



**AGENDA NO: C-1**

**MEETING DATE: August 8, 2017**

**THE FOLLOWING PUBLIC CORRESPONDENCE  
WAS RECEIVED BY THE CITY COUNCIL  
FOLLOWING POSTING OF THE AGENDA**

Item C-1 **Receive WRF Program Update and provide comments and direction deemed appropriate.**

The program update is basically a long, sequential description of activities---many of which can be performed concurrently.

1. I agree with the 60 day timeline for staff to report back to the council on the feasibility of the various sites.
2. Additionally, the RFQ process can and should start immediately as well. We don't need to wait for the site to be selected to qualify the contractors. We have an enormous amount of data collected over the years (including critical flow information), which is sufficient to prequalify contractors who have backgrounds in building the size of plant we need. The WRFCAC can generate the first RFQ draft if staff does not have time to do so.
3. The development of "performance criteria" can and should begin immediately as well. These criteria can be slightly modified for each site if necessary. A new Facilities Master Plan is not needed.
4. If the site list is reduced to 2 favorable options at the end of the 60 day period—and the council acts quickly---the short listed (prequalified) design/build contractors should be asked to submit preliminary proposals for the two preferred sites within 45-60 days. If a stipend is required—it should not exceed \$20K/contractor.
5. If the City follows this timeline---we will have contractor cost proposals by the first MBCC meeting in November (120 days). **Only at that time---will we know what this project will cost.**
6. The WRF is one, design build project. There is nothing particularly complicated or out of the ordinary that requires consultants to manage this phase of the project or any future phase of the project. City staff supplemented by professionals on the WRFCAC can and should be in charge of project management. Consultants may be needed from time to time---but should be retained only as needed and only on a "fixed fee" basis. If you want the current consultants to assist with this phase---a "fixed fee" should be negotiated first.
7. We've paid over \$10M to consultants over the past 5 years---and the City has approved a \$4.3M budget for FY 17/18. It's time to stop the financial bleeding.

Regards

Jeff Heller

## Dana Swanson

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**From:** Lorie Noble [REDACTED]  
**Sent:** Friday, August 04, 2017 2:16 PM  
**To:** Council  
**Subject:** Council Agenda 8/8/2017 item C-1

Dear Mayor and City Council Members,

I urge you to discard the plan to build a waste water treatment plant and water reclamation plant at the South Bay Blvd. location. The planned rate increase for this site is too expensive for Morro Bay residents and business owners.

I urge you to plan both facilities at the least expensive location (preferably at or near our current site) and work with the CCC and RWQCB agencies for approval.

I request you stop the Prop 218 process for a sewer and water rate increase that you scheduled to begin in August or September of 2017. The rate increases approved in 2015 are still in process and the final increases will be in July 2019. I feel at that time it would be more appropriate to request additional increases if necessary.

Thank you,  
Lorie Noble  
Morro Bay

Dana Swanson, please make this correspondence part of the Agenda for the 8/8/17 meeting.

Sent from [Mail](#) for Windows 10

August 7, 2017

Mayor Irons and Morro Bay City Council,

In further communication to you and the Council I make the following observations contained herein.

I am aware that you, Mayor Irons, and a number of Council members have individually met with Robert Enns and Rick Koon regarding the Morro Bay Water Reclamation Project. Since these meetings Robert and Rick have developed a much clearer picture regarding possibilities and opportunities to move forward.

The USDA loan for Cayucos will not be impacted in any manner by Morro Bay going to the Toro Creek site for their Water Reclamation Project.

Relating to the infrastructure costs for Morro Bay to go to the Toro Creek site, it would be the most cost effective other than building at or adjacent to the existing site. It would appear without question the Coastal Commission is not going to let Morro Bay build near or on the existing site. Considering the cost of raising the elevation of the site and building the rebutment around it, it certainly would tremendously increase the cost of building the cookie cutter unit at the present site.

I would point out that your Peer Review Committee did not provide you with realistic numbers. To suggest that the \$89,710,000 cookie cutter plant is extremely excessive is absolutely correct. The Council has been given incorrect information about the need for higher capacity pipes going from Morro Bay to Toro Creek. This is a forced main application.

