

# City of Morro Bay

## City Council Agenda

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### *Mission Statement*

*The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life. The City shall be committed to this purpose and will provide a level of municipal service and safety consistent with and responsive to the needs of the public.*

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**REGULAR MEETING – AUGUST 23, 2010**

**CLOSED SESSION – AUGUST 23, 2010  
CITY HALL CONFERENCE ROOM - 5:00 P.M.  
595 HARBOR ST., MORRO BAY, CA**

**CS-1 GOVERNMENT CODE SECTION 54957.6; CONFERENCE WITH LABOR NEGOTIATOR.** Conference with City Manager, the City's Designated Representative, for the purpose of reviewing the City's position regarding the terms and compensation paid to the City Employees and giving instructions to the Designated Representative.

**CS-2 GOVERNMENT CODE SECTION 54956.8; REAL PROPERTY TRANSACTIONS.** Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property as to 1 parcel.

- Property: 781 Market Street and the Corner of Pacific Street and Market Street.  
Negotiating Parties: George Salwasser and the City of Morro Bay.  
Negotiations: Purchase and Sale Conditions.

**IT IS NOTED THAT THE CONTENTS OF CLOSED SESSION MEETINGS  
ARE CONFIDENTIAL AND EXEMPT FROM DISCLOSURE.**

**PUBLIC SESSION – AUGUST 23, 2010  
VETERANS MEMORIAL HALL - 6:00 P.M.  
209 SURF ST., MORRO BAY, CA**

ESTABLISH QUORUM AND CALL TO ORDER  
MOMENT OF SILENCE  
PLEDGE OF ALLEGIANCE  
MAYOR AND COUNCILMEMBERS ANNOUNCEMENTS & PRESENTATIONS  
CLOSED SESSION REPORT

PUBLIC COMMENT PERIOD - Members of the audience wishing to address the Council on City business matters (other than Public Hearing items under Section B) may do so at this time.

To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Mayor, please come forward to the podium and state your name and address for the record. Comments are to be limited to three minutes.
- All remarks shall be addressed to Council, as a whole, and not to any individual member thereof.
- The Council respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in City Council meetings is welcome and your courtesy will be appreciated.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (805) 772-6205. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT CALENDAR

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 REGULAR CITY COUNCIL MEETING OF AUGUST 9, 2010; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL FOR THE MAYOR TO SIGN A LETTER IN SUPPORT OF SENATE BILL 3540 TO REAUTHORIZE THE NATIONAL ESTUARY PROGRAM; (HARBOR)

**RECOMMENDATION: Authorize the Mayor to sign a letter in support of SB 3540 to amend the Federal Water Pollution Control Act to reauthorize the National Estuary Program.**

A-3 ADOPTION OF ORDINANCE NO. 560 AMENDING TITLE 13 PUBLIC UTILITIES, CHAPTER 13.12 SEWERS TO ADD SECTION 13.12.215 COLLECTION OF PAST-DUE ACCOUNTS; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Adopt Ordinance No. 560.**

A-4 ADOPTION OF ORDINANCE NO. 561 AMENDING SECTION 2.12.090 OF THE MORRO BAY MUNICIPAL CODE REGARDING CITY MANAGER'S POWER OF APPOINTMENT OF CITY OFFICERS AND EMPLOYEES; (CITY ATTORNEY)

**RECOMMENDATION: Adopt Ordinance No. 561.**

A-5 STATUS REPORT ON WATER USAGE FOR JUNE AND JULY 2010; (PUBLIC SERVICES)

**RECOMMENDATION: Review and file status report.**

A-6 RESOLUTION ACCEPTING A CALIFORNIA DEPARTMENT OF PUBLIC HEALTH GRANT FOR MODIFICATIONS TO THE DESALINATION FACILITY; (PUBLIC SERVICES)

**RECOMMENDATION: Adopt Resolution No. 43-10 authorizing the Utilities/Capital Projects Manager to enter into a funding agreement with the California Department of Health for a Proposition 84 Grant for the Brackish Water Reverse-Osmosis upgrades to the Desalination Facility.**

A-7 AWARD OF CONTRACT TO CALPORTLAND CONSTRUCTION FOR THE CONSTRUCTION OF THE ARRA-FUNDED NORTH MAIN STREET BIKE LANE AND STREET IMPROVEMENT PROJECT; (PUBLIC SERVICES)

**RECOMMENDATION: Adopt Resolution No. 44-10 awarding the project contract to CalPortland Construction in the amount of \$432,117.10 and authorizing a contingency fund of \$43,200.**

A-8 AUTHORIZATION TO ADD AND HIRE A WASTEWATER COLLECTIONS SYSTEMS OPERATOR III; (PUBLIC SERVICES)

**RECOMMENDATION: Authorize hiring a Wastewater Collections Systems Operator III for the Wastewater Collections Division.**

A-9 PROCLAMATION DECLARING SEPTEMBER 26-OCTOBER 2, 2010 AS “SEA OTTER AWARENESS WEEK”; (ADMINISTRATION)

**RECOMMENDATION: Adopt Proclamation.**

B. PUBLIC HEARINGS, REPORTS & APPEARANCES - NONE

C. UNFINISHED BUSINESS - NONE

D. NEW BUSINESS

D-1 STATUS REPORT AND REVIEW OF PERMIT FEE FOR WATERFRONT PROJECTS; (PUBLIC SERVICES)

**RECOMMENDATION: Receive report and file, or provide further direction to Staff on permit fees on waterfront projects.**

D-2 DISCUSSION ON CURRENT STATUS OF GENERAL PLAN/LOCAL COASTAL PLAN UPDATE AND DIRECTION ON FUTURE PROCESSING WITH THE CALIFORNIA COASTAL COMMISSION; (CITY ATTORNEY)

**RECOMMENDATION: Review report and provide direction to Staff of the process to follow on the City’s General Plan/Local Coastal Plan.**

D-3 REQUEST TO APPROVE A RESPONSE TO GRAND JURY REGARDING USE OF CITY VEHICLES; (ADMINISTRATION)

**RECOMMENDATION: Authorize the Mayor to send a letter to the Presiding Judge of the San Luis Obispo County Superior Court responding to the Grand Jury reports entitled “Use of City Vehicles”.**

E. DECLARATION OF FUTURE AGENDA ITEMS

F. ADJOURNMENT

**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 772-6200 FOR FURTHER INFORMATION.**

**MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION AT CITY HALL LOCATED AT 595 HARBOR STREET; MORRO BAY LIBRARY LOCATED AT 625 HARBOR STREET; AND MILL’S COPY CENTER LOCATED AT 495 MORRO BAY BOULEVARD DURING NORMAL BUSINESS HOURS.**

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

AGENDA NO: A-1

MEETING DATE: 8/23/10

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – AUGUST 9, 2010  
VETERANS MEMORIAL HALL - 6:00 P.M.

Mayor Peters called the meeting to order at 6:00 p.m.

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Bridgett Kessler	City Clerk
	Susan Lichtenbaum	Harbor Business Manager
	Rob Livick	Public Services Director
	Tim Olivas	Police Chief
	Mike Pond	Fire Chief
	Susan Slayton	Administrative Services Director

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR AND COUNCIL MEMBERS REPORTS, ANNOUNCEMENTS &  
PRESENTATIONS

CLOSED SESSION REPORT – there was no Closed Session agenda.

#### PUBLIC COMMENT

Brian Reynolds, San Luis Obispo County Library Director, addressed Item A-3 (Approval of a Lease Agreement with the County of San Luis Obispo for Use of the Property Located at 625 Harbor Street for a Free Public Library) and thanked the City for considering this lease agreement with the County for the use of the library.

John Weiss, Chamber of Commerce, acknowledged Peter Candela for his outstanding leadership as the Chamber's Executive Director.

Virginia Hiramatsu acknowledged and thanked those who participated in the Relay for Life event that was held last weekend noting the event raised \$32,000 for cancer awareness.

Claire Grantham announced where the Pertussis vaccine clinics for whooping cough were being held in the City.

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REGULAR MEETING – AUGUST 9, 2010

Joan Decker addressed Item A-3 requesting Council's support in approving the lease agreement between the County and the City for the use of the public library.

Nancy Johnson announced Dahlia Daze will be held on August 27-28 at the Community Center with many fun events scheduled.

Peter Candela, Director of Chamber of Commerce, stated he will be leaving the Chamber of Commerce on Friday, August 13<sup>th</sup>, and thanked those who he has worked with in the past few years.

David Nelson addressed Item D-3 (Reaffirmation of City Council Action at the Joint Powers Agreement Meeting on July 15 Regarding the Approval of a Contract for Project Management (PM) Services for the Upgrade of the Morro Bay-Cayucos Wastewater Treatment Plant) stating he does not understand why Council would want to hire a project manager for the upgrade of the wastewater treatment plant when PERC has offered to plan, build and run a plant for \$20 million. He said as a citizen he wants the best the City can have, and dumping water into the ocean is not the way to go when the City can have reclaimed water.

Joan Solu addressed Item A-2 (Resolution No 42-10 Amending the Morro Bay Tourism Business Improvement District Advisory Board By-Laws in Relation to Member Designation) and said she is available for questions. She also noted the Tourism Business Improvement District Advisory Board will be promoting events such as the upcoming Dahlia Daze festival.

Bill Yates addressed Item D-2 (Determination of Whether Development Entitlements and Permits At 555 Main Street Have Expired Pursuant to Morro Bay Municipal Code Section 17.60.140) requesting Council's approval in extending the permits for 555 Main Street. He said completing this project would be an improvement to this site and would be good for the City.

Lynda Merrill addressed the fence between Highway 1 and North Main Street and suggested a cyclone fence similar to the one along Highway 41 which is visibly more pleasing. She also mentioned the efforts of Ray McKelligott.

Dorothy Cutter addressed Item D-2 and noted the permits for 555 Main Street should expire; she supports the City codes.

John Barta addressed Item D-2 stating the extension of permits for 555 Main Street would create affordable housing and rid an eyesore in the City. He also addressed Item D-3 and said by leaving a meeting before a vote is breaking a promise to the people who voted for the elected officials. Mr. Barta paid tribute to Albert Calvillo and his family.

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Cathy Welles paid tribute to Albert Calvillo and his family.

Mayor Peters closed the hearing for public comment.

Mayor Peters called for a break at 7:04 p.m.; the meeting resumed at 7:11 p.m.

A. CONSENT CALENDAR

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 REGULAR CITY COUNCIL MEETINGS OF JUNE 28, 2010 AND JULY 12, 2010; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 RESOLUTION NO 42-10 AMENDING THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD BY-LAWS IN RELATION TO MEMBER DESIGNATION; (ADMINISTRATION)

**RECOMMENDATION: Adopt Resolution No. 42-10.**

A-3 APPROVAL OF A LEASE AGREEMENT WITH THE COUNTY OF SAN LUIS OBISPO FOR USE OF THE PROPERTY LOCATED AT 625 HARBOR STREET FOR A FREE PUBLIC LIBRARY; (ADMINISTRATION)

**RECOMMENDATION: Approve the lease agreement with the County of San Luis Obispo.**

A-4 PROCLAMATION DECLARING THE MONTH OF AUGUST 2010 AS THE “MONTH OF THE DAHLIA” AND AUGUST 27 AND 28, 2010 AS “DAHLIA DAZE”; (ADMINISTRATION)

**RECOMMENDATION: Adopt Proclamation.**

Councilmember Winholtz pulled Items A-2 and A-3 from the Consent Calendar, and Mayor Peters pulled Item A-4.

**MOTION:** Councilmember Winholtz moved the City Council approve Item A-1 of the Consent Calendar. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

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A-2 RESOLUTION NO 42-10 AMENDING THE MORRO BAY TOURISM  
BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD BY-LAWS IN  
RELATION TO MEMBER DESIGNATION; (ADMINISTRATION)

Councilmember Winholtz requested clarification on the designation of hoteliers and if it is based on the number of rooms of their hotels or the size of their hotels.

Joan Solu, Tourism Business Improvement District Advisory Board Chair, responded the four members from the lodging industry shall consist of one member representing lodging rooms of less than 22 rooms, one member representing 50 or less rooms (single hotel or cumulative representation), and two members representing hotels “at large” (no specific number of rooms).

MOTION: Councilmember Smukler moved the City Council approve Item A-2 of the Consent Calendar. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

A-3 APPROVAL OF A LEASE AGREEMENT WITH THE COUNTY OF SAN LUIS  
OBISPO FOR USE OF THE PROPERTY LOCATED AT 625 HARBOR STREET  
FOR A FREE PUBLIC LIBRARY

Councilmember Winholtz expressed concern with the term of this lease agreement stating in several conditions it notes that in 25 years the library lease will be terminated. She said she would prefer a finite date ahead of time to start renegotiation for the next 25 years. Councilmember Winholtz stated she would also like the mismatching of the map in Exhibit “A” to be clarified.

City Manager Andrea Lueker stated this lease will be on a month-to-month lease agreement, which was unanimously approved by the San Luis Obispo County Board of Supervisors. She said the map will be changed administratively to include the parking. Ms. Lueker stated the lease agreement can be approved tonight pending this amendment.

MOTION: Councilmember Borchard moved the City Council approve Item A-3 of the Consent Calendar. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

A-4 PROCLAMATION DECLARING THE MONTH OF AUGUST 2010 AS  
THE “MONTH OF THE DAHLIA” AND AUGUST 27 AND 28, 2010  
AS “DAHLIA DAZE”; (ADMINISTRATION)

Mayor Peters pulled Item A-4 in order to make a presentation.

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MOTION: Councilmember Grantham moved the City Council approve Item A-4 of the Consent Calendar. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 ORDINANCE NO. 560 AMENDING TITLE 13 - PUBLIC UTILITIES, CHAPTER 13.12 (SEWERS) TO ADD SECTION 13.12.215, COLLECTION OF PAST-DUE ACCOUNTS – INTRODUCTION AND FIRST READING; (ADMINISTRATIVE SERVICES)

Administrative Services Director Susan Slayton stated currently, Chapter 13.04 of the Morro Bay Municipal Code; Water Service and Rates, contains Section 230 - Collection of past-due accounts, which allows the City to avail itself of any legal remedy by which the City might collect water charges, fees and penalties. This Section does not exist in Chapter 13.12 - Sewers. While Section 13.12.210 – Collections, does state that the sewer service charge will be added on the customer’s bimonthly utility bill, it is silent as to the collection of past-due accounts. One could assume that since the sewer charges are added to the utility bill, that would give the City the right to use any legal means to collect the past due amount based on Section 13.04.230. However, staff feels that by putting Section 13.12.215 into the Municipal Code, it will clearly identify the City’s rights to collect past-due sewer charges. Ms. Slayton recommended the City Council move for the introduction and first reading of Ordinance No. 560, by number and title only, amending the Morro Bay Municipal Code Title 13, Chapter 13.12 to add Section 13.12.215 entitled *Collection of Past-Due Accounts*, which will authorize the City to use any legal means to collect past-due accounts.

Mayor Peters opened the hearing for public comment; there were no comments, and Mayor Peters closed the public comment hearing.

MOTION: Councilmember Grantham moved the City Council approve Ordinance No. 560 amending Title 13 - Public Utilities, Chapter 13.12 (Sewers) to add Section 13.12.215, Collection of Past-Due Accounts for introduction and first reading by number and title only. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

City Manager Andrea Lueker read Ordinance No. 560 by number and title only.

