



CITY OF MORRO BAY HARBOR ADVISORY BOARD A G E N D A

*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.*

**Regular Meeting - Thursday, August 2, 2012
Veteran's Memorial Building - 6:00 P.M.
209 Surf Street, Morro Bay, CA**

Jim Phillips, Chair

Jeff Eckles, Vice Chair
Gene Doughty
Lynn Meissen

Brett Cunningham
Bill Luffee
Vacant Seat

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Commission on City business matters other than scheduled items 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 Chair, please come forward to the podium and state your name and address for the record. Commission meetings are audio and video recorded and this information is voluntary and desired for the preparation of minutes.
- Comments are to be limited to three minutes.
- All remarks shall be addressed to the Commission, as a whole, and not to any individual member thereof.
- The Commission 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 Commission to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in Commission 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 Recreation and Parks' Administrative Technician at (805) 772-6280. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT CALENDAR

- A-1 Approval of Minutes from Harbor Advisory Board meeting held on 6/7/12
Staff Recommendation: Approve minutes.
- A-2 Harbor Department Status Report
Staff Recommendation: Receive and file.

B. PUBLIC HEARINGS, REPORTS, AND APPEARANCES

B-1 Report on Launch Ramp Annual Parking Permit Program
Staff Recommendation: Receive and file.

B-2 Status Report on PG&E Seismic Testing Project
Staff Recommendation: Receive and file.

B-3 Report on 2012 Walter B. Jones Award for Excellence in Coastal and Ocean Management
Staff Recommendation: Receive and file.

C. UNFINISHED BUSINESS

None

D. NEW BUSINESS

None

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 the Morro Bay Harbor Department, 1275 Embarcadero, for any revisions or call the department at 772-6254 for further information.

Materials related to an item on this Agenda are available for public inspection during normal business hours at the Harbor Department and at Mill's/ASAP, 495 Morro Bay Boulevard, or online at www.morro-bay.ca.us/rpc. Materials related to an item on this Agenda submitted to the Board after publication of the Agenda packet are available for inspection at the Harbor Department during normal business hours or at the scheduled meeting.

CITY OF MORRO BAY
HARBOR ADVISORY BOARD
SYNOPSIS MINUTES

The regular meeting of the City of Morro Bay Harbor Advisory Board was held Thursday, June 7, 2012 at 7:00 PM in the Veteran's Hall, 209 Surf ST, Morro Bay, California.

ESTABLISH QUORUM AND CALL TO ORDER

Present:	Members:	Brett Cunningham Gene Doughty Jeff Eckles Bill Luffee Lynn Meissen Jim Phillips
	Staff:	Eric Endersby, Harbor Director Polly Curtis, Office Assistant

MOMENT OF SILENCE

Chairman Phillips asked for a moment of silence dedicated to former Harbor Advisory Board member Michele Rowley Leary.

PLEDGE OF ALLEGIANCE

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

Mr. Eckles said the Fourth of July Fundraiser will be at Stax; raffle tickets available for the 100th bottle of wine sold. Website: morrobay4th.org. Ms. Meissen said sailing lessons are available at the Morro Bay Yacht Club weekly on Mondays as well as weekend classes.

PUBLIC COMMENT

Chairman Phillips asked a member of the audience to step forward and introduce himself: Mr. Eric Wilkins introduced himself as our area's environmental scientist for the Department of Fish and Game, Natural Resource Marine Region, Regulatory Review Division, and described the scope and area of his work to the Board.

A. CONSENT CALENDAR

A-1 MINUTES

Mr. Luffee moved the May 3, 2012 Harbor Advisory Board minutes be approved as submitted. The Motion was seconded by Mr. Eckles and carried unanimously.

A-2 HARBOR DEPARTMENT STATUS REPORT

Mr. Endersby briefed the Board on the following topics:

State Park Marina Dredging
North T-Pier Repairs
Lifeguards and Junior Lifeguards
Fishing Season Activity
HAB Vacancy

B. PUBLIC HEARINGS

B-1 Review of the Morro Bay Northern Waterfront Implementation Plan to Include Morro Rock Parking Lot

Mr. Endersby reviewed the history of the Northern Waterfront Implementation Plan (NWIP) Concept C. City Council requests the Harbor Board to provide a recommendation on the development of the Rock parking lot. Mr. Endersby referred to the proposed detailed concept plan by local residents Bill and Toni Woody. He also referred to the designs by RRM Design Group. He noted that there is currently no City funding or resources for the project.

The Board discussed the various designs and concept plans, and expressed concerns over the volleyball area, railings infringing on view, narrow roadways, leaving the area natural, and the significant cost in total development. Mr. Eckles said improvement to the Rock area is necessary for the local economy, and stated the importance of catering to tourists. He said the current dirt parking lot is full of potholes, which should be covered with decomposed granite along with some asphalt.