All the numbers and advice that have been given to the Council have been skewed to justify spending millions of dollars that are not needed to provide the quality of recycled water under our current approved technology. The typical 1,000,000 gallon plant should cost well under \$50,000,000.

The Toro Creek site provides the following benefits for the Council:

1. It eliminates citizens' concerns for odor emissions and other neighbor-incompatible nuisances.
2. It keeps the expenditures in reasonable terms for a cookie cutter water reclamation project not to exceed \$50,000,000.
3. It keeps faith with the Morro Bay citizens relating to the increase in sewer rates, as the City of Morro Bay Council proposed on May 25, 2015 and has implemented.
4. It saves in excess of \$100,000,000 being inappropriately expended thus protecting the Council from litigation alleging malfeasance for such an exorbitant expenditure.
5. It is known that the City of Morro Bay is not financially sound, having a shortfall of approximately 25% of the present budget, and to burden the taxpayers with such an

exorbitant expenditure very well may bankrupt the City of Morro Bay by obligating an unneeded excess of over \$100,000,000.

6. The Morro Bay City Council, knowing the present critical financial circumstances of the City with a 25% shortfall for 2017, and thus knowingly obligating the taxpayers of Morro Bay for the unnecessary expenditure in excess of \$100,000,000 should signal to the City Attorney of Morro Bay that the City Council may very well be knowingly committing malfeasance in office. I would suggest that you ask for a legal opinion as to knowingly over-obligating taxpayer obligations when lacking the revenue source to support the same.

Cayucos does have all approvals to proceed with construction. Cayucos has paved the way for Morro Bay to go to the Toro Creek site with their effluent. Cayucos received the Coastal Permit on June 22, 2017.

Why should Morro Bay reinvent the wheel when Cayucos has already invented the wheel?

To suggest that Cayucos is not using up-to-date technology is absolutely incorrect.

It has come to my attention that possibly the City of Morro Bay may have advertised to hire an outside civil engineer to evaluate the predicament the Council now finds themselves in. The only way such a new hire would be beneficial to the Council would be if the new consultant was completely independent and only had the interest in protecting the taxpayers and rate users of the City of Morro Bay as set forth in the proposal on May 25, 2015.

It has further come to my attention that rather than Morro Bay purchasing 3 to 5 acres from Cayucos at the original cost per acre to build a separate Morro Bay plant there is even a more cost effective better solution for all concerned. Morro Bay could tie in to the Cayucos plant for an estimated cost of under \$25,000,000.

The egos of some officials may have taken center stage rather than allowing simple engineering applications to be made for the benefit of the Morro Bay sanitary rate payers.

This solution provides only one sanitary treatment plant between Cambria south to Diablo Canyon and provides economy of tax payer dollars, again placing the sanitary plant east of the Coastal Commission boundaries, and addresses the dire financial circumstances of the City of Morro Bay.

Respectfully admitted,

Thomas Rost  
Morro Bay Homeowner

August 8, 2017

**RE: Corrected Version of August 7, 2017 Letter  
Morro Bay City Council - August 8, 2017 - Agenda Item C-1**

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4. It saves in excess of \$100,000,000 being inappropriately expended thus protecting the Council from litigation alleging malfeasance for such an exorbitant expenditure.
5. It is known that the City of Morro Bay is not financially sound, having a shortfall of approximately 25% of the present budget, and to burden the taxpayers with such an exorbitant expenditure very well may bankrupt the City of Morro Bay by obligating an unneeded excess of over \$100,000,000.
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The egos of some officials may have taken center stage rather than allowing simple engineering applications to be made for the benefit of the Morro Bay sanitary rate payers.

This solution provides only two sanitary treatment plants between Cambria south to Diablo Canyon, being Los Osos and Cayucos. This provides economy of tax payer dollars, placing the sanitary plant of Cayucos - Morro Bay east of the Coastal Commission boundaries and addresses the dire financial circumstances of the City of Morro Bay.