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B-2 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 561  
AMENDING MORRO BAY MUNICIPAL CODE SECTION 2.12.090 OF THE  
MORRO BAY MUNICIPAL CODE REGARDING CITY MANAGER'S  
POWER OF APPOINTMENT OF CITY OFFICERS AND EMPLOYEES;  
(CITY ATTORNEY)

City Attorney Robert Schultz stated the City Council on December 14, 2009 directed Staff to amend the City Manager's Power of Appointment to reflect current practice. The Morro Bay Municipal Code Section 2.12.090 currently provides the following:

2.12.090 - Power of appointment.

It shall be the duty and responsibility of the city manager to and he shall appoint, remove, promote and demote any officers and employees of the city, except the city clerk, city attorney, city engineer and city treasurer, subject to the provisions of Chapter 2.32 and resolutions, rules and regulations adopted pursuant thereto.

Ordinance No. 561 would amend the Morro Bay Municipal Code to read as follows:

2.12.090 - Power of appointment.

It shall be the duty and responsibility of the city manager to and he/she shall appoint, remove, promote and demote any officers and employees of the city, except the ~~city clerk, city attorney, city engineer and city treasurer~~, subject to the provisions of Chapter 2.32 and resolutions, rules and regulations adopted pursuant thereto.

Mr. Schultz recommended the City Council move for first reading and introduction of Ordinance No.561 by number and title only.

Mayor Peters opened the hearing for public comment; there were no comments, and Mayor Peters closed the public comment hearing.

MOTION: Councilmember Borchard moved the City Council approve Ordinance No. 561 amending Morro Bay Municipal Code Section 2.12.090 of the Morro Bay Municipal Code regarding City Manager's Power of Appointment of City Officers and Employees for introduction and first reading by number and title only. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

City Manager Andrea Lueker read Ordinance No. 561 by number and title only.

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B-3 HEARING TO CONSIDER PUBLIC TESTIMONY REGARDING THE  
PROPOSED INCREASE IN ASSESSMENT TO THE MORRO BAY  
TOURISM BUSINESS IMPROVEMENT DISTRICT; (CITY ATTORNEY)

City Attorney Robert Schultz stated this item continues the process to increase the Morro Bay Tourism Business Improvement District (MBTBID) Assessment from 2% to 3% by asking the Council to take public testimony regarding the increase and to levy the assessments within the City's jurisdiction. The purpose of this public meeting is to receive oral and written protests by the owners of lodging businesses within the City's jurisdiction. If there is written protest from owners of lodging businesses within the City's jurisdiction that pay 50% or more of the proposed assessment, no further proceedings may be taken for a period of one year. If there is not such a majority protest, the increase in the assessment from 2% to 3% will continue to the public hearing on September 13, 2010 to consider the amended ordinance. A second and final reading would be held on September 27, 2010 (scheduled as a consent item). The Parking and Business Improvement Area Law of 1989, Streets and Highways Code Section 36500 et seq., sets out the sequence of events required for the formation and amendment of a BID. The Resolution of Intent approved by the Council on July 12, 2010 instructed the City Clerk to provide notice of the public meeting and future public hearing. On July 14, 2010 a notice of proposed increase in assessment was sent to all owners of lodging businesses within the proposed district setting August 9, 2010 as the public meeting to consider all written and oral protest. All written protest must be received by the City Clerk before the close of the September 13, 2010 public hearing on the amended ordinance. Mr. Schultz recommended the City Council receive public testimony regarding the proposed increase in assessments from 2% to 3% to the MBTBID and then move to direct Staff to bring forth the draft Ordinance to increase the MBTBID Assessment at your September 13, 2010 meeting.

Mayor Peters opened the hearing for public comment.

Joan Solu, Tourism Business Improvement District Advisory Board Chair, stated the Tourism Business Improvement District Advisory Board supports the assessment being brought back to 3%. She said some of those funds will go towards the Visitors Center, which will relieve the City's General Fund. Ms. Solu stated the Board issued start-up funds to the Morro Bay 4<sup>th</sup>, Inc., which benefited the local hotels. She said the City will benefit from these funds City-wide by creating jobs and promoting the City with a larger budget release towards the General Fund.

Mayor Peters closed the public comment hearing.

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MOTION: Councilmember Smukler moved the City Council direct Staff to bring forth the draft Ordinance to increase the Morro Bay Tourism Business Improvement District Assessment from 2% to 3% for first reading and introduction at the September 13, 2010 City Council meeting.

Councilmember Grantham stated he would be voting in opposition because in order to balance the budget, the City had to lay-off City employees and in the near future the City Council will be considering another \$500,000 cut to the budget. He said it was his intent to use this 1% to go towards City expenses to help offset some of the problems the City will be facing.

VOTE: The motion was seconded by Councilmember Borchard and carried with Councilmember Grantham voting no. (4-1)

C. UNFINISHED BUSINESS – NONE.

D. NEW BUSINESS

D-1 DISCUSSION ON CURRENT STATUS OF LOCAL COASTAL PLAN/GENERAL PLAN UPDATE AND DIRECTION ON FUTURE PROCESSING WITH THE CALIFORNIA COASTAL COMMISSION; (CITY ATTORNEY)

This item was pulled from the agenda.

D-2 DETERMINATION OF WHETHER DEVELOPMENT ENTITLEMENTS AND PERMITS AT 555 MAIN STREET HAVE EXPIRED PURSUANT TO MORRO BAY MUNICIPAL CODE SECTION 17.60.140; (CITY ATTORNEY)

Councilmember Borchard stepped down due to a conflict of interest.

City Attorney Robert Schultz stated on August 8, 2005, the City Council approved Tract Map, Conditional Use Permit and Coastal Development Permit to subdivide the westerly lots (5 & 6) into 5 parcels for a Community Housing Project with exceptions to common open space. The proposed project was also approved to develop the easterly lots (3 & 4) with commercial buildings with a specified commercial mix of 25 percent in conjunction with a total of 14 one-bedroom apartment units with exceptions to parking standards. On August 14, 2006, the City Council approved an amendment to the proposed project easterly lots (3 & 4) by reducing the amount of commercial space to 2,190 sq ft from the approved amount of 3,113 sq ft and increasing the number of residential units from the approved 14 units to 16 units, an increase of two one-bedroom units. The Conditional Use Permit and Coastal Development Permit were initiated by the issuance of

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encroachment permits for sewer and public improvements on December 1, 2005 and the final map was recorded on April 11, 2006. The Applicant/Owner completed the Community Housing Project but the commercial/residential development was never completed. The last action taken directly related to physical improvements at 555 Main Street was final approval of the subdivision improvements on February 19, 2008. In July 2009, City Staff determined that the permit for development of the two easterly lots (3 & 4) for two commercial buildings, 16 one-bedroom apartment units and the joint parking had expired due to inactivity (abandonment) for over twelve consecutive months. The property at 555 Main has since been foreclosed on and is now owned by Coast National Bank. On June 30, 2010, the City received a letter from Coast National Bank requesting that the City determine that the entitlements for the project are in effect. Since City Staff had already determined that the project entitlements had expired, the issue has been brought to the City Council for final determination. Mr. Schultz recommended the City Council make a determination on whether development entitlements and permits at 555 Main Street have expired pursuant to Morro Bay Municipal Code Section 17.60.140.

Marshall Ochylski, stated he represents Coast National Bank in legal matters concerning the planning entitlements and construction permits approved by the City. He said Coast National Bank has entered into a purchase and sale contract with Chelsea Investment Corporation (Chelsea) to purchase and complete the Morro del Mar project located at 555 Main Street. Mr. Ochylski stated Chelsea proposes to complete the construction and operate the building as a senior affordable housing for the next 55 years in partnership with Pacific Southwest Community Development Corporation. The purchase of the property by Chelsea and its subsequent development by them is conditioned on several contingencies, one of which is confirmation that the existing entitlements are still in effect. If the existing entitlements are determined to still be in effect, then Chelsea will seek an amendment to the entitlements, to be presented at a subsequent City Council meeting, to permit the project to proceed as an all-residential affordable housing project rather than as an at-market apartment project with two commercial units. Mr. Ochylski stated since the permit was approved for the entire project, it is unclear how the permit can be deemed abandoned once a building permit was issued and construction commenced without the City providing any written notice to the permittee. The building permit should remain in effect unless there was written notice and an opportunity to correct the deficiency, which in this case apparently would be the failure to pursue the project in a timely basis. Mr. Ochylski stated his client requests the City to determine that the permits were not abandoned and allow the project to proceed forward in accordance with the previous approvals.

Councilmember Grantham stated he supports extending entitlements and building permits for this project for one year because of the deed restriction and the benefit of creating affordable housing.

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Councilmember Smukler agreed and noted if the entitlements and permits are granted, the project could move forward sooner, and the City could identify a return and reinvestment on a portion of the savings back into the project to increase its value. He said he would like the project to recognize all it can to use green building practices.

Councilmember Winholtz stated she will go along with the entitlements but not because there are exceptions. She said the fact that the City declared the project abandoned due to inactivity, she feels the City is within its requirements and should not make any exceptions; Councilmember Smukler agreed with this statement.

Mayor Peters stated criteria should be established in order to keep a project ongoing, especially when it is based on a financial situation; she noted correspondence should be considered sufficient. She said she supports extending the entitlements because this project will be an improvement to the community.

**MOTION:** Councilmember Winholtz moved the City Council determine that the development fees and permits for 555 Main Street are still in force. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

Council discussed project details as follows:

Councilmember Winholtz stated she would like the size of the units reduced to 400 square feet, which would allow two more units totaling 18 units. She said she would like the retention of the commercial units that could be senior-oriented. Councilmember Winholtz stated she would like more very low (30-40%) income housing, and a consideration for parking or golf cart use.

Councilmember Smukler stated he would like the project to incorporate water resources and green building practices; and, he supports the very low (30-40%) income housing to increase the number of units.

Mayor Peters stated she would like a couple of handicap units incorporated in the project. She said she would like the commercial unit(s) to be related to the residents of the area.

Mayor Peters called for a break at 8:20 p.m.; the meeting resumed at 8:30 p.m.

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D-3 REAFFIRMATION OF CITY COUNCIL ACTION AT THE JOINT POWERS AGREEMENT MEETING ON JULY 15 REGARDING THE APPROVAL OF A CONTRACT FOR PROJECT MANAGEMENT (PM) SERVICES FOR THE UPGRADE OF THE MORRO BAY-CAYUCOS WASTEWATER TREATMENT PLANT; (CITY ATTORNEY)

City Attorney Robert Schultz stated at its July 15, 2010 JPA meeting, the Morro Bay City Council took action and approved the award of a contract to Dennis Delzeit for Project Management (PM) Services for the upgrade of the Morro Bay-Cayucos Wastewater Treatment Plant. Mayor Peters and Councilmembers Grantham and Winholtz were present at the meeting, Councilmember Borchard participated in the meeting by telephone, and Councilmember Smukler was not present for the meeting. After the public comment and Council discussion at the JPA meeting on the award of a contract for a Project Manager, Councilmember Winholtz made a statement and left the meeting; a motion was made by Mayor Peters and seconded by Councilmember Grantham to award a contract to Dennis Delzeit for Project Management (PM) Services for the upgrade of the Morro Bay-Cayucos Wastewater Treatment Plant; the motion passed 3-0 with Councilmember Borchard voting by telephone. Since Councilmember Winholtz left the meeting and Councilmember Smukler was not present at the JPA meeting, an issue has arisen as to whether there was a proper quorum at the meeting to conduct City business. In order to clear up any confusion on whether a quorum existed at the July 15, 2010 JPA meeting, Mr. Schultz recommended the City Council reaffirm the action taken at Joint Powers Agreement meeting on July 15, 2010 and reapprove the award of a contract to Dennis Delzeit for Project Management (PM) Services for the Upgrade of the Morro Bay-Cayucos Wastewater Treatment Plant.

**MOTION:** Mayor Peters moved the City Council reaffirm the action taken at Joint Powers Agreement meeting on July 15, 2010 and reapprove the award of a contract to Dennis Delzeit for Project Management (PM) Services for the Upgrade of the Morro Bay-Cayucos Wastewater Treatment Plant. The motion was seconded by Councilmember Grantham.

Councilmember Winholtz stated her intent of not voting at the JPA meeting on July 15, 2010 was due to the lack of information to make a decision. She said she will be voting in opposition to this motion due to the process.

Councilmember Borchard stated for clarification this JPA meeting was scheduled during a week that vacations are usually scheduled due to a canceled Council meeting. She decided to Skype in from her destination at her expense to participate in the vote at this JPA meeting, which is not an uncommon practice which has been done by other elected and appointed officials.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – AUGUST 9, 2010

Mayor Peters stated she does not agree that this meeting was not conducted properly. She said she entrusts staff to have the knowledge of who would be a more qualified project manager for the upgrade of the wastewater treatment plant; as Council should also trust in staff's qualifications.

Councilmember Smukler stated he will be voting in opposition to this motion due to the process, lack of information, and no alternatives or choices were given for consideration. He said as Council we are here to represent the public. Councilmember Smukler stated this project is here for the citizens in the long-term, and Council should have influence as was laid out in the Request for Proposal process; if not, Council is not fulfilling their obligations as representatives of the citizens.

Councilmember Grantham stated his constituency requested this project keep going, which is a responsibility he takes seriously. He said he trusts the wisdom and judgment of staff's recommendation, and supports awarding the contract to Dennis Delzeit for Project Management Services for the upgrade of the wastewater treatment plant.

VOTE: The motion carried with Councilmember Smukler and Councilmember Winholtz voting no. (3-2)

D-4 DESIGNATION OF VOTING DELEGATE FOR 2010 LEAGUE OF CALIFORNIA CITIES CONFERENCE; (ADMINISTRATION)

The City Council declared there would be no representation at the League of California Cities Conference or Business Meeting this year due to budgetary circumstances.

No further action was taken.

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Winholtz requested to agendize a discussion before the Planning Commission on the definition for abandonment of development projects, and report back to Council.

Councilmember Winholtz stated she would like to consider sending a letter to the League of California Cities regarding the requirement of registration fee to vote at the annual conference business meeting.

Councilmember Winholtz requested to agendize a discussion on climate change and adaptation at the next joint City Council/Planning Commission meeting.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – AUGUST 9, 2010

Councilmember Winholtz requested to agendize a discussion on amending Council Policies and Procedures in regard to all real property contracts to go to Closed Session prior to Open Session.

Councilmember Winholtz requested to agendize a discussion on amending Council Policies and Procedures in regard to calling a Closed Session meeting.

Councilmember Smukler requested the Public Works Advisory Board agendize a public hearing on the Transit Flex Fix Route in order to receive public input.

Councilmember Smukler requested to agendize a discussion on the City's tree list and landmark trees in September.

Councilmember Borchard requested to agendize a discussion on the Award of the Transit Contract and the Marketing Contract.

ADJOURNMENT

The meeting adjourned at 9:26 p.m.

Recorded by:

Bridgett Kessling  
City Clerk



AGENDA NO:	<u>A-2</u>
MEETING DATE:	<u>8/23/2010</u>

# Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** August 16, 2010  
**FROM:** Harbor Business Manager

**SUBJECT:** Approval for the Mayor to Sign a Letter in Support of Senate Bill 3540 to Reauthorize the National Estuary Program

**RECOMMENDATION:**

Staff recommends that the Council approve having the Mayor sign the attached letter in support of Senate Bill 3540 (SB 3540) to amend the Federal Water Pollution Control Act to Reauthorize the National Estuary Program.

**MOTION:** I move that the City Council approve having the Mayor sign a letter in support of SB 3540 to amend the Federal Water Pollution Control Act to Reauthorize the National Estuary Program.