Chairman Phillips agreed something should be done with the parking area, and would like to see it spruced up as well as have a place to sit in a park-like setting. However, he said the priorities for funding that have been important to the Harbor Advisory Board are a boat haul out and repair yard. He asked Bill and Toni Woody to step forward and present their conceptual plan.

Ms. Toni Woody, long-time resident of Morro Bay, said they are licensed design engineers, and have done design work for many hotels, motels, and homes over the past 40 years. They are donating their time to Morro Bay to offer a concept design for the Morro Rock area. Ms. Woody said they would like to see improvements to the Rock area but also leave some elements as they are now; they have made no proposal for any buildings to be added. She said the current area is a bad reflection on Morro Bay, which at the very least needs to be cleaned up. Their concept plan includes a new roundabout, asphalt road, concrete boardwalk, barbecue and picnic areas, concrete benches, a parcourse/fitness trail, as well as volleyball courts. Ms. Woody asked the Board and public to give them any other suggestions, since this is far from a final design and it is completely modifiable.

MOTION: Mr. Eckles moved to incorporate the conceptual plan designed by the Woody's into the larger Morro Bay Northern Waterfront Implementation Plan, Concept C. The Motion was seconded by Mr. Luffee.

After further discussion by the Board, the Motion was amended to include the final words, "subject to modification."

AMENDED MOTION: Mr. Eckles moved to incorporate the conceptual plan designed by the Woody's into the larger Morro Bay Northern Waterfront Implementation Plan, Concept C, subject to modification. The Amended Motion was seconded by Mr. Luffee, and carried by a vote of 5 to 1, with Ms. Meissen opposed.

B-2 Discussion of Informational Signs/Kiosks to Enhance Visibility of Sportfishing Operations and Other Water-Related Businesses on the Morro Bay Waterfront

Mr. Endersby reviewed the meeting with representatives of Virg's Sportfishing and Central Coast Sportfishing, who expressed concern for the lack of signage to direct people to their businesses. He said the two suggested locations for signs/kiosks were at the South T-Pier and at the Giant Chessboard on the Embarcadero. As directed by City Council, once the areas are agreed upon, they will move forward with planning and permitting through Public Services.

After discussion by the Board, Chairman Phillips asked Ms. Sharon Moores of Virg's Sportfishing to step forward and present her ideas. Ms. Moores said she saw kiosks while in Hawaii, and during discussions with Mr. Endersby came up with the idea of using an old wheelhouse as the kiosk. She said along with the two sportfishing operations, all other water sports operations would be allowed to post their directions and information on the kiosk.

MOTION: Mr. Cunningham moved recommending to City Council to move forward with the proposed project of informational signs/kiosks for sportfishing operations; to use the agreed upon locations, and that all planning and permitting fees should be waived. The Motion was seconded by Ms. Meissen and carried unanimously.

C. UNFINISHED BUSINESS

None.

D. NEW BUSINESS

D-1 Harbor Department FY12/13 Draft Budget Review

Mr. Endersby reviewed the Draft Budget for fiscal year 2012/2013 for the Board. He said the Harbor Department has balanced expenditures to revenues and the proposed budget is balanced. Discussion by the Board.

D-2 Consideration of Changing Harbor Advisory Board Meeting Start Time to 6:00 p.m.

Mr. Endersby asked the Board to discuss the option of changing the Harbor Advisory Board start time to 6:00 p.m. to provide more consistency with the City's other Boards and Commissions. Discussion by the Board.

MOTION: Mr. Eckles moved that the Harbor Advisory Board change their meeting start time to 6:00 p.m. on the first Thursday of each month. The Motion was seconded by Mr. Cunningham and carried unanimously.

D-3 Cancelation of July 2012 Harbor Advisory Board Meeting

Mr. Endersby said the Harbor Advisory Board has consistently in the past cancelled their July meeting. Discussion by the Board.

MOTION: Mr. Luffee moved to cancel the July 5, 2012 Harbor Advisory Board meeting. The Motion was seconded by Ms. Meissen and carried unanimously.

E. DECLARATION OF FUTURE AGENDA ITEMS

**Aug: PG&E Seismic Testing Permitting Process Update
Patriot Sportfishing Bait Barge
Launch Ramp Parking Pass Review**

Future: Boat Yard/Haul Out

F. ADJOURNMENT

This meeting was adjourned at 9:07 PM.

Submitted by,



Polly Curtis
Harbor Department



AGENDA NO: A-2

MEETING DATE: August 2, 2012

Staff Report

TO: Harbor Advisory Board

FROM: Eric Endersby, Harbor Director

SUBJECT: Harbor Department Status Report

DATE: July 26, 2012

RECOMMENDATION

Receive and file.