Respectfully submitted,

Thomas Rost  
Morro Bay Homeowner

Cc: Coastal Commission  
Dan Carl, Central Coast District Director

Regional Water Quality Control Board  
Katie Disimone



**AGENDA NO: C-2**

**MEETING DATE: August 8, 2017**

**THE FOLLOWING PUBLIC CORRESPONDENCE  
WAS RECEIVED BY THE CITY COUNCIL  
FOLLOWING POSTING OF THE AGENDA**



8/8/17 MBCC Meeting-Agenda Correspondence

Item C-2      **WRF Fiscal Year 16/17-3<sup>rd</sup> Qtr Program Budget Update**

1. Many residents have asked for summary level **project cost information** for quite some time. The Qtrly Program Budget Update is not what we are looking for---and is of limited value for a number of reasons:
  - a. since no “inception” date is identified,
  - b. there is no “total project budget”, only the quarterly numbers in the contract of a single FY.
  - c. The term “projected budget” should probably not be used; “Budget vs. Actuals” is a standard way to report project costs.
  - d. It would be good to identify the funding source for the expenditures as well.
  
2. What we want to see is what has been spent on the WRF from FY11/12---through FY16/17. The expenses can be lumped into a few general categories (consultants, staff, property purchases, fees, etc.), then carried forward over the 5 year period so cumulative totals are presented.
  
3. The report should come from the City, not consultants.
  
4. This five year Project Cost Report is really important to establish the level of financial transparency the residents of Morro Bay deserve. We would like to see it no later than the next MBCC meeting.

Regards

Jeff Heller



**AGENDA NO: C-3**

**MEETING DATE: August 8, 2017**

**THE FOLLOWING PUBLIC CORRESPONDENCE  
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FOLLOWING POSTING OF THE AGENDA**

## Dana Swanson

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**From:** Jamie Irons  
**Sent:** Saturday, August 05, 2017 7:23 PM  
**To:** Dana Swanson; Lori Kudzma  
**Subject:** Fwd: Dangers related to Prop.64 Mandate to allow In-Home Cannabis cultivation

FYI for the record please. J

Sent from my iPhone

Begin forwarded message:

**From:** Roland Cordova [REDACTED]  
**Date:** August 4, 2017 at 2:52:57 PM PDT  
**To:** [jirons@morrobayca.gov](mailto:jirons@morrobayca.gov)  
**Subject:** Dangers related to Prop.64 Mandate to allow In-Home Cannabis cultivation

Dear Mayor,

Prop 64 Mandate to allow cannabis to be grown in residential homes has **serious** danger concerns. We understand how busy you are and know that with Prop. 64 looming, you do not want to have more problems to deal with. We are very aware that very few people know what it takes to grow cannabis. Citizens going into a Hydroponic store will be told that this is the equipment needed to grow cannabis. Here is a list:

- 2 1000 Watt LED Lights (requiring a lot of electricity)
- 1 Air Conditioner (room must be kept between 72 and 78 degrees)
- 1 Humidifier
- 2 Fans (for circulation)
- 2 Timers (one for automated watering and 1 for automating lights)
- Ventilation system to extract heat created by lights (sending strong odors into the neighborhood)

We are sharing this with you because of the mandate to allow in-home personal growing. Since this mandate has not been given much thought as it seems innocent enough, we want you to know that it is not. Allowing hundreds of untrained individuals to go to their garage and set up this kind of equipment which requires a considerable amount of power 24 hours a day comes with a high potential for a fire.

There are many other dangers to consider, here are a few:

- Neighbor complaints due to the smell and disapproval of growing cannabis near their home
- Theft due to teenagers becoming aware of growth operation (due to strong odor)
- Guns being used by homeowners protecting their investment
- Homes being involved in a fire incident due to untrained installation and inadequate power source

- Home burglaries to steal finished crops

What is the cost to regulate in-home personal growing? What is the cost to not regulate? What pressure does this put on your Fire Dept., Police Dept., Code Enforcement, and the court system? Obviously, these are issues to consider in the regulation of this very sensitive issue.