**FISCAL IMPACT:**

None

**SUMMARY:**

The Morro Bay National Estuary Program contacted the Harbor Department recently regarding SB 3540 to Reauthorize the National Estuary Program and to request that the City write a letter in support of this proposed legislation.

**DISCUSSION:**

The City of Morro Bay has been involved with the Morro Bay National Estuary Program (MBNEP) since its inception in 1995. The MBNEP has supported the City's efforts to maintain federal funding for harbor dredging for many years and has provided the City various grants in support of efforts to reach the goals of the MBNEP Comprehensive Conservation Management Plan for the Morro Bay Estuary. The MBNEP has proved to be an effective program working in conjunction with local agencies and stakeholders to preserve and to restore the Morro Bay Estuary and surrounding watershed. Maintaining the presence of the MBNEP in Morro Bay is dependent on continuing the federal authorization for the National Estuary Program.

**CONCLUSION:**

Staff recommends that the City Council provide approval for the Mayor to sign the attached letter in support of SB 3540 to reauthorize the National Estuary Program.

Prepared By: _____	Dept Review: _____
City Manager Review: _____	
City Attorney Review: _____	



# City of Morro Bay

Morro Bay, CA 93442  
(805) 772-6200

August 23, 2010

Senator Barbara Boxer  
Chairman, Senate Environment & Public Works Committee  
112 Hart Building  
Washington DC 20510

Dear Senator Boxer, Chairman of the Senate Environment & Public Works Committee,

We greatly appreciate your leadership efforts to reauthorize the National Estuary Program, established by Congress in 1987 to improve the quality of estuaries of national importance. We strongly support S. 3540, a bill recently introduced by Senators Sheldon Whitehouse (D-RI) and David Vitter (R-LA), and also a similar bill recently approved the Senate Environment and Public Works Committee, HR 4715, the Clean Estuaries Act. These bills build on and strengthen the NEP, which has a track record of being an effective, efficient, collaborative, and adaptive community-based program. The bills will underscore the focus on the watershed and the use of science to inform decision-making, emphasize collaborative problem solving, and increase and improve public involvement.

The Morro Bay NEP has provided our local community significant economic and environmental benefits by supporting habitat protection, restoration, and public interest in our local estuary. The Morro Bay NEP has been an essential partner for the City of Morro Bay and we look forward to our continued relationship, facilitated by this legislation. I encourage you to support the reauthorization of the NEP at the national level so that we can continue to reap the crucial benefits that the program provides to our citizens and our local environment.

The Clean Estuaries Act will significantly strengthen a proven, authorized program that is measurably improving the economic and ecological resiliency of our coastal communities. We applaud your commitment to gaining final passage of this bill and moving it to the President's desk for signature. We stand ready to assist you in this effort.

Sincerely,

Janice Peters, Mayor  
City of Morro Bay

cc: Members of the Senate Environment & Public Works Committee  
Senator Whitehouse  
Senator Vitter  
Morro Bay NEP

**FINANCE**  
595 Harbor Street

**ADMINISTRATION**  
595 Harbor Street

**FIRE DEPT.**  
715 Harbor Street

**PUBLIC SERVICES**  
955 Shasta Avenue

**HARBOR DEPT.**  
1275 Embarcadero Road

**CITY ATTORNEY**  
595 Harbor Street

**POLICE DEPT.**  
850 Morro Bay Boulevard

**RECREATION & PARKS**  
1001 Kennedy Way



AGENDA NO: A-3  
MEETING DATE: 8/23/10

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** August 23, 2010

**FROM:** Susan Slayton, Administrative Services Director

**SUBJECT:** Adoption of Ordinance No. 560 Amending Title 13 Public Utilities, Chapter 13.12 Sewers to add Section 13.12.215 Collection of Past-Due Accounts – Second Reading

**RECOMMENDATION:**

Staff recommends that the City Council adopt Ordinance No. 560, amending the Morro Bay Municipal Code Title 13, Chapter 13.12 to add Section 13.12.215 entitled *Collection of Past-Due Accounts*, which will authorize the City to use any legal means to collect past-due accounts.

**MOTION: I move for the adoption of Ordinance No. 560.**

**SUMMARY:**

This Ordinance was presented at the August 9<sup>th</sup> council meeting. This is the second reading, after which the Ordinance is adopted.

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

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

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

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

ORDINANCE NO. 560

AN ORDINANCE OF THE CITY OF MORRO BAY TO AMEND TITLE 13 PUBLIC UTILITIES, CHAPTER 13.12 BY ADDING SECTION 13.12.215 COLLECTION OF PAST DUE ACCOUNTS TO THE CITY OF MORRO BAY MUNICIPAL CODE

THE CITY COUNCIL  
CITY OF MORRO BAY, CALIFORNIA

The City Council of the City of Morro Bay does ordain Title 13 *Public Utilities*, Chapter 13.12 *Sewers* be amended as follows:

**WHEREAS**, Title 13 of the Morro Bay Municipal Code sets forth policies and procedures for Public Utilities; and

**WHEREAS**, the City desires to clarify the process that related to the collection of past-due accounts in Chapter 13.12 Sewers; and

**WHEREAS**, the City of Morro Bay needs to amend Chapter 13.12 in order to make this change; and

**WHEREAS**, following the Public Hearing, and upon consideration of the testimony of all persons, the City Council of the City of Morro Bay does ordain Chapter 13.12 be amended by adding the following Section:

*13.12.215. Nothing contained in this chapter shall limit the right of the City to proceed against any customer for any delinquencies due under Title 13 of this code. Nothing contained in this chapter shall prevent the City from availing itself of any other legal remedy by which the City might collect such charges, fees, or penalties.*

**INTRODUCED** at the regular meeting of the City Council held on the 9<sup>th</sup> day of August 2010, by motion of Councilmember Grantham, and seconded by Councilmember Winholtz.

**PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Morro Bay on the 23<sup>rd</sup> day of August, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

\_\_\_\_\_  
Janice Peters, Mayor

\_\_\_\_\_  
Bridgett Kessler, City Clerk



AGENDA NO: A-4

MEETING DATE: August 23, 2010

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** August 18, 2010  
**FROM:** Rob Schultz, City Attorney  
**SUBJECT:** Adoption of Ordinance No. 561 Amending Section 2.12.090 of the Morro Bay Municipal Code Regarding City Manager's Power of Appointment of City Officers and Employees

### **RECOMMENDATION:**

Staff recommends that the City Council adopt Ordinance No. 561

### **SUMMARY:**

Ordinance 561 was introduced at the Council meeting held on August 9, 2010. This is the second reading, after which the Ordinance is adopted and will become effective on the 31<sup>st</sup> day after its passage.

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

**ORDINANCE NO. 561**

**AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF MORRO BAY AMENDING SECTION 2.12.090  
OF THE MORRO BAY MUNICIPAL CODE REGARDING  
THE CITY MANAGER'S POWER OF APPOINTMENT OF  
CITY OFFICERS AND EMPLOYEES**

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

**WHEREAS**, Section 2.12.090 of the Morro Bay Municipal Code sets forth the City Manager's Power of Appointment of City Officers and Employees; and

**WHEREAS**, historically the City Manager has appointed the City Clerk, City Treasurer and City Engineer despite the exception in Section 2.12.090 of the Morro Bay Municipal Code; and

**WHEREAS**, the City Council desires to amend the City Manager's Power of Appointment of the City Officers and Employees to reflect current practices, therefore the City of Morro Bay needs to amend Section 2.12.090 in order to make this change.

**NOW, THEREFORE**, following the Public Hearing, and upon consideration of the testimony of all persons, the City Council of the City of Morro Bay does ordain Section 2.12.090 be amended as follows:

**2.12.090 - Power of appointment.**

It shall be the duty and responsibility of the city manager to and he/she shall appoint, remove, promote and demote any officers and employees of the city, except the ~~city clerk, city attorney, city engineer and city treasurer~~, subject to the provisions of Chapter 2.32 and resolutions, rules and regulations adopted pursuant thereto.

This Ordinance shall take effect and be in force thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days after its passage, it, or a summary of it, shall be published once, with the names of the City Council members voting for and against the same, in a newspaper of general circulation published in the City of Morro Bay.

**INTRODUCED** at a regular meeting of the City Council of the City of Morro Bay held on the 9th day of August, 2010 by motion of Councilmember Borchard, and seconded by Councilmember Grantham.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
JANICE PETERS, Mayor

ATTEST:

\_\_\_\_\_  
BRIDGETT KESSLING, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
ROBERT SCHULTZ, City Attorney



AGENDA NO: A-5

MEETING DATE: August 23, 2010

# Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** August 12, 2010

**FROM:** Dylan Wade, Utilities/Capital Projects Manager

**SUBJECT:** Status Report on Water Usage for June and July 2010

**RECOMMENDATION:**

It is recommended that the City Council review and file this status report.

**FISCAL IMPACT:**

The water enterprise fund operating budget is only a small percentage of the overall water division budget. The water division uses the operating budget to offset the cost of operating the various supplies of water. Depending on the mix and cost of the various water sources delivered these expenditures may lead to over spending the operating budget.

**BACKGROUND:**

The City of Morro Bay has four main sources of water supply. Water sources in order of supplied quantities are; the State Water Project, Chorro groundwater, Morro groundwater, and a Desalination Plant. Deliveries of water from the State water Project started this year at the lowest level that they have ever been in the history of the project. Since the primary water supply source for the City of Morro Bay was unavailable at the beginning of the year, the City has been forced to rely more heavily on the other sources.

Contamination with nitrates of both the Chorro and Morro groundwater resources by agricultural activities has greatly impacted our water supplies. During periods of reduced State Water Project deliveries it is necessary to blend our other sources of water to reduce nitrate levels in the distribution system. The Desalination Plant is undergoing a series of upgrades to restore the operation of that facility which has most recently been used to remove nitrates from the Morro Groundwater.

**DISCUSSION:**

June Water Usage

Total June Water production was 118.1 af with 7.7 af of water from the Morro groundwater basin receiving treatment through the BWRO process, 110.4 af of State water delivered, and 0

<b>Prepared By:</b> _____	<b>Dept Review:</b> _____
<b>City Manager Review:</b> _____	
<b>City Attorney Review:</b> _____	

af of groundwater from the Morro and Chorro Basins. Numbers previously reported for BWRO production were incorrect and therefore total production was likely under reported. We caught this error and will make the necessary corrections on future reports.

#### July Water Usage

Total July Water production was 131 af with 9.9 af of water from the Morro groundwater basin receiving treatment through the BWRO process, 121.2 af of State water delivered, and 0 af of groundwater from the Morro and Chorro Basins.

Current Water Usage During the Month of August, the City has used water from the Brackish Water Reverse Osmosis (BWRO) Treatment train to supplement water deliveries from the State Water Project by running the BWRO one or two days a week.

State Water Project Deliveries State Water Project deliveries are sufficient to meet water demands for all periods except during the State Water shutdown without continuing mandatory water conservation measures.

#### Recent Division Activities

Staff has been able to focus on the Distribution system and is working on the replacement of service lines and old water meters. Two events have been noteworthy:

The largest main line leak in recent memory occurred on Nutmeg during July. The movement of the hill with the recent wet weather caused a hydrant supply line to pull apart and start leaking. This leak then eroded the trench line which removed the confining pressure on the main line causing it to come apart. Being an 8' line with two open ends the leak was quite substantial with several houses on both Nutmeg and Laurel damaged by the flow of water. While we have changed the detail we use on new hydrant installations and repairs in hilly terrain to minimize this risk, any time there is ground movement there is a high risk of damage to buried pipelines. While the total damages to private property have not been determined, the repair cost plus damages to private property will be in the tens of thousands of dollars.

Crews have spent a significant amount of time in the last several weeks working on Napa Ave between Morro Bay Boulevard and Marina Streets potholing to determine the extent of an active pipeline that was not shown on any of the historical maps. A customer complaint about brown water (usually caused by rust) led us to investigate their service connection. We found that they were connected to a 4" pipeline that was not shown on any of the existing maps. The crews chased the line down Napa Ave to determine where it ended and who else might be tied into it. Once it was determined that it could be shut down crews cut and capped their connection and hooked them up to a much newer main on Napa Ave. The mystery pipeline will remain in place until after the summer construction moratorium is lifted at which time it will be removed from our system. It is high likely that there are still portions of the 1920's-1940's water system still in use that we are unaware of. If the public has problems with their water or experience a "brown water" they can let us know and we will work hard to solve the problem.

In addition to these activities a series of upgrades will be made to fully and completely integrate the operation of the BWRO and SWRO trains into the plant. On the agenda for tonight is acceptance of a \$600,000 dollar grant to offset the cost of these upgrades. These upgrades will

finalize the Cities strategy for coping with nitrate contamination in the Morro Basin.

#### Chorro Groundwater Issues

The City has produced water from the Chorro groundwater basin to meet water demands. Our groundwater permits require that stream flows be above 1.4cfs when extractions occur. Currently the City's consultant is measuring creek flows on a biweekly basis for correlation with the County's staff gauge.

#### Interference Study

We recently completed the testing portion of a study to demonstrate what interference if any occurs when the City operates wells in the Ashurst well field. The results of this study will be coming out in the next several months, but initial data shows no interference from some wells and only minute amounts from others. This study will ultimately be submitted to the SWRCB for their review of the 1.4 cfs flow constraint. During the process of performing the study Fish and Game determined that the consultant working for the City did not have the proper stream bed alteration agreement in place prior to measuring the stream flow. They directed our consultant to perform some willow plantings as a mitigation measure.

#### Future Water Usage

It is anticipated that in the month of September the water system will rely on the State Water Project deliveries and will decrease the use of the BWRO to augment those deliveries as our demands fall.

#### **CONCLUSION:**

It is recommended that the City Council review and file this status report.



AGENDA NO: A-6

Meeting Date: August 23, 2010

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** August 13, 2010

**FROM:** Dylan Wade, Utilities/Capital Projects Manager  
Michael Randall, Assistant Engineer

**SUBJECT:** Resolution accepting a California Department of Public Health grant for modifications to the Desalination Facility.

### **RECOMMENDATION:**

It is recommended that the City Council adopt a resolution authorizing and delegating authority to the Utilities/Capital Projects Manager to enter into a funding agreement with the California Department of Health for a Proposition 84 grant for the BWRO upgrades to the Desalination Facility.

**MOTION:** I move that the City Council authorize the Utilities/Capital Projects Manager to enter into an agreement with the California Department of Public Health for funding to receive \$600,000 of Proposition 84 funding for the BWRO upgrades to the Desalination Facility.

### **FISCAL IMPACT:**

Staff has requested a grant in the amount of \$600,000.00. The City would provide a match of \$188,044.40 from the \$1,876,847.00 of water operations funds allocated to the Desal Upgrade/Energy Recovery Project during the 08/09 thru 10/11 fiscal year budgets. The funds for these upgrades would otherwise come completely from the water division operations fund. This grant agreement results in a savings of \$600,000.00 to the City's water operations fund.

### **BACKGROUND:**

The nitrate pollution observed in both the Morro and the Chorro groundwater basins has impacted the ability of the City to provide adequate and safe drinking water. These constraints lead to a nitrate episode in November 2006. The purpose of the grant is to provide funding to projects that will help to reduce groundwater contamination. The City's Desalination Facility, with the newly installed BWRO trains aligns perfectly with the goals of the grant and has been chosen by the California Department of Health to receive Proposition 84 funds to complete appurtenance upgrades to the Morro Bay

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

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

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

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

Page 1 of 4

## Desalination Facility.

The City Council declared a water emergency on October 13, 2008 in order to install the BWRO trains into the Desalination Facility. These modifications were able to be installed just in time to produce water during the 2009 State Water Shut Down by taking advantage of the existing pre and post treatment systems of the existing Salt Water Reverse Osmosis (SWRO) process. The upgrades being performed by this grant will ensure both processes, BWRO and SWRO, can be run simultaneously, which will enable the City to better meet demands during periods of reduced State Water Project Deliveries.