DISCUSSION

State Park Marina Dredging

As of this writing, Associated Pacific Constructors (APC) is in the final stages of working on their pre-construction submittals with our consultants, and is expected to begin mobilization and set-up within days. Notice To Proceed for the actual dredging will be contingent on receiving final go-ahead from the Coastal Commission and the Army Corps of Engineers, both of which are being diligently worked on and expected to be received by the second week in August. Although slightly pushed-back from the original mid-July estimated start date, things are generally going as planned, there are just many moving parts involved.

APC is planning on using a barge-based excavator to do the dredging, with one 300 yard-capacity scow making two runs to the Nearshore Disposal Site daily. They will only be operating during daylight hours and estimate approximately 50 dredging days required to complete the job.

Live Bait

As the HAB is aware, last year Steve Moore of Patriot Sportfishing had proposed to set up a live bait receiving operation in Morro Bay at the City's Coleman Beach mooring. While the department was supportive of his efforts, he wanted to get the bait operation in Port San Luis, which he had just taken over, up and running before taking on Morro Bay. In addition, since making his initial proposal for Morro Bay, he has acquired Virg's old bait boat, the BILLY BOY, gotten it hauled and refurbished, and has it in operation in Port San Luis.

Prepared By: EE

Dept. Review: EE

In speaking to Mr. Moore recently, he is still not ready to attempt running a live bait operation in Morro Bay. However, he is willing to see about bringing the BILLY BOY here when the need arises, such as if/when we get an albacore bite, and use it as a “transient” bait dock anchored-out while still using it to catch and provide bait to the Port San Luis operation as well. These discussions are a work in progress.

Vacant Harbor Advisory Board Seat

The period for applications to fill the vacant HAB seat has been closed, and the City Clerk only received one application, which came from Dana McClish. Mr. McClish is a local resident and active Yacht Club member, and will be interviewed and considered by the City Council on August 14 prior to the regular Council meeting.

Harbor Budget/Staffing

A balanced budget was prepared and ready for City Council review at their June 12 Budget Hearing, and subsequent adoption at their June 26 regular meeting. However, between budget preparation and adoption, the news was received that the Dynegy power plant outfall lease revenue of \$250,000 may not be coming as Dynegy’s contract with Southern California Edison to buy their power was not being renewed for 2013. At that news Council directed department staff to bring back a budget that, among other things, did not depend on reserves to balance, and to not hire the previously approved Harbor Business Manager position for further savings. Prior to the July 10 Council meeting, the City Attorney received news from Dynegy representatives that the outfall lease would be renewed for 2013, and at that meeting Council adopted a Harbor Dept. budget that included these new elements:

- Lease site revenues increased to include the completed annual CPI adjustments and a revised percent gross estimate figure.
- An additional \$15,000 in revenue for approved coin-operated water service at the Tidelands Park dock and the north and south T-Piers.
- Decrease in personnel expenses due to: downgrading of the Harbor Business Manager position to the Harbor Business Coordinator position; savings due to the newly negotiated elimination of the Employer Paid Member Contribution in the SEIU personnel benefits; and other savings due to personnel issues.
- Dependence on only \$81,000 for the Dynegy outfall lease, and any lease excess to go to reserves.
- Authorization for the remaining ¾-time Office Assistant IV position to go to full-time, and not refilling the remaining full-time OA IV position that would promote to the Business Coordinator position.

Subsequently Lori Stilts, our full-time OA, was promoted to Harbor Business Coordinator, and Polly Curtis, our ¾-time OA, went to full-time.

Recent Harbor Patrol Activities

On July 10 and 11, the first sessions of the Morro Bay and Cayucos Junior Lifeguard programs were hosted by the Harbor Patrol for a day of boating safety and rescue operations on the bay. This annual event/training includes basic elements of boating safety, water safety around boats, basic boating rescue operations, and personal watercraft rescue operations. Second session activities will take place as well.

On July 24, the Harbor Patrol, Morro Bay Lifeguards, Morro Bay Fire Department, and Morro Bay Dispatch participated in a mock live-rescue drill that involved three persons in need of rescue/medical aid in the surf on the sandspit. Although “only a drill,” participants engaged the activity in real-time and did an outstanding job of coordinating their efforts, locating those in need of help (two of which were Coast Guard rescue dummies), effecting rescues, rendering aid, and transporting to shore.