U-Grow Rentals has given this a lot of thought and we are not done helping. We sincerely want to aid cities with the difficult spot that the State of California has placed them in. We want this to be a win-win for the city and its citizens. Our facilities have thousands of small, leasable grow rooms for your citizens. It is a single, easily-monitored building that will:

- Require purchase of city permits to use facility (\$100.00 annually for an individual and \$200.00 for Caretakers)
- Consolidate the growing operation of many residents into a single location (lower the cost of regulatory resources)
- Remove the hazardous equipment risks from the homes (lower the volume of 911 calls and home insurance rates)
- Give the citizens a choice to grow in a controlled, expertly-staffed environment (give choices to the 'nimby' neighborhoods and the less sophisticated growers)

**U-Grow wants to continue to think it through with each city - what are we missing...?**

**Let us work with you to bring life to an abandoned building, jobs to the people, and money to the treasurer...**

Thank you for your time

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**ROLAND CORDOVA • CHIEF EXECUTIVE OFFICER/FOUNDER**

website: [www.ugrowrentals.com](http://www.ugrowrentals.com)





**AGENDA NO: C-4**

**MEETING DATE: August 8, 2017**

**THE FOLLOWING PUBLIC CORRESPONDENCE  
WAS RECEIVED BY THE CITY COUNCIL  
FOLLOWING POSTING OF THE AGENDA**

## Dana Swanson

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**From:** Cooke, Teresa A. <tcooke@bhfs.com>  
**Sent:** Monday, August 07, 2017 4:06 PM  
**To:** Dana Swanson; Maria Lomeli  
**Cc:** Carvacho, Rosanna L.  
**Subject:** Comments re: ITEM C-4 (Community Benefits Agreement with Trident)

**Importance:** High

Dana and Martin,

I hope this email finds you both well. I apologize that we haven't met in person yet but we represent Statoil Wind in Sacramento and want to bring to your attention some concerns we have with Item C-4 on tomorrow night's agenda - the proposed Community Benefits Agreement (CBA) between the City and Trident. We respect the well-earned, strong relationship that Trident has built with the City and within the community but unfortunately, Section 4, related to Exclusivity, is causing us a great deal of concern. I would appreciate it if you could forward this email to all of your councilmembers and if you, or they, have any questions - absolutely feel free to call me at either number below. Regrettably Statoil Wind will not be present during the hearing but please rest assured we are committed to exceeding your expectations – this will be our last absence.

Statoil Wind is opposed to Section 4 of the CBA because it is restrictive and we believe it's too early in the process to close the door to competition. As you all know, we're awaiting a final map from the Bureau of Ocean Energy Management (BOEM). We've been told by several sources the Department of Defense (DOD) is eliminating much of the eligible coastline because of Point Mugu, Edwards and Vandenburg Air Force Bases which essentially means most everything south of Morro Bay will likely be red. We're working tirelessly to engage Governor Brown, California's Energy Commission, California's Congressional delegation and the federal administration to prevent that. If we fail, BOEM will probably release a map with two eligible lease sites in Morro Bay...essentially splitting the baby like King Solomon. In that case, granting exclusivity now will raise an immediate wall we don't think the City, its residents and developers deserve. We want to be the second developer for this project in this scenario but the inability to explore our own CBA, or any kind of working agreement, with the City tied with the uncertainty over how or whether we could negotiate access to the conduit with you, troubles us.

***To be very clear, we are only objecting to the exclusivity portions of the CBA – not the entire agreement.*** It's worth noting that Trident does not need an exclusivity provision with the City in order to secure "credit" or "points" during the competitive lease process. ***As such, we are asking you to please consider withholding your support for the item until Section 4 is removed which gives all stakeholders, including the City, an opportunity to get further down the path.***

In this particular case, I sincerely believe competition between developers should be encouraged – not stopped. Everyone a party to this project wants it completed with the highest commitment to integrity – whether that's working meaningfully with the commercial and recreational fishermen groups or members of the environmental community – and keeping the lines of communication and commitment open during this time is a key component. We ask that you consider whether an "either/or" approach this early on serves you, your constituents and other stakeholders?

Thank you for your time and consideration. We are available at your convenience to discuss this further and look forward to working with you as we continue down this pathway.

**Teresa A. Cooke**  
**Brownstein Hyatt Farber Schreck, LLP**  
1415 L Street, Suite 800  
Sacramento, CA 95814

916.594.9715 tel  
916.291.2956 cell  
[tcooke@bhfs.com](mailto:tcooke@bhfs.com)

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