Through the operation of the BWRO treatment process, a cone of depression is created, where water with high nitrates from the upper basin are pulled toward the plant and are replaced, through natural recharge, by water with low nitrate levels. Over time, this flushing action will help remediate the nitrate contamination and restore better water quality in the Morro Basin.

### **CONCLUSION:**

Staff recommends that the City Council authorize the Utilities/Capital Projects Manager to enter into an agreement with the with the California Department of Public Health for funding to receive \$600,000 of Proposition 84 funding for the Desalination Facility Energy Recovery Project.

#### Attachments:

1. Resolution 43-10

**RESOLUTION NO. 43-10**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA  
ACCEPTING A CALIFORNIA DEPARTMENT OF  
PUBLIC HEALTH GRANT FOR MODIFICATIONS  
TO THE DESALINATION PLANT**

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

**WHEREAS**, on the 14<sup>th</sup> day of, December 2009 the City of Morro Bay made application to the State of California for \$600,000.00; and

**WHEREAS**, on the 5<sup>th</sup> day of August 2010 the State of California issued a Letter of Commitment to the City of Morro Bay committing grant funds under the Proposition 84 Program for Desalination Facility Energy Recovery Project P84-4010011-801, subject to terms and conditions; and

**WHEREAS**, said City Council adopted a project budget totaling \$788,044.40 in Fund 921-8464, as part of the 2008/2009 Budget; and

**WHEREAS**, the remaining \$188,044.40 of project costs are to be funded by, the water fund; and

**WHEREAS**, prior to the State of California issuing said Funding Agreement, said City Council is required to pass a resolution authorizing an officer to execute said Funding Agreement and amendments, designating a person to approve claims for reimbursement, designating a person (registered engineer) to sign the Budget and Expenditure Summary, designating a person (registered engineer) to sign Certification of Project Completion, designating a person (registered engineer) to review and approve claim forms, and designating a person to sign the Final Release form.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED**, that the Utilities/Capitol Projects Manager is hereby authorized to sign The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) Funding Agreement and any amendments thereto, and

**BE IT FURTHER RESOLVED AND ORDERED**, that the Utilities/Capitol Projects Manager is hereby authorized to approve Claims for Reimbursement under the Proposition 84 Program for the Desalination Facility Energy Recovery Project; and

**BE IT FURTHER RESOLVED AND ORDERED**, that the Utilities/Capitol Projects Manager, a registered engineer, is hereby authorized to execute the Budget and Expenditure Summary under the Proposition 84 Program for the Desalination Facility Energy Recovery Project; and

**BE IT FURTHER RESOLVED AND ORDERED**, that the Utilities/Capitol Projects Manager is hereby authorized to sign the Final Release Form under the Proposition 84 Program for the Desalination Facility Energy Recovery Project; and

**BE IT FURTHER RESOLVED AND ORDERED**, that the City Engineer, a registered engineer, is hereby authorized to certify that the project is complete and ready for final inspection; and

**BE IT FURTHER RESOLVED AND ORDERED**, that the Utilities/Capitol Projects Manager, a registered engineer, is hereby authorized to review and sign claim forms to be submitted to the State of California for reimbursement.

**BE IT FURTHER RESOLVED AND ORDERED**, that the City Council does hereby designate revenues from the water rates and charges as the dedicated source of revenue to pay for operation and maintenance costs associated with this Project. This dedication shall remain in full force and effect for the life of this Project which is estimated to be 30 years, unless modification or change of such dedication is approved in writing by the State of California, Department of Public Health. If for any reason, said source of revenues prove insufficient to satisfy the operations and maintenance costs associated with this Project, sufficient funds shall be raised through increased water rates, user charges, or assessments or any other legal means available to operate and maintain this Project.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 23 rd day of August, 2010 on the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
JANICE PETERS, Mayor

ATTEST:

\_\_\_\_\_  
BRIDGETT KESSLING, City Clerk



AGENDA NO: A-7

Meeting Date: August 23, 2010

# Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** August 16, 2010

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

**SUBJECT:** Award of contract to CalPortland Construction for the construction of the ARRA-funded North Main Street Bike Lane and Street Improvement Project (MB-2010-S1).

**RECOMMENDATION:**

It is recommended that the City Council award the Project contract to CalPortland Construction in the amount of \$432,117.10 and to authorize a contingency fund of \$43,200 via adoption of Resolution No. 44-10.

**MOTION: I move that the City Council adopt Resolution No. 44-10 awarding the North Main Street Bike Lane and Street Improvement Project contract to CalPortland Construction in the amount of \$432,117.10 and to authorize a contingency fund of \$43,200.**

**FISCAL IMPACT:**

As previously authorized, the construction phase of the Project is funded by a \$480,000 American Recovery and Reinvestment Act (ARRA) Grant, \$30,000 in State Transportation Development Act money earmarked for North Main Bike Lanes and \$30,000 in local funds if needed.

**BACKGROUND:**

This Project adds Class II bike lanes and signage to both sides of North Main Street from Atascadero Road to Yerba Buena Street. The project also includes a number of street and pedestrian improvements on the north half of the project starting to the north of San Jacinto Street. These improvements include a complete pavement overlay of that section of North Main, the construction of concrete curb, gutter, sidewalk and ramps to provide ADA compliant pedestrian passage along the east side of the street, and minor street reconstruction at select intersections where the pavement is failing.

Funding for this project was authorized by City Council at their March 22, 2010 regular meeting. The estimated construction cost was authorized at \$540,000. Prior to that, the project was reviewed and

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

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

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

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

recommended for approval by the Public Works Advisory Board and the Morro Bay Citizens Bike Committee.

This project is funded with Federal (ARRA) Funds. There is a deadline of September 30, 2010 to fully execute the construction contract, or the funding for this project could be lost. Time is therefore of the essence in awarding the construction contract. The contingency fund is requested so that potential change orders can be processed quickly and construction can proceed without the delay of having to request additional funds from City Council.

**DISCUSSION:**

The Project was advertised for bids in mid-July. Two Addenda (Addendum #1 and Addendum #2) to the project plans and specifications were issued which, among other items included revisions to the specifications and four of the fifteen construction plan sheets. All bidders provided evidence of receipt of these addenda.

Bids were opened as scheduled on August 9, 2010. Eight bids were received, the lowest of which being submitted by CalPortland Construction of Santa Maria, in the total amount of \$432,117.10, well below the Engineer's revised estimate of \$518,000. The Bid Book was checked for compliance with bidding requirements for federal aid projects and no irregularities were found. Subcontractors identified in the proposal include Williams Concrete Engineering of Morro Bay and Toste Construction of Arroyo Grande.

After the issuing of addenda, it came to the attention of the staff that further changes may be required, including such items as the number of ADA ramps to be constructed or reconstructed and in the hygienic removal of thermoplastic striping. Rather than delay bidding and risk losing Federal funds, staff decided to proceed with the bidding as planned and to address potential revisions as change orders. To facilitate the authorization of and payment for these potential changes, staff recommends that City Council approve a contingency fund of \$43,200 to cover this situation. A 10% contingency had also been included in the original engineer's estimate.

**CONCLUSION:**

Staff recommends the City Council award the subject contract to CalPortland Construction and to create a project contingency fund via the adoption of Resolution No. 44-10 (attached).

Attachment: Detailed Bid Summary

**RESOLUTION NO. 44-10**

**RESOLUTION AWARDING THE CONTRACT FOR PROJECT NO. MB-2010-S1:  
NORTH MAIN STREET BIKE LANE AND STREET IMPROVEMENTS**

**The City Council,  
City of Morro Bay, California**

**WHEREAS**, installation of bikeways in the community of Morro Bay is an identified priority of the adopted Circulation Element to the General Plan as an encouragement of use of alternative modes of transportation; and

**WHEREAS**, on March 22, 2010 the City Council authorized the North Main Bike Lane Project and directed staff to pursue funding for the Project ; and

**WHEREAS**, in recognition of the regional significance and benefit of the Project, the City has been able to secure Federal grant funds for the construction of the Project, and

**WHEREAS**, plans and specifications for Project No. MB-2010-S1: North Main Street Bike Lane and Street Improvements were prepared and bid pursuant to the Public Contract Code; and

**WHEREAS**, CalPortland Construction, Santa Maria, submitted the lowest responsible bid in the total amount of \$432,117.10; and

**WHEREAS**, the authorization of 10% contingency fund will facilitate the timely completion of the project; and

**WHEREAS**, it is in the public interest that the Project be constructed at this time.

**NOW, THEREFORE, BE IT RESOLVED**, by the Morro Bay City Council that the contract for Project No. MB-2010-S1: North Main Street Bike Lane and Street Improvements is hereby awarded to CalPortland Construction of Santa Maria, in the amount of \$432,117.10; and

**BE IT FURTHER RESOLVED**, by the Morro Bay City Council that the amount of \$43,200 is authorized as a contingency fund to be used for project related expenses; and

**BE IT FURTHER RESOLVED**, the Mayor is hereby authorized to execute contract documents reflecting this action.

**PASSED AND ADOPTED** by the Morro Bay City Council at a regular meeting thereof held on the 23rd day of August, 2010 by the following vote:

AYES:  
NOES:  
ABSENT:

ATTEST:

