there is more important work that needs to be done and this doesn't make sense.

MOTION: Councilmember Christine Johnson moved to waive the reading of Ordinance 586 in its entirety and introduce for first reading by number and title only, Ordinance 586, amending Section 2.08.120 of the Morro Bay Municipal Code relating to Mayor Pro Tempore. The motion was seconded by Mayor Irons and carried 3-2 with Councilmembers Nancy Johnson and Leage voting no.

Ayes: Irons, C. Johnson, Smukler

No's: N. Johnson, Leage

D. NEW BUSINESS

D-1 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 587 AMENDING SECTION 3.12.030 OF THE MORRO BAY MUNICIPAL CODE RELATING TO PRESENTING AND FILING CLAIMS AGAINST THE CITY; (CITY ATTORNEY)

City Attorney Joe Pannone presented the staff report.

Mayor Irons opened up the public comment period for Item D-1; seeing none, the public comment period was closed.

MOTION: Mayor Irons moved to approve the first reading of Ordinance 587 amending Section 3.12.030 of the Morro Bay Municipal Code relating to presenting and filing claims against the City. The motion was seconded by Councilmember Leage and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Nancy Johnson requested an item be placed on the agenda as soon as possible to consider additional support for the efforts of the Morro Bay 50th Annual Celebration Committee; Mayor Irons and Councilmember Leage concurred.

ADJOURNMENT

The meeting adjourned at 10:04pm.

Recorded by:

Jamie Boucher
City Clerk