\_\_\_\_\_  
JANICE PETERS, Mayor

BRIDGETT KESSLING, City Clerk

**NORTH MAIN STREET BIKE LANE AND STREET IMPROVEMENT PROJECT**

ITEM NO.	ITEM	UNIT OF MEASURE	ESTIMATED UNITS	Engineer's Est		CalPortland Const. Santa Maria		Souza Const. San Luis Obispo		Maino Const. San Luis Obispo		Granite Const. Paso Robles		V. Lopez & Sons Santa Maria		G. Sosa Const. Santa Maria		R. Burke San Luis Obispo		John Madonna San Luis Obispo	
				UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL
1	Mobilization	LS	1	\$ 11,785.34	\$ 11,800.00	\$ 5,730.00	\$ 5,730.00	\$ 12,000.00	\$ 12,000.00	\$ 5,000.00	\$ 5,000.00	\$ 9,500.00	\$ 9,500.00	\$ 17,280.00	\$ 17,280.00	\$ 10,000.00	\$ 10,000.00	\$ 12,000.00	\$ 12,000.00	\$ 13,400.00	\$ 13,400.00
2	Traffic Control	LS	1	\$ 7,500.00	\$ 7,500.00	\$ 8,070.00	\$ 8,070.00	\$ 3,937.00	\$ 3,937.00	\$ 17,000.00	\$ 17,000.00	\$ 14,863.00	\$ 14,863.00	\$ 12,300.00	\$ 12,300.00	\$ 22,600.00	\$ 22,600.00	\$ 16,910.00	\$ 16,910.00	\$ 17,000.00	\$ 17,000.00
3	Remove Existing Striping	LS	1	\$ 11,000.00	\$ 11,000.00	\$ 800.00	\$ 800.00	\$ 2,474.00	\$ 2,474.00	\$ 800.00	\$ 800.00	\$ 2,400.00	\$ 2,400.00	\$ 803.00	\$ 803.00	\$ 5,000.00	\$ 5,000.00	\$ 12,050.00	\$ 12,050.00	\$ 1,000.00	\$ 1,000.00
4	Adjust Manhole	EA	30	\$ 300.00	\$ 9,000.00	\$ 900.00	\$ 27,000.00	\$ 413.00	\$ 12,390.00	\$ 550.00	\$ 16,500.00	\$ 300.00	\$ 9,000.00	\$ 630.00	\$ 18,900.00	\$ 380.00	\$ 11,400.00	\$ 640.00	\$ 19,200.00	\$ 500.00	\$ 15,000.00
5	Adjust Monument and Valve Box	EA	22	\$ 200.00	\$ 4,400.00	\$ 617.00	\$ 13,574.00	\$ 287.00	\$ 6,314.00	\$ 300.00	\$ 6,600.00	\$ 275.00	\$ 6,050.00	\$ 500.00	\$ 11,000.00	\$ 235.00	\$ 5,170.00	\$ 535.00	\$ 11,770.00	\$ 250.00	\$ 5,500.00
6	Adjust Fire Hydrant	EA	1	\$ 500.00	\$ 500.00	\$ 1,858.00	\$ 1,858.00	\$ 2,027.00	\$ 2,027.00	\$ 5,000.00	\$ 5,000.00	\$ 500.00	\$ 500.00	\$ 4,255.00	\$ 4,255.00	\$ 5,000.00	\$ 5,000.00	\$ 2,300.00	\$ 2,300.00	\$ 4,000.00	\$ 4,000.00
7	Cold Mill A.C. Pavement (4' Edge Grind)	SY	1778	\$ 2.25	\$ 4,000.50	\$ 2.15	\$ 3,822.70	\$ 3.50	\$ 6,223.00	\$ 6.00	\$ 10,668.00	\$ 4.50	\$ 8,001.00	\$ 6.90	\$ 12,268.20	\$ 4.00	\$ 7,112.00	\$ 2.35	\$ 4,178.30	\$ 4.90	\$ 8,712.20
8	Cold Mill A.C. Pavement (20' Conform Grind)	SY	300	\$ 2.25	\$ 675.00	\$ 12.70	\$ 3,810.00	\$ 19.50	\$ 5,850.00	\$ 6.00	\$ 1,800.00	\$ 4.50	\$ 1,350.00	\$ 6.90	\$ 2,070.00	\$ 4.00	\$ 1,200.00	\$ 6.64	\$ 1,992.00	\$ 10.00	\$ 3,000.00
9	Type A A.C. Overlay 1.5"	TON	1378	\$ 90.00	\$ 124,020.00	\$ 76.25	\$ 105,072.50	\$ 83.00	\$ 114,374.00	\$ 90.00	\$ 124,020.00	\$ 89.00	\$ 122,642.00	\$ 80.75	\$ 111,273.50	\$ 91.00	\$ 125,398.00	\$ 88.15	\$ 121,470.70	\$ 92.00	\$ 126,776.00
10	Type A A.C. Leveling Course 1"	TON	918	\$ 90.00	\$ 82,620.00	\$ 84.30	\$ 77,387.40	\$ 95.00	\$ 87,210.00	\$ 105.00	\$ 96,390.00	\$ 102.00	\$ 93,636.00	\$ 88.22	\$ 80,985.96	\$ 94.00	\$ 86,292.00	\$ 94.50	\$ 86,751.00	\$ 100.00	\$ 91,800.00
11	Shoulder Widening	SF	1600	\$ 9.00	\$ 14,400.00	\$ 4.45	\$ 7,120.00	\$ 6.00	\$ 9,600.00	\$ 7.50	\$ 12,000.00	\$ 7.50	\$ 12,000.00	\$ 14.75	\$ 23,600.00	\$ 7.50	\$ 12,000.00	\$ 7.45	\$ 11,920.00	\$ 12.00	\$ 19,200.00
12	Reconstruct AC Pavement	SF	2300	\$ 10.00	\$ 23,000.00	\$ 6.10	\$ 14,030.00	\$ 11.00	\$ 25,300.00	\$ 9.00	\$ 20,700.00	\$ 6.00	\$ 13,800.00	\$ 11.30	\$ 25,990.00	\$ 8.00	\$ 18,400.00	\$ 9.25	\$ 21,275.00	\$ 14.00	\$ 32,200.00
13	Pavement Reinforcement Fabric	SY	16889	\$ 2.00	\$ 33,778.00	\$ 1.20	\$ 20,266.80	\$ 1.50	\$ 25,333.50	\$ 1.89	\$ 31,920.21	\$ 1.50	\$ 25,333.50	\$ 1.52	\$ 25,671.28	\$ 1.30	\$ 21,955.70	\$ 1.62	\$ 27,360.18	\$ 1.38	\$ 23,306.82
14	Thermoplastic Traffic Striping	LF	31000	\$ 0.45	\$ 13,950.00	\$ 0.25	\$ 7,750.00	\$ 0.25	\$ 7,750.00	\$ 0.52	\$ 16,120.00	\$ 0.37	\$ 11,470.00	\$ 0.24	\$ 7,440.00	\$ 0.58	\$ 17,980.00	\$ 0.84	\$ 26,040.00	\$ 0.29	\$ 8,990.00
15	Thermoplastic Pavement Marking	SF	1500	\$ 4.00	\$ 6,000.00	\$ 3.65	\$ 5,475.00	\$ 4.00	\$ 6,000.00	\$ 3.83	\$ 5,745.00	\$ 5.24	\$ 7,860.00	\$ 3.75	\$ 5,625.00	\$ 7.00	\$ 10,500.00	\$ 3.60	\$ 5,400.00	\$ 4.25	\$ 6,375.00
16	Curb Markings (Red Paint)	LF	3900	\$ 0.30	\$ 1,170.00	\$ 0.36	\$ 1,404.00	\$ 0.50	\$ 1,950.00	\$ 0.38	\$ 1,482.00	\$ 0.91	\$ 3,549.00	\$ 0.37	\$ 1,443.00	\$ 1.20	\$ 4,680.00	\$ 1.70	\$ 6,630.00	\$ 0.58	\$ 2,262.00
17	Sign Post	EA	12	\$ 100.00	\$ 1,200.00	\$ 208.00	\$ 2,496.00	\$ 200.00	\$ 2,400.00	\$ 220.00	\$ 2,640.00	\$ 106.00	\$ 1,272.00	\$ 214.00	\$ 2,568.00	\$ 120.00	\$ 1,440.00	\$ 112.00	\$ 1,344.00	\$ 275.00	\$ 3,300.00
18	Sign Panel	EA	18	\$ 150.00	\$ 2,700.00	\$ 46.65	\$ 839.70	\$ 49.00	\$ 882.00	\$ 50.00	\$ 900.00	\$ 60.75	\$ 1,093.50	\$ 48.15	\$ 866.70	\$ 100.00	\$ 1,800.00	\$ 85.00	\$ 1,530.00	\$ 91.00	\$ 1,638.00
19	Centerline Pavement Markers	EA	200	\$ 4.00	\$ 800.00	\$ 3.10	\$ 620.00	\$ 3.00	\$ 600.00	\$ 3.28	\$ 656.00	\$ 2.66	\$ 532.00	\$ 3.25	\$ 650.00	\$ 6.00	\$ 1,200.00	\$ 5.10	\$ 1,020.00	\$ 7.00	\$ 1,400.00
20	6" PCC Curb and gutter	LF	800	\$ 20.00	\$ 16,000.00	\$ 32.60	\$ 26,080.00	\$ 37.00	\$ 29,600.00	\$ 36.00	\$ 28,800.00	\$ 45.00	\$ 36,000.00	\$ 27.93	\$ 22,344.00	\$ 33.00	\$ 26,400.00	\$ 35.00	\$ 28,000.00	\$ 37.50	\$ 30,000.00
21	6' Wide PCC Sidewalk	SF	4800	\$ 10.00	\$ 48,000.00	\$ 5.90	\$ 28,320.00	\$ 6.00	\$ 28,800.00	\$ 5.00	\$ 24,000.00	\$ 10.00	\$ 48,000.00	\$ 6.13	\$ 29,424.00	\$ 9.00	\$ 43,200.00	\$ 7.70	\$ 36,960.00	\$ 6.75	\$ 32,400.00
22	Driveway Approach	SF	360	\$ 15.00	\$ 5,400.00	\$ 7.20	\$ 2,592.00	\$ 12.00	\$ 4,320.00	\$ 13.00	\$ 4,680.00	\$ 16.00	\$ 5,760.00	\$ 16.38	\$ 5,896.80	\$ 14.00	\$ 5,040.00	\$ 12.50	\$ 4,500.00	\$ 17.30	\$ 6,228.00
23	Cross Gutters	SF	1920	\$ 10.00	\$ 19,200.00	\$ 14.00	\$ 26,880.00	\$ 12.00	\$ 23,040.00	\$ 16.00	\$ 30,720.00	\$ 20.00	\$ 38,400.00	\$ 19.35	\$ 37,152.00	\$ 14.00	\$ 26,880.00	\$ 19.95	\$ 38,304.00	\$ 17.50	\$ 33,600.00
24	Curb Ramp	EA	11	\$ 1,800.00	\$ 19,800.00	\$ 2,653.00	\$ 29,183.00	\$ 3,800.00	\$ 41,800.00	\$ 1,800.00	\$ 19,800.00	\$ 1,500.00	\$ 16,500.00	\$ 2,871.10	\$ 31,582.10	\$ 2,750.00	\$ 30,250.00	\$ 1,450.00	\$ 15,950.00	\$ 2,870.00	\$ 31,570.00
25	Detectable Warning Panel	EA	22	\$ 250.00	\$ 5,500.00	\$ 388.00	\$ 8,536.00	\$ 413.00	\$ 9,086.00	\$ 470.00	\$ 10,340.00	\$ 450.00	\$ 9,900.00	\$ 529.20	\$ 11,642.40	\$ 400.00	\$ 8,800.00	\$ 427.00	\$ 9,394.00	\$ 436.00	\$ 9,592.00
26	Full Depth Patch Repairs	SF	500	\$ 10.00	\$ 5,000.00	\$ 6.80	\$ 3,400.00	\$ 8.00	\$ 4,000.00	\$ 9.00	\$ 4,500.00	\$ 12.00	\$ 6,000.00	\$ 15.80	\$ 7,900.00	\$ 10.00	\$ 5,000.00	\$ 16.00	\$ 8,000.00	\$ 17.25	\$ 8,625.00
	Sub-Total				\$ 471,413.50		\$ 432,117.10		\$ 473,260.50		\$ 498,781.21		\$ 505,412.00		\$ 510,930.94		\$ 514,697.70		\$ 532,249.18		\$ 536,875.02
	Contingencies		10%		\$ 47,141.35		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
	<b>Total</b>				\$ 518,554.85		\$ 432,117.10		\$ 473,260.50		\$ 498,781.21		\$ 505,412.00		\$ 510,930.94		\$ 514,697.70		\$ 532,249.18		\$ 536,875.02
	Total on written Bid Item List						\$ 432,117.10		\$ 473,260.50		\$ 498,781.21		\$ 505,412.00		\$ 510,750.94		\$ 514,437.70		\$ 532,249.18		\$ 536,875.02



AGENDA NO: A-8

MEETING DATE: 02/22/10

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** February 16, 2010  
**FROM:** Dylan Wade, Utilities/Capital Projects Manager  
**SUBJECT:** Authorization to Add and Hire a Wastewater Collections Systems Operator II

### **RECOMMENDATION:**

Authorize the addition and hiring of a new Wastewater Collections Systems Operator II for the Waste Water Collections Division.

**MOTION:** I move that the City Council Authorize the addition and hiring of a new Wastewater Collections Systems Operator II for the Waste Water Collections Division.

### **FISCAL IMPACT:**

This action will result in an increase to the fixed operating costs for the Waste Water Collections Division, while reducing the costs associated with contractual services. The cost impact to the department will vary for each task based on the relative costs/efficiencies between contract labor rates and our own labor rates. Hiring an in house worker will result in an estimated cost savings of \$9,753 to \$108,192 per year.

### **BACKGROUND:**

The work tasks that will be assigned to this position, have already been committed to with the City Council's adoption of the State mandated Sanitary Sewer Management Plan (SSMP) on June 8<sup>th</sup>, 2009. In the June 4<sup>th</sup>, 2009 staff report for the adoption of the SSMP staff underscored the importance of this position noting that, "Implementation of the plan will lead to larger operational expenditures, larger capital expenditures, and potentially larger staffing levels to meet the minimal standards of the General Waste Discharge Requirements." See Attachment A "Sanitary Sewer Management Plan". Staff requested authorization to fill this position at the November 3, 2009 City Council meeting. See Attachment B "Authorization to Add and Hire a Collections Maintenance Worker II". The City Council requested that this item be postponed until after the mid-year budget review, and also requested that additional information regarding the cost of outsourcing this work be performed.

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

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

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

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

**DISCUSSION:**

The Collections Division Mandatory Minimum Work Effort spreadsheet is attached outlining the tasks committed to as a part of the SSMP and a gross estimate of work effort required from each position to complete the tasks. Because only the mandatory work efforts are outlined, not all of the work efforts of the Division are included in the spreadsheet. Many of the assists to other divisions and emergency type tasks that occur infrequently, are difficult to estimate, and are not included.

The pay range for a Wastewater Collections System Operator II in Morro Bay is between \$17.02- 20.69 per hour depending on their step. As a prevailing wage City, the minimum amount that a contract laborer working for the City can be paid performing sewer maintenance work is \$28.98 per hour. For a prevailing wage laborer the minimum fringe benefit package raises their minimum salary to \$44.07. With a benefits package range of \$11.63 to \$18.30 per hour for City staff in this division (depending on their elections), the minimum hourly savings ranges between \$5.08 to \$15.42 per hour. The actual rates quoted by a local supplier of sanitary sewer maintenance services were significantly higher at \$85.00 per hour, which would raise the maximum hourly savings to \$56.35 per hour. Based on a 48 week work year the savings to the City would range between \$9,753 to \$108,192 per year.

**CONCLUSION:**

Staff recommends that the Council authorize the addition and hiring of a new Wastewater Collections Systems Operator II for the Waste Water Collections Division. There will be a net savings to the Collections Division Budget by hiring permanent staff versus hiring contract laborers to perform these duties at prevailing wage rates. In addition to the cost savings, having an additional person on staff will increase the emergency response abilities, the reliability, and the level of service provided by the Division.

Attachments:

A - Sanitary Sewer Management Plan June 4<sup>th</sup> 2009 staff report

B - Authorization to Add and Hire a Collections Maintenance Worker II November 3, 2009 staff report

## Collections Department Mandatory Minimum Work Efforts (in work days)

SSMP Mandatory Elements	Task	SUP	MW3	MW2	MW2	New Hire
<b>Element 1</b>						
Goals	semiannual planning	2	2	2	2	2
<b>Element 2</b>						
Organization	Internal and Interdepartment	20	10	5	5	5
	Interface with other agencies	15	10	5	5	5
<b>Element 3</b>						
Legal Authority	Illicit discharge prevention*	2	2	0	0	
	Sewer connection design & construction*	2	2	0	0	
	Access maintenance	0	0	30	30	
	Violation enforcement *	10	8	0	0	
<b>Element 4</b>						
O&M	Collections System mapping	8	12	5	5	
	<b>Daily Preventative Maintenance</b>					
	Safety and Vehicle inspections	5	5	5	5	5
	USA's	1	10	10	10	
	Lift Station checks	2	2	45	45	
	Customer Complaints and Questions	30	30	1	1	1
	Scheduled Line Cleaning	1	1	45	45	
	Enhanced Maintenance	10	10	30	30	
	Daily logs/records	25	25	10	10	10
	Root removals	1	1	12	12	
	Work Orders	20	20	15	15	
	<b>Monthly Preventative Maintenance</b>					
	Preparing and planning the work	6	6	1	1	1
	Preparing the monthly report	6	3	0	0	
	Certifications through CIWQS	2	1	0	0	
	Equipment Calibration	1	1	8	7	1
	<b>Annual Preventative Maintenance</b>					
	WWTP Annual report support	1	1	0	0	
	Root Treatment	5	5	5	5	
	Video Inspections	20	20	20	20	
	Emergency Notifications	1	1	1	1	
	OSHA audits	1	1	1	1	1
	<b>Other Preventative Maintenance</b>					
	DOT reporting	2	2	1	1	1
	Personell Evaluations	4	0	0	0	
	Drivers Liscense testing	1	1	1	1	1
	Driver Liscense physicals	1	1	1	1	1
	Certification Testing	1	1	1	1	1
	Repair and Rehabilitation*	20	20	10	10	
	Training	2	2	2	2	2
	Maintaining Inventories	2	2	2	2	2
<b>Element 5</b>						
Performance	Developing Performance Standards	2	2	0	0	
<b>Element 6</b>						
Overflow Response	Responses and reporting of SSO's	5	5	5	5	
<b>Element 7</b>						
F.O.G. program	F.O.G. Control*	13	13	1	1	
	Source Control/Pretreatment Program	2	1	0	0	

<b>Element 8</b>						
System Evaluations and Capacity Assurance	CIP program*	10	10	5	5	
	Capacity evaluation*	5	5	5	5	
	I&I program*	5	10	5	5	
<b>Element 9</b>						
Monitoring & Mods	Program Review and Audits	2	2	2	2	
<b>Element 10</b>						
Audits		0	0	0	0	
<b>Element 11</b>						
Communications Program	Public Education and Outreach*	12	12	1	1	
		Sup	MW3	MW2	MW2	New Hire
<b>Total work days of effort to complete mandatory minimum tasks.</b>		<b>286</b>	<b>278</b>	<b>298</b>	<b>297</b>	<b>39</b>
<b>Total Work Days Available (12 H, 10V, 5S)</b>		<b>234</b>	<b>234</b>	<b>234</b>	<b>234</b>	<b>234</b>
<b>Percent Work Load</b>	<b>average = 102.38%</b>	<b>122.22%</b>	<b>118.80%</b>	<b>127.35%</b>	<b>126.92%</b>	<b>16.67%</b>

\* Tasks that are not currently receiving the necessary coverage.



AGENDA NO: A-9

MEETING DATE: 08/23/10

**PROCLAMATION DECLARING  
SEPTEMBER 26-OCTOBER 2, 2010  
AS THE 8<sup>th</sup> SEA OTTER AWARENESS WEEK**

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

**WHEREAS**, the sea otter is a symbol of wilderness, an integral part of California's natural ecosystem, and serves as an indicator for the overall health of California's near shore marine ecosystem; and

**WHEREAS**, a growing awareness of the benefits of maintaining the health of the near shore marine ecosystem has raised public interest in the sea otter; and

**WHEREAS**, disease from a variety of sources, including land-based biological pathogens, accounts for approximately 40% of the mortality for California sea otters in a given year; and

**WHEREAS**, the survival of the sea otter in California remains dependent upon continued public support and increased understanding of the essential role sea otters play in nature.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Morro Bay does hereby declare the last week of September 2010 to be "Sea Otter Awareness Week".

IN WITNESS WHEREOF I have  
hereunto set my hand and caused the  
Seal of the City of Morro Bay to be  
affixed this 23<sup>rd</sup> day of August 2010.

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JANICE PETERS, Mayor  
City of Morro Bay, California



AGENDA NO: D-1

MEETING DATE: August 23, 2010

## Staff Report

**TO:** Mayor and Councilmembers **DATE:** August 9, 2010  
**FROM:** Rob Livick, PE/PLS - Public Services Director  
**SUBJECT:** Status Report and Review of Permit Fee for Waterfront Projects

### **RECOMMENDATION:**

It is recommended that the City Council receive and file this report or provide further direction to staff on the permit fee on waterfront projects.

**MOTION:** I move that the City Council receive and file this report, or provide further direction.

### **FISCAL IMPACT:**

There is no fiscal impact associated with this status report. If the Council decides to reduce the waterfront project fees, there will be a reduction in fee amounts depending upon the caseload of waterfront projects.

### **BACKGROUND:**

The waterfront fee is applied to all projects with a PD overlay within the Waterfront Master Plan Area. This fee is 200% of the standard fee for a Conditional Use Permit (CUP). The fee for a CUP for "new construction" is \$3,620, which means that waterfront fee portion would be \$7,240, for a total of \$10,860. Please note that this fee does not include any environmental documentation fees or variance fees, which may add to this cost.

In January 2009 the City Council reviewed the waterfront permit fees, and directed staff to "track current and future project costs with an analysis of time spent and return to Council with an appropriate fee level." Please see the Council Staff Report for that item and minutes from previous Council meeting (Attachment 1).

### **DISCUSSION:**

Staff has completed the processing of 571 Embarcadero (a project located within the Waterfront Master Plan Area and subject to the additional fee) an amendment to an existing Conditional Use Permit which proposed modification to an existing commercial building. The modifications included adding 40 square feet for the relocation of a patio area and approximately 80 square feet for a new lateral public access way and the widening of the sidewalk adjacent to Embarcadero to eight feet to be consistent with the Waterfront Master Plan. Staff has provided a tracking sheet indicating the time

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

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

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

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

spent on this project (Attachment 2). The overall time spent on this project was approximately 83 hours with 40 hours dedicated to processing the environmental document. If you took the full loaded cost of an Associate Planner the cost to the City to process this project was approximately \$4565. This does not take into account higher paid staff's time or other costs such as postage and noticing fees.

While staff has provided this information to the City Council for consideration we do point out that an amendment is vastly different than a new development project requiring a Concept plan, Coastal Development Permit for the Coastal Commission and a Precise Plan. Projects of this type take a considerable amount of additional time. First the Concept Plan would go to the Planning Commission for a recommendation to the City Council, then to the Coastal Commission for the Coastal Permit and finally to Planning Commission one more time for the Precise Plan approval. Over the last year staff worked on the Precise Plan approval for both the GAFCO/VIRGs project and the Smith Held project. Even though the projects were in the final stage of their processing they both required a substantial amount of additional staff time due to the changes presented within the Precise Plan. The majority of the changes appear to occur through the Coastal Commission process. Staff points this out because we are only authorized to collect on Use Permit fee for the entire process even though the processing of the Precise Plan may come many years after the processing of the Concept Plan and may involve many changes to the original plan.

On June 16, 2010 the applicant requested a refund of surcharge paid for the processing of UP0-260 (Attachment 3). Currently the City does not have a policy which provides for refunds of processing fees. Therefore staff requests that Council provide further direction regarding the potential for refunding the requested fees and for future requests.

## **CONCLUSION**

Should the Council decide that reductions in the waterfront fees are to occur; staff recommends that the fee surcharge be set at 100% above the existing fee structure. This means the total fee amount would be \$7,240 versus \$10,860. Or, Council could authorize staff to collect at each respective submittal the Use Permit fee for both the processing of the Concept plan and the Precise Plan.

# ATTACHMENT 1



AGENDA NO: D-4

MEETING DATE: January 12, 2009

## Staff Report

**TO:** Mayor and Councilmembers **DATE:** December 29, 2008  
**FROM:** Bruce Ambo, Public Services Director  
**SUBJECT:** Review of Permit Fee for Waterfront Projects

### RECOMMENDATION:

It is recommended that the City Council provide further direction to staff on the permit fee on waterfront projects.

### FISCAL IMPACT:

The waterfront project fees collected since 2006 total \$28,960. In 2006 three projects paid the fees, in 2007 there were no projects that paid the fee, and only one project in 2008. At this time there is no fiscal impact associated with the discussion of this item.

### BACKGROUND:

In October 2007 the City Council asked to have a discussion on permit fees for waterfront projects. The subject fee (please see Attachment 1) is applied to all projects in the Planned Development (PD) Zone, and the "permit fee for waterfront projects" is 200% of the fee for a Conditional Use Permit (CUP). The fee for a CUP for "new construction" is \$3,620, which means that waterfront fee portion would be \$7,240, for a total of \$10,860. Please note that this fee does not include any environmental documentation fees or variance fees, which may add to this cost.

### DISCUSSION:

In the short time (5 hours) staff spent researching this item we were unable to find any backup information on the financial basis of the fee. A review of the "Public Services Cost Study for the City of Morro Bay" that was prepared by Revenue and Cost Specialists, LLC in April 2004 did not identify this fee in their evaluation. However, the fee was on the 2004 Master Fee Schedule prior to that fee study and was probably just maintained without any additional fee justification analysis. Review of projects in the PD zone almost always triggers a three-step City review process that involves a Concept Review by the Planning Commission, Concept Review by the City Council, and Precise Plan Review by the Planning Commission. Following the City Council Concept Review, these waterfront projects are submitted to the California Coastal Commission for review and approval, and returned to the City for Precise Plan Review at the Planning Commission. Staff recalls that at time around 2004 there was a considerable amount of concern about the PD Zone

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

and the Zoning Ordinance was being rewritten and updated. In fact, there is still an item on the Planning Commission Tracking Sheet under Long Term Planning to reevaluate the PD Zone, and there were even members of the community that wanted the PD Zone eliminated altogether.

In the Waterfront Zone a consistency analysis is also required for conformance with the Waterfront Master Plan and Design Guidelines. Furthermore, an architectural photo-simulation of all proposed projects is required for the context compatibility and view corridor analysis. This higher level of review associated with the PD Zone and Waterfront Master Plan consistency analysis may have added to the justification for the review fee. From this cursory review, in staff's opinion the fee does seem high, since its added to the base fee of the other review fees (CUP, environmental documentation, variance, etc.).

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – OCTOBER 22, 2007

The following people expressed concern with the present state of the Morro Bay Police Department, and requested Council compensate its Police Officer's with a competitive salary: Jack Barrett, Bill Black, Mick Theis, Ken Vesterfelt, Bryan Millard, Doug Riddell, Dan Reddell, Dale Reddell, Claire Grantham, Dan Costley, Garry Johnson, and Lanny McKay.

Paul McGill announced his cab business "Surf Cab" is planning on doing business in the City.

Roger Ewing stated the Police Department has received new cars and equipment, and because of these costs there are no funds to maintain the officers we have or hire new police officers.

Mayor Peters closed the hearing for public comment.

Mayor Peters called for a break at 7:00 p.m.; the meeting resumed at 7:10 p.m.

DECLARATION OF FUTURE AGENDA ITEMS

Mayor Peters requested to agendize a discussion on the formation of a committee to investigate contracting with Cal Fire; Councilmember DeMeritt and Councilmember Peirce concurred.

Mayor Peters requested to agendize discussion on City restructure; Councilmember DeMeritt and Councilmember Peirce concurred.

Councilmember Winholtz requested to agendize a discussion on the annexation of the portions of the bay and beaches that are a part of the City's sphere of influence (January); Mayor Peters and Councilmember DeMeritt concurred.

Councilmember Winholtz requested to agendize a discussion on the removal of the proposed roundabout project at San Jacinto and Highway One from the work list; Councilmember DeMeritt and Councilmember Grantham concurred.

Councilmember Winholtz requested to agendize a status report on the \$400,000 funds for roadwork; Councilmember DeMeritt and Mayor Peters concurred.

Councilmember Grantham requested to agendize a discussion on the planning permit fee for waterfront projects; Mayor Peters and Councilmember Winholtz concurred.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 12, 2009

Councilmember Smukler stated transferring these funds does give the City a realistic idea and promotes further action to address the challenges facing the City.

Councilmember Borchard stated transferring these funds is just a bookkeeping technicality.

Mayor Peters stated she supports transferring these funds if it assists the Finance Director with budget predictions.

MOTION: Councilmember Grantham moved the City Council approve placing the Dynegy Funds into the General Accumulation Fund, and transfer needed amounts of that money to the General Fund at the end of each fiscal year. The motion was seconded by Councilmember Smukler and carried with Councilmember Borchard and Councilmember Winholtz voting no. (3-2)

D-4 REVIEW OF PERMIT FEE FOR WATERFRONT PROJECTS; (PUBLIC SERVICES)

Public Services Director Bruce Ambo stated in October 2007, the City Council asked to have a discussion on permit fees for waterfront projects. The subject fee is applied to all projects in the Planned Development Zone, and the “permit fee for waterfront projects” is 200% of the fee for a Conditional Use Permit. The fee for a Conditional Use Permit for new construction is \$3,620, which means that waterfront fee portion would be \$7,240, for a total of \$10,860. This fee does not include any environmental documentation fees or variance fees, which may add to this cost. Mr. Ambo recommended the City Council provide further direction to staff on the permit fee on waterfront projects.

MOTION: Councilmember Smukler moved the City Council direct staff to track current and future projects with an analysis of time spent and return to Council for discussion on the appropriate level of fees. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

D-5 REVIEW OF CHANGES TO CHAPTER 10 OF THE MORRO BAY MUNICIPAL CODE - VEHICLES AND TRAFFIC; (CITY ATTORNEY)

City Attorney Robert Schultz stated Chapter 10 of the Morro Bay Municipal Code provides for regulations for the placement and enforcement of Traffic Control Devices within the City of Morro Bay. Certain parts of the current Chapter 10 date back to 1964 and therefore are outdated, cumbersome and unenforceable. Mr. Schultz recommended the City Council review the proposed amendments and direct staff to return with an Ordinance for first reading and introduction.

# ATTACHMENT 2

## Chronological listing of activity for 571 Embarcadero

Activity	Hours	Planner
Project Proposal review for consistency to original approvals, Zoning Ordinance, Waterfront Master Plan and Coastal Act.		
Initial Review for Completeness	2	Aileen Nygaard Geneve
Tour of site	0.5	Lehotsky, Kathleen Wold
Development Review Team Review	1	Lehotsky, Wold, Prows, Cowan and Hanson
Environmental Document	40	Sierra Davis
Environmental Document Review	2	Kathleen Wold
Noticing Environmental Document	3	Sierra Davis
Planning Commission Noticing	2	Sierra Davis
Planning Commission conditions of approval	1	Damaris Hanson
Planning Commission conditions of approval	1	Tom Prows
Planning Commission Staff Report, review and final	10	Sierra Davis

Planning Commission Continuance Memo	0.5	Sierra Davis	Applicant requested the item to be continued
Planning Commission Meeting	0.25	Sierra Davis	Presented continuance meeting.
Planning Commission Powerpoint	1	Sierra Davis	Powerpoint presentation
Planning Commission Meeting	1.5	Sierra Davis	Project was continued to the meeting and the project was presented and discussed.
Site inspection post Planning Commission to address issues brought up during meeting	2	Rob Livick and Brian Cowan	Site inspection for ADA accessibility, grade of entranceway, trash enclosure and encroachments into right of way (sidewalk).
Reviewed Appeal	1	Sierra Davis	Reviewed a four page memo regarding the appeal, issues and request for return of fees.
City Council Noticing	2	Sierra Davis	Project was appealed and went to City Council, the project was noticed for the meeting. Made site posting and postcards, noticed site, and mailed postcards.
City Council Staff Report	10	Sierra Davis	Wrote staff report, reviewed, made corrections, and finalized.
City Council Meeting	1	Sierra Davis	Presented at meeting meeting
Permit	1	Sierra Davis	Project was approved and the permit was drafted and given to applicant.
<b>TOTAL</b>			<b>82.75</b>

# ATTACHMENT 3

## Cathy Novak Consulting

### Governmental & Community Relations ♦ Planning

June 16, 2010

Ms. Kathy Wold  
City of Morro Bay Public Services Department  
955 Shasta Street  
Morro Bay, CA 93442

RE: Imani project # UPO-260, 571 Embarcadero Road

Dear Kathy,

When this project was originally submitted to the City, it was discussed that the Waterfront Master Plan fee of 200% times the base permit amount seemed quite excessive for the small of this project. Since that time the City has agreed that the fee would be reduced. To date, Mr. Imani has paid a total of \$5,385 for the Conditional Use Permit amendment application plus an additional \$250 for the recent appeal to the City Council. It is also my understanding that Mr. Imani has not paid the City for the Mitigated Negative Declaration in the amount of \$3,102. I have created the table below to show the amounts that have been paid, the amounts due and the refunds that are due to Mr. Imani.

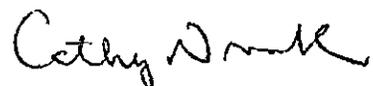
Detail	Amount
CUP Amendment paid	\$1,795
Waterfront Master Plan fee paid	\$3,590
City Council Appeal paid	\$250
Total fees paid	\$5,635
Refund for WMP fee	\$3,590
Refund for Council Appeal	\$250
Subtotal refund of fees	\$3,840
Mitigated Negative Declaration to be paid to City	\$3102
<b>Total Refund Due to Mr. Imani</b>	<b>\$738</b>

PO Box 296 Morro Bay, CA 93443  
Phone/Fax: (805) 772-9499 Email: NovakConsulting@charter.net

Therefore I would like, on behalf of my client, to respectfully request a refund of \$738 for the fees submitted to the City.

Thanks for your time and consideration in this matter.

Regards,

A handwritten signature in cursive script that reads "Cathy Novak".

Cathy Novak

cc: Mr. Abba Imani



AGENDA NO: D-2

MEETING DATE: 8/23/10

# Staff Report

**TO:** Honorable Mayor and City Council **DATE:** August 18, 2010  
**FROM:** Rob Schultz, City Attorney  
**SUBJECT:** Discussion on Current Status of General Plan/Local Coastal Plan Update and Direction on Future Processing with the California Coastal Commission.

## **RECOMMENDATION:**

Review the Staff Report and Provide Direction to Staff on the Process to Follow on the City's General Plan/Local Coastal Plan.

## **SUMMARY:**

In August 2004, City Council approved an update to its General Plan/Local Coastal Plan (GP/LCP). The GP/LCP was then submitted to the California Coastal Commission (CCC) for certification. After the GP/LCP was submitted, a dispute arose between CCC staff and City staff on whether the GP/LCP application was complete. However, City staff was assured that CCC staff was working on their review of the City's GP/LCP update.

On June 23, 2010, City Staff met with CCC Staff to discuss the status of their review of the City's GP/LCP update. CCC staff explained to City Staff that because the GP/LCP update had been sitting for over five years, it is now deemed stale and that the GP/LCP update would have to go through the public hearing process again. Because of this determination, the City Council has some options with the GP/LCP update which include:

1. Continue with the use of our 1984 General Plan/Local Coastal Plan and do no further work on the update.
2. Revert to the draft prepared by Crawford, Multari and Clark and begin the legal process and public review. Once the review is completed, resubmit to the Coastal Commission.
3. Revert to the second draft (document that Coastal Commission currently has) and begin the legal process and public review. Once completed, resubmit to the Coastal Commission.

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

## **DISCUSSION:**

The Local Coastal Plan was adopted by the City of Morro Bay and certified by the California Coastal Commission June 1981. The General Plan was adopted in 1988. The plans had received minor revisions in the past but not comprehensive updates. Given the complexity of the two plans and the redundancy of many objectives and policies, the decision was made to combine and simplify the two plans.

In 1998, the City of Morro Bay retained the consulting firm of Crawford, Multari and Clark to update the GP/LCP. The purpose of the GP/LCP update was to combine these documents, and to review policy language for internal consistency and consistency with the Coastal Act. Prior to this update, the General Plan and Local Coastal Program existed as two separate documents. The changes made were supposed to be largely procedural and were aimed at improved use and clarity. No changes were supposed to be made to land use designations or zoning designations that resulted in environmental issues or increased density, increased population potential, or major infrastructure upgrades.

After the 2000 public draft was circulated for review, a sub-committee of the Planning Commission reviewed the draft document and made further major changes to the public draft. It then went through approximately 25 Planning Commission public hearings from October 2001 through November 2003. In 2004, the City Council held three public hearings and the GP/LCP update was finally approved by the City Council and submitted to the CCC for certification.

Coastal Act Section 30510 requires proposed LCP amendment submittals to contain materials sufficient for a thorough and complete review. Once that requirement is satisfied and an amendment is deemed submitted (or "filed"), the Coastal Act requires the Commission to act on Land Use Plan (LUP) amendments within 90 days (Coastal Act Sections 30510, 30512, 30513, and 30514).

In January 2006, CCC staff determined that the City's GP/LCP update required further documentation and therefore the GP/LCP update application was deemed not submitted. In April 2007, the City responded and provided some of the additional documentation requested by CCC staff. After April 2007, a dispute arose between CCC staff and City staff on whether the GP/LCP application was deemed complete and filed pursuant to Coastal Act Section 30510. However, City staff was assured that CCC staff was working on their review of the City's GP/LCP update even if the GP/LCP was not deemed filed.

On June 23, 2010, City Staff met with CCC Staff to discuss the status of their review of the City's GP/LCP update. CCC staff explained to City Staff that because the GP/LCP update had been sitting for over five years, it is now deemed stale and that the GP/LCP update would have to go through the public hearing process again. Because of this determination, City Council has a couple of options with the GP/LCP update which include:

1. Continue with the use of our 1984 General Plan/Local Coastal Plan and do no further work on the update.
2. Revert to the draft prepared by Crawford, Multari and Clark and begin the legal process and public review. Once the review is completed, resubmit to the Coastal Commission.
3. Revert to the second draft (document that Coastal Commission currently has) and begin the legal process and public review. Once completed, resubmit to the Coastal Commission.

Pursuant to the California Coastal Act, once a LCP is certified by the Coastal Commission it is the local government that assumes primary responsibility for issuing most coastal permits consistent with their certified LCP. Because of the importance of the LCPs in managing coastal resources, Coastal Act Section 30519.5 requires that the Commission periodically review the implementation of certified LCPs and determine whether the LCP is being effectively implemented in conformity with the policies of the Coastal Act. If the Commission determines that a certified Local Coastal Program is not being carried out in conformity with any policy of the Act, the Commission submits to the local government recommendations of corrective actions that should be taken. Corrective actions recommended through a review can include suggested amendments to the LCP, such as changes in land use designations, policies, and regulations, as well as intergovernmental coordination measures, or actions by other state and local government agencies to improve implementation of the LCP.

It is very important, therefore, that a certified LCP is periodically reviewed and updated in order for the LCP to continue to function as an effective standard for sound coastal resource management decision-making. Therefore, Staff does not recommend option number 1.

Since the purpose of the GP/LCP update was to combine these documents with only procedural changes to improve its use and clarity, it is staff's recommendation that City Council direct staff to begin the process of updating the GP/LCP by reverting back to the draft document prepared by Crawford, Multari and Clark and begin the legal process and public review. Once the review is completed, resubmit to the Coastal Commission.

### **CONCLUSION:**

Staff recommends that you review the report and provide direction on the process to follow with the City's General Plan/Local Coastal Plan update.



# Staff Report

AGENDA NO: D-3

MEETING DATE: August 23, 2010

**TO:** Honorable Mayor and City Council      **DATE:** August 12, 2010  
**FROM:** Andrea K. Lueker, City Manager  
**SUBJECT:** Request to Approve a Response to the Grand Jury Regarding Use of City Vehicles

## **RECOMMENDATION**

Staff recommends the City Council direct staff to send the attached letter to the Presiding Judge of San Luis Obispo County Superior Court responding to the Grand Jury reports Entitled "Use of City Vehicles".

**MOTION:** I move the City Council authorize the Mayor to send the attached letter to the Presiding Judge of San Luis Obispo County Superior Court responding to the Grand Jury reports Entitled "Use of City Vehicles".

## **FISCAL IMPACT**

There is no fiscal impact in sending the response letter.

## **BACKGROUND**

On June 9, 2010, the City received a report prepared by the San Luis Obispo County Grand Jury entitled "Use of City Vehicles" (attachment A). The report makes the following findings:

1. As of December 2009, the seven incorporated cities in San Luis Obispo County reported owning or leasing a total of 444 vehicles, of which 66 are regularly taken home.
2. All cities, except Morro Bay, have established some rules for employee use of city-owned vehicles, such as limitations of use for personal purposes, requirement for current driver's licenses and accident reporting.
3. Morro Bay reports that a new vehicle use procedure is currently being prepared.
4. Only the cities of Arroyo Grande, Atascadero and Pismo Beach maintain a policy of enrolling city employees who use city cars in the State Department of Motor Vehicles Pull Notice program which alerts the city when a driver is ticketed or involved in an accident.
5. Policies and procedures for assignment of take-home vehicles vary in stringency, potentially placing the city at risk of abuse and increased liability.

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

The report makes the following recommendations:

1. Grover Beach, Morro Bay, Pismo Beach, Paso Robles and San Luis Obispo should develop or amend their written policies for city vehicles use to make sure they specify continued driver license review, restrictions of city business use only, safe and legal operation and accident reporting.
2. Grover Beach, Morro Bay, Paso Robles and San Luis Obispo should enroll all drivers of City vehicles in the DMV Pull Notice program.
3. Grover Beach, Morro Bay, Pismo Beach, Paso Robles and San Luis Obispo should develop or strengthen existing policies and procedures to better define take-home vehicle usage to ensure that sufficient business and financial justifications exist.
4. Arroyo Grande and Atascadero should review their current policies and procedures regarding take-home vehicle usage to ensure that sufficient business and financial justification exist.

The report specifically requires the Morro Bay City Council to submit a response to Findings #'s 2, 3, 4 & 5 and Recommendations #1, 2 & 3 to the Presiding Judge of the San Luis Obispo Superior Court by September 9, 2010.

## **DISCUSSION**

The Grand Jury report focuses its attention on the number of City-owned vehicles in each jurisdiction and a review of the policies in place to guide the use of those vehicles. As noted in the report, the City of Morro Bay's does not currently have a policy that specifically addresses the issue of take home vehicles, but is in the process of preparing such a policy. In addition, the number of take home vehicles in the report is misleading as the two Public Services vehicles that are described as take-home vehicles are actually used as duty-trucks and taken home when that employee is on-call.

Under Penal Code Section 933.05, the City is required to indicate one of the following responses to the findings:

1. The respondent agrees with the finding; or
2. The respondent disagrees partially or wholly with the findings and why.

Furthermore, as to each Grand Jury recommendation, the responding party shall report one of the following actions:

- a. The recommendation has been implemented, with a summary regarding the implemented actions.
- b. The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.
- c. The recommendation requires further analysis.
- d. The recommendation will not be implemented because it is not warranted or is not reasonable and an explanation why.



# City of Morro Bay

Morro Bay, CA 93442

(805) 772-6200

July 7, 2010

Presiding Judge Charles S. Crandall  
Superior Court of California  
1050 Monterey Street  
San Luis Obispo, CA 93408

Re: Grand Jury Report entitled "Use of City Vehicles"

Dear Judge Crandall:

On behalf of Council of the City of Morro Bay, thank you for the information provided by the Grand Jury in the report entitled "Use of City Vehicles". This report was presented and reviewed by the City Council at their meeting held on August 23, 2010. After carefully considering the report and its findings and recommendations, the City Council offers the following responses:

### Findings:

**Grand Jury Finding #2:** All cities, except Morro Bay, have established some rules for employee use of city-owned vehicles, such as limitations of use for personal purposes, requirement for current driver's licenses and accident reporting.

**City Response:** *The City partially agrees with this finding. In the contracts for employment for the city's Police Chief, Fire Chief and City Attorney there are some use parameters for city vehicle. However, the City agrees that there needs to be a more comprehensive written policy on the use of any city vehicle.*

**Grand Jury Finding #3:** Morro Bay reports that a new vehicle use procedure is currently being prepared.

**City Response:** *The City agrees with this finding and is currently developing a more comprehensive written policy on use of city vehicles.*

**Grand Jury Finding #4:** Only the cities of Arroyo Grande, Atascadero and Pismo Beach maintain a policy of enrolling city employees who use city cars in the state Department of Motor Vehicles Pull Notice program which alerts the city when a driver is ticketed or involved in an accident.

**CITY MANAGER**  
595 Harbor Street

**ADMINISTRATIVE SERVICES**  
595 Harbor Street

**FIRE DEPT.**  
715 Harbor Street

**PUBLIC SERVICES**  
955 Shasta Avenue

**HARBOR DEPT.**  
1275 Embarcadero Road

**CITY ATTORNEY**  
595 Harbor Street

**POLICE DEPT.**  
850 Morro Bay Boulevard

**RECREATION & PARKS**  
1001 Kennedy Way

**City Response:** *The City disagrees with this finding. The City has for some time enrolled all city*

employees in the Department of Motor Vehicles Pull Notice Program. In addition, in the process of developing a more comprehensive written policy on the use of city vehicles the City's participation in the State's Pull Notice program will be included.

**Grand Jury Finding #5:** Policies and procedures for assignment of take-home vehicles vary in stringency, potentially placing the city at risk of abuse and increased liability.

**City Response:** *The City Council understands the Grand Jury's concern for potential risk and liability to the City from the use of city-owned vehicles by employees. As referenced above, the City is developing a more comprehensive policy on the use of city vehicles. In addition the City will discuss this new policy as well as the concerns expressed in the Grand Jury report with the California Joint Powers Insurance Authority.*

### **Recommendations:**

**Grand Jury Recommendation #1:** Grover Beach, Morro Bay, Pismo Beach, Paso Robles and San Luis Obispo should develop or amend their written policies for city vehicles use to make sure they specify continued driver license review, restrictions of city business use only, safe and legal operation and accident reporting.

**City Response:** *The City agrees with this recommendation and is developing a more comprehensive policy on the use of city vehicles.*

**Grand Jury Recommendation #2:** Grover Beach, Morro Bay, Paso Robles and San Luis Obispo should enroll all drivers of City vehicles in the DMV Pull Notice program.

**City Response:** *The City disagrees with this recommendation as the City of Morro Bay already enrolls all drivers in this program. In the process of developing a more comprehensive written policy on the use of city vehicles, the City's participation in the State's Pull Notice program will be included.*

**Grand Jury Recommendation #3:** Grover Beach, Morro Bay, Pismo Beach, Paso Robles and San Luis Obispo should develop or strengthen existing policies and procedures to better define take-home vehicle usage to ensure that sufficient business and financial justifications.

**City Response:** *The City agrees with this recommendation and is developing a more comprehensive policy on the use of city vehicles.*

Please let the City know if you have any further questions or would like additional information.

Sincerely,

Janice Peters  
Mayor

# USE OF CITY VEHICLES

## SUMMARY

The seven cities within the County of San Luis Obispo provide a wide array of public services including: police, fire, water, wastewater, streets, lighting, development services and recreation. Providing these services involves use of city vehicles, some of which are taken home by city personnel. The policies justifying take-home vehicles used by San Luis Obispo County personnel were the subject of a 2008-2009 San Luis Obispo Grand Jury report. That report led the 2009-2010 Grand Jury to investigate the use and control of vehicles by the county's seven incorporated cities. The Grand Jury recognizes the importance of cities having adequate vehicle pools, but in a number of cities, established policies fail to require sufficient justification for associated vehicle use and the tracking of drivers' safety records.

## METHOD

The Grand Jury requested a copy of city policies governing the use of city vehicles and the justification for an employee, or city official, taking a vehicle home. The Grand Jury also developed and mailed a Vehicle Usage Survey<sup>1</sup> to city managers in each of the County's seven incorporated cities. The survey requested data covering the number of automobiles, light trucks, sport utility vehicles and other city-operated vehicles in each city. The requested data was broken down into six categories that included police, fire, public works, parks and recreation, city council/management and pool vehicles. The Grand Jury performed a comparative analysis

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<sup>1</sup> See Appendix 1

of the survey results and followed-up with inquiries to management in cities where the survey results raised questions.

## **NARRATIVE**

The purpose of this investigation was to examine the extent to which the cities have management policies, procedures and ordinances which control the use of city owned or leased vehicles. The Grand Jury also analyzed the procedures which city employees are required to follow to obtain authorization for use of a city vehicle and the policies governing the assignment of take-home vehicles.

### **CITY OF ARROYO GRANDE**

The City of Arroyo Grande currently follows its Administrative Policies and Procedures "Use of City Vehicles" -- Policy #A-010, issued Aug. 1, 2007. Vehicles are made available for employees to use on city business and the policy states employees shall not use city vehicles for personal use unless specifically authorized. Policy #A-010 includes an "Exhibit A" which provides justification and authorization for city employees' use of city vehicles. An employee must sign a form to document having read and understood Policy #A-010. Authorization is then provided by signature of a department director, city manager or the city council. Under Policy #A010, the employee's drivers license is monitored by the city through the Department of Motor Vehicles Pull Notice Program. This program provides automatic notices to the city when registered drivers are ticketed or involved in a reported accident. The chief of police is the Pull Program Coordinator for Arroyo Grande.

In summary, Arroyo Grande maintains a total of 66 vehicles in its vehicle pool. As of December 2009, the police department had 21 vehicles with 5 designated as take-home. The fire department had 10 vehicles including 1 as take-home. The city's public works department had 21 vehicles including 2 as take-home. Parks and recreation had 12 vehicles including 1 as take-home. There are two unassigned vehicles in the city pool and no vehicles are assigned to city

council/management. Of the total number of vehicles used by city employees 9, or 14%, are authorized to be taken home on a regular basis.

## **CITY OF ATASCADERO**

The City of Atascadero currently follows its "City of Atascadero Vehicle Use Policy" -- Policy No. 18, issued Jan. 8, 2010. This policy establishes procedures regarding the effective and economical use of city-owned and privately-owned vehicles operated during the course of city business. City vehicles are to be used by city employees only for purposes strictly relating to city business and operations, except where an employment contract provides for additional use. Employees must sign an acknowledgement form that they are aware of this policy.

Authorization is granted for take-home vehicles by the employee's department director and by the city manager. Policy No. 18 prescribes that department directors or their appointees keep a list of all employees who may be required to drive city-owned or privately-owned vehicles on city business. The department directors or their appointees are to receive and record Department of Motor Vehicles Pull Notice reports. City employees are required to provide both their driver's license and private insurance information to the city when their job duties include driving either a city-owned or privately-owned vehicle. Evidence of a valid driver's license and insurance information is to be maintained in each employee's file.

In summary, Atascadero maintains a total of 61 vehicles. As of December 2009, the police department had 24 vehicles with 4 designated as take-home. The fire department had 2 vehicles with 1 as take-home. The public works department had 23 vehicles with 3 as take-home. The parks and recreation department had 7 vehicles with none as take-home. There are no unassigned vehicles in the pool and 5 assigned to City Council/Management but none are assigned for take-home use. Of the total number of vehicles maintained in the vehicle pool 8, or 13%, are taken home.

## **CITY OF GROVER BEACH**

The City of Grover Beach currently follows its policy “Use of Municipal Equipment” -- City of Grover Beach Administrative Directives No. 8, issued June 6, 1996. The policy is very simple and states, in part, the following:

### **Policy:**

“Every official and employee shall firmly adhere to the city policy that no city equipment or vehicles shall be used for personal or private use, under any conditions.”

### **Method:**

“No city vehicle, except those assigned to an official or employee, may be taken home for any reason without the specific authorization of the department director.”

The policy does not make any reference to having a valid California driver’s license or being enrolled in the Department of Motor Vehicle Pull Notice Program. Nor does it have any place to document that employees have received and read the city’s vehicle use policy.

In summary, the survey revealed that Grover Beach maintains a total of 37 vehicles in its pool. As of December 2009, the police department had 17 vehicles with 3 designated as take-home. The fire department had 6 vehicles with 1 as take-home. Public works had 12 vehicles with 1 as take-home. Parks and recreation and city council/management had no vehicles. There were 2 unassigned vehicles in pool, none for take-home. Of the total number of vehicles maintained in the vehicle pool 5, or 14%, are taken home.

## **CITY OF MORRO BAY**

The City of Morro Bay currently follows Resolution No. 74-94 -- “Establishing Travel Subsistence Rates While On Official Business For The City Of Morro Bay.” Morro Bay does not currently have a policy or procedure that specifically addresses the issue of take-home vehicles. Resolution No. 74-94 focuses on the policies for employee reimbursement of expenses when using city-owned, or privately-owned, vehicles for city business. Morro Bay officials

indicated to the Grand Jury that Resolution No. 74-94 is in the process of being revised and will eventually read quite differently from the current policy.

Our survey showed that the city maintains a total of 52 vehicles in their pool. As of December 2009, the police department had 13 vehicles with 2 designated as take-home. The fire department had 9 vehicles with 1 as take-home. Public works had 17 vehicles with 2 as take-home. Parks and recreation had 10 vehicles with none as take-home. There were 2 unassigned vehicles and 1 assigned to city council/management with 1 assigned for take-home. Of the total number of vehicles maintained for city use 6, or 12%, are taken home.

### **CITY OF PASO ROBLES**

The City of Paso Robles currently follows its “Fleet Management Policy” for the use of city-owned vehicles and for those that are taken home. Section X of the fleet policy specifies the general use of city vehicles, whereas Section XI specifies requirements and policies for employee assigned vehicles or take-home vehicles. Use of city vehicles requires approval by the department manager. The policy states the city employee must possess a valid California driver’s license of proper class for the vehicle being operated, but does not specify how, or if, the employee’s license or driving record is checked.

Paso Robles maintains a total of 89 vehicles in its vehicle pool. As of December 2009, the police department had 26 vehicles with 5 designated as take-home. The fire department had 5 vehicles with 2 as take-home. Public works had 53 vehicles with 7 as take-home. Parks and recreation had 2 vehicles, none as take-home. There were 2 unassigned vehicles in a pool, 1 assigned to city council/management, none designated as take-home. Of the total number of vehicles maintained in the vehicle pool 14, or 15.7%, are taken home.

### **CITY OF PISMO BEACH**

The City of Pismo Beach currently follows its “City of Pismo Beach Administrative Policy” -- Resolution No. R-2007-056 for the use of city owned pool vehicles and privately owned vehicles operated during the course of city business. Authorization to use city vehicles is by the

department head or the city manager. The policy clearly states that employees must possess a valid California driver's license, appropriate to the class of vehicle being driven on city business. City employees are required to be enrolled in the Department of Motor Vehicles Pull Notice Program, for review of the status of the employee's driver's license. Employees must also sign a form that acknowledges they have received and read a copy of the vehicle usage policy.

Our survey showed that Pismo Beach maintains a total of 43 vehicles. As of December 2009 the police department had 15 vehicles with 4 designated as take-home. The fire department had 1 vehicle with none as take-home. Public works had 20 vehicles with 5 as take-home. Parks and recreation had none. There were 5 vehicles in a pool, 2 assigned to city council/management. Of the pool vehicles, 2 are designated as take-home. Of the total number of vehicles maintained in the pool 11, or 25.6%, are taken home. The city says that the high percentage of take-home vehicles is centered in the public works department where workers need them to respond to emergencies at the city-operated sewage treatment plant.

## **CITY OF SAN LUIS OBISPO**

The City of San Luis Obispo currently follows its "Financial Management Manual" -- Section 400, for the policy covering the use of pool vehicles. Section 405-B states; "Use of city units is only for conducting city business unless 1) a vehicle has been approved as a part of compensation or 2) personal use of a vehicle has been specifically approved by the city manager." The manual goes on to state that employees are to "carry a valid California driver's license and obey all traffic laws." The policy does not require drivers of city owned vehicles to be enrolled in the Department of Motor Vehicles Pull Notice Program. The policy does not require any documentation that employees have read or received a copy of the Financial Management Manual.

San Luis Obispo maintains a total of 96 city vehicles. As of December 2009, the police department had 28 vehicles with 4 designated as take-home. The fire department had 9 vehicles with 1 as take-home. Public works had 46 vehicles with 6 as take-home. Parks and recreation had 5 vehicles with none as take-home. There were 7 additional vehicles in a pool and 1

assigned to city council/management. None of the 8 are designated as take-home. Of the total number of vehicles maintained by the city 11, or 12%, are taken home.

## **FINDINGS**

1. As of December 2009, the seven incorporated cities in San Luis Obispo County reported owning or leasing a total of 444 vehicles, of which 66 are regularly taken home.
2. All cities except Morro Bay have established some rules for employee use of city-owned vehicles, such as limitations of use for personal purposes, requirement for current drivers' licenses, and accident reporting.
3. Morro Bay reports that a new vehicle use procedure is currently being prepared.
4. Only the cities of Arroyo Grande, Atascadero and Pismo Beach maintain a policy of enrolling city employees who use city cars in the state Department of Motor Vehicles Pull Notice program, which alerts the city when a driver is ticketed or involved in an accident.
5. Policies and procedures for assignment of take-home vehicles vary in stringency, potentially placing the city at risk of abuse and increased liability.

## **RECOMMENDATIONS**

1. Grover Beach, Morro Bay, Pismo Beach, Paso Robles, and San Luis Obispo should develop or amend their written policies for city vehicle use to make sure they specify continued driver license review, restrictions of city business use only, safe and legal operation, and accident reporting.

2. Grover Beach, Morro Bay, Paso Robles and San Luis Obispo should enroll all drivers of city vehicles in the DMV Pull Notice program.
3. Grover Beach, Morro Bay, Paso Robles, Pismo Beach and San Luis Obispo should develop, or strengthen existing, policies and procedures to better define take-home vehicle usage to ensure that sufficient business and financial justification exists.
4. Arroyo Grande and Atascadero should review their current policies and procedures regarding take-home vehicle usage to ensure that sufficient business and financial justification exists.

## **REQUIRED RESPONSES**

**The City of Arroyo Grande** is required to respond to Finding 5 and Recommendation 4. The responses shall be submitted to the Presiding Judge of the San Luis Obispo Superior Court by **September 9, 2010**. Please provide a copy of all responses to the Grand Jury as well.

**The City of Atascadero** is required to respond to Finding 5 and Recommendation 4. The responses shall be submitted to the Presiding Judge of the San Luis Obispo Superior Court by **September 9, 2010**. Please provide a copy of all responses to the Grand Jury as well.

**The City of Grover Beach** is required to respond to Findings 4 & 5 and Recommendations 1, 2 & 3. The responses shall be submitted to the Presiding Judge of the San Luis Obispo Superior Court by **September 9, 2010**. Please provide a copy of all responses to the Grand Jury as well.

**The City of Morro Bay** is required to respond to Findings 2, 3, 4 & 5 and Recommendations 1, 2 & 3. The responses shall be submitted to the Presiding Judge of the San Luis Obispo Superior Court by **September 9, 2010**. Please provide a copy of all responses to the Grand Jury as well.

**The City of Paso Robles** is required to respond to Findings 4 & 5 and Recommendations 1, 2 & 3. The responses shall be submitted to the Presiding Judge of the San Luis Obispo Superior Court by **September 9, 2010**. Please provide a copy of all responses to the Grand Jury as well.

**The City of Pismo Beach** is required to respond to Finding 5 and Recommendations 1 & 3. The responses shall be submitted to the Presiding Judge of the San Luis Obispo Superior Court by **September 9, 2010**. Please provide a copy of all responses to the Grand Jury as well.

**The City of San Luis Obispo** is required to respond to Findings 4 & 5 and Recommendations 1, 2 & 3. The responses shall be submitted to the Presiding Judge of the San Luis Obispo Superior Court by **September 9, 2010**. Please provide a copy of all responses to the Grand Jury as well.

The mailing addresses for delivery are:

<b>Presiding Judge</b>	<b>Grand Jury</b>
Presiding Judge Charles S. Crandall Superior Court of California 1050 Monterey Street San Luis Obispo, CA 93408	San Luis Obispo County Grand Jury P.O. Box 4910 San Luis Obispo, CA 93402

# Appendix 1

## San Luis Obispo County 2009-2010 Grand Jury

### Survey Regarding Inventory and Use of City-Owned and/or Leased Vehicles

- **Column 1:** Number of all city owned/leased vehicles exceeding \$5,000 in value when new
- **Column 2:** Number of city vehicles which are assigned to an individual and are required or permitted to be taken home overnight on a regular basis.

**Note:**

- Does **NOT** include any county-owned vehicles, such as those used by Sheriff and County Fire under city contract
- Does **NOT** include buses and heavy or specialized equipment, motorcycles or bicycles

**Additional Note:**

- After compilation of the data received, each city was contacted and asked to verify that the information shown was correct. Morro Bay did not respond.

**City of Arroyo Grande**

**Population: 16,759**

**Acreege: 3,840**

**Employees: 101**

Vehicle Type	Police		Fire		Public Works		Parks & Recreation		City Council, Management & Staff		Pool Vehicles & Other	
	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home
Automobiles	17	5	1	--	--	--	--	--	--	--	1	--
Light Trucks	4	--	1	--	12	2	9	1	--	--	--	--
Sport/Utility	--	--	2	1	--	--	--	--	--	--	1	--
Other Vehs.	--	--	6	--	9	--	3	--	--	--	--	--
<b>Totals →</b>	21	5	10	1	21	2	12	1	0	0	2	0

**City of Atascadero**

**Population: 27,778**

**Acreege: 15,360**

**Employees: 136**

Vehicle Type	Police		Fire		Public Works		Parks & Recreation		City Council, Management & Staff		Pool Vehicles & Other	
	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home
Automobiles	23	4	--	--	--	--	--	--	--	--	--	--
Light Trucks	--	--	--	--	3	--	4	--	--	--	--	--
Sport/Utility	1	--	2	1	2	--	2	--	5	--	--	--
Other Vehs.	--	--	--	--	18	3	1	--	--	--	--	--
<b>Totals →</b>	24	4	2	1	23	3	7	0	5	0	0	0

**City of Grover Beach**

**Population: 13,085**

**Acreeage: 1,280**

**Employees: 63**

Vehicle Type	Police		Fire		Public Works		Parks & Recreation		City Council, Management & Staff		Pool Vehicles & Other	
	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home
Automobiles	15	2	--	--	--	--	--	--	--	--	--	--
Light Trucks	--	--	2	--	12	1	--	--	--	--	1	--
Sport/Utility	2	1	1	1	--	--	--	--	--	--	1	--
Other Vehs.	--	--	3	--	--	--	--	--	--	--	--	--
<b>Totals →</b>	17	3	6	1	12	1	0	0	0	0	2	0

**City of Morro Bay**

**Population: 10,436**

**Acreeage: 4,448**

**Employees: 102**

Vehicle Type	Police		Fire		Public Works		Parks & Recreation		City Council, Management & Staff		Pool Vehicles & Other	
	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home
Automobiles	13	2	--	--	3	--	--	--	1	1	1	--
Light Trucks	--	--	2	--	12	2	5	--	--	--	--	--
Sport/Utility	--	--	1	1	2	--	1	--	--	--	1	--
Other Vehs.	--	--	6	--	--	--	4	--	--	--	--	--
<b>Totals →</b>	13	2	9	1	17	2	10	0	1	1	2	0

**City of Paso Robles Population: 30,072 Acreage: 12,739 Employees: 174**

Vehicle Type	Police		Fire		Public Works		Parks & Recreation		City Council, Management & Staff		Pool Vehicles & Other	
	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home
Automobiles	22	4	1	1	--	--	--	--	--	--	1	--
Light Trucks	--	--	2	--	45	7	1	--	--	--	--	--
Sport/Utility	4	1	2	1	8	--	1	--	1	--	1	--
Other Vehs.	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals →</b>	26	5	5	2	53	7	2	0	1	0	2	0

**City of Pismo Beach Population: 8,545 Acreage: 1,920 Employees: 90**

Vehicle Type	Police		Fire		Public Works		Parks & Recreation		City Council, Management & Staff		Pool Vehicles & Other	
	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home
Automobiles	11	3	--	--	--	--	--	--	1	1*	2	--
Light Trucks	1	--	1	--	19	4	--	--	--	--	--	--
Sport/Utility	3	1	--	--	1	1	--	--	1	1**	3	--
Other Vehs.	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals →</b>	15	4	1	0	20	5	0	0	2	2	5	0

\* Police Chief

\*\* Fire Chief

**City of San Luis Obispo**

**Population: 44,239**

**Acreage: 7,040**

**Employees: 345**

Vehicle Type	Police		Fire		Public Works		Parks & Recreation		City Council, Management & Staff		Pool Vehicles & Other	
	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home
Automobiles	23	3	1	1	7	--	--	--	--	--	5	--
Light Trucks	2	--	5	--	30	6	4	--	1	--	2	--
Sport/Utility	3	1	3	--	8	--	--	--	--	--	--	--
Other Vehs.	--	--	--	--	1	--	1	--	--	--	--	--
<b>Totals →</b>	28	4	9	1	46	6	5	0	1	0	7	0

**Total of All Cities Reporting**

**Population: 150,914**

**Acreages: 46,627**

**Employees: 1,011**

Vehicle Type	Police		Fire		Public Works		Parks & Recreation		City Council, Management & Staff		Pool Vehicles & Other	
	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home	Total	Take Home
Automobiles	124	22	3	2	10	--	--	--	2	2	11	--
Light Trucks	7	--	13	--	133	26	23	1	1	--	3	--
Sport/Utility	13	4	11	5	21	1	4	--	7	1	6	--
Other Vehs.	--	1	15	--	28	3	9	--	--	--	--	--
<b>Totals →</b>	144	27	42	7	192	30	36	1	10	3	20	0

## Appendix 2

### San Luis Obispo County 2009-2010 Grand Jury

## City Vehicle Use Profile

City	Total Vehicles	Vehicles taken home	Percentage taken home	Number City employees	Employee Take Home Percentage	City Population
Arroyo Grande	66	9	13.6 %	101	8.9 %	16,759
Atascadero	61	8	13.1%	136	5.9 %	27,778
Grover Beach	37	5	13.5%	63	7.9 %	13,085
Morro Bay	52	6	11.5%	102	5.9 %	10,436
Paso Robles	89	16	18.0%	174	9.2 %	30,072
Pismo Beach	43	11	25.6% <sup>2</sup>	90	12.2 %	8,545
San Luis Obispo	96	11	11.5%	345	3.2 %	44,239
Totals	444	66	14.9%	1,011	6.5%	150,914

<sup>2</sup> The city indicated that the high percentage of take-home vehicles is centered in the public works department where workers need them to respond to emergencies at the city-operated sewage treatment plant.