Derelict Vessels

On June 27, three derelict vessels were hauled from the water at the launch ramp and demolished. The project went as-planned and was done by Negranti Construction of Cayucos as the low-bidder. The demolition and removal of the wooden ex-commercial fishing vessels DOR-ANN and PATRICIA ANN were funded by our Morro Bay NEP Derelict Vessel Abatement grant, and the fiberglass sailboat SHEKENIAL was removed with funding from a Department of Boating and Waterways (DBW) Abandoned Watercraft Abatement Fund (AWAF) grant. Both of those grants are now exhausted.

However, the department applied for and has been awarded two more grants from DBW for derelict vessel abatement. Those grants go to the City Council approval at their next meeting on August 14. An AWAF grant in the amount of \$8,000 is for abatement of vessels obtained by lien sale by the department, and a Vessel Turn-In Program (VTIP) grant in the amount of \$7,000 is for abatement of deteriorating vessels that owners cannot or do not want to own/maintain, and will willingly turn-in to the department for disposal at no cost to them. The VTIP funds are available on a first-come first-served basis, and will be used until exhausted. Should vessels proposed for turn-in exceed the amount available for grant demolition, the department will prioritize the acceptance of them based on urgency and their threat to pollute or create hazards to navigation.



AGENDA NO: B-1

MEETING DATE: August 2, 2012

Staff Report

TO: Harbor Advisory Board **DATE:** July 25, 2012

FROM: Eric Endersby, Harbor Director

SUBJECT: Report on Launch Ramp Annual Parking Permit Program

RECOMMENDATION

Receive and file.

BACKGROUND

Pay parking for truck/trailer parking at the Launch Ramp parking lot was instituted with Harbor Advisory Board recommendation and City Council approval in the spring of 2010. The self-serve pay kiosk equipment was purchased, installed, and up and running for the beginning of the spring rockfish fishing season that year. Rates were set at \$1/hour, with a \$5/day maximum, and up to three days (72 hours) maximum parking time allowed.

The Harbor Advisory Board recommended and City Council approved an annual Parking Permit program in the summer of last year; however, due to logistical problems with our permit sticker vendor the program was not instituted until December last year. Since the permits were issued on a fiscal year-basis (July 1 to June 30), last year's permits were offered at a 50% prorated rate of \$50. The regular rate is \$100.

DISCUSSION

Last year we sold 18 prorated permits for a total of \$900 in revenue. During their morning rounds, Harbor Patrol staff are keeping a tally of the total number of permits being used each day. Last year's number of permit uses was 228; so assuming that each use constituted a full day of parking at \$5/day, 228 uses equates to \$1,140. Therefore revenue-wise, we are theoretically "in the hole" \$240, or just under 1% of our estimated \$25,000 of revenue for the year. This year so far, 21 permits have been sold. The cost to print the permits is approximately \$2/each.

CONCLUSION

Department staff consider the program a win-win; the boaters are pleased and in general it is a financial wash. We are not recommending any changes to the program at this time.

Prepared By: EE

Dept. Review: EE



AGENDA NO: B-2

MEETING DATE: August 2, 2012

Staff Report

TO: Harbor Advisory Board

DATE: July 25, 2012

FROM: Eric Endersby, Harbor Director

SUBJECT: Status Report on PG&E Seismic Testing Project

RECOMMENDATION

Receive and file.

BACKGROUND

By State Legislative action, AB 1632, PG&E is required to conduct high-resolution seismic imaging surveys of the land and waters around its nuclear power plant at Diablo Canyon in order to better understand the risk posed by local earthquake faults in the area. The project consists of three basic components: Onshore 2-D imaging and mapping; Offshore 3-D imaging and mapping; and Ocean Bottom Seismometers (OBS). The California State Lands Commission is the primary agency having jurisdiction over the Offshore 3-D component.

DISCUSSION

The onshore 2-D component was permitted by the various agencies having jurisdiction and began early in 2011. It consisted of an array of vehicles traversing various public and private roads in the study area that put sound energy waves into the ground and measured the results to come up with seismic imaging maps. Those tests have been completed and PG&E is currently processing the data.

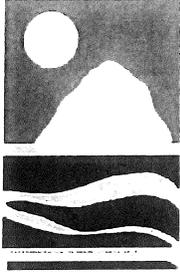
The OBS project was issued a Mitigated Negative Declaration permit by the Coastal Commission. That portion of the project consists of placement of several bottom-resting seismometers in the waters off of the power plant and their connecting cabling to shore at Diablo Canyon. PG&E is currently working through their permit requirements to begin placing the equipment. One requirement, for which PG&E representatives are required to work with staff from both Port San Luis and Morro Bay harbors on, is a Lost/Damaged Fishing Gear Compensation Plan. Those discussions are currently underway and nearly complete.

The 3-D Offshore component is still in the permitting process. A draft Environmental Impact Report (DEIR) was issued for comment in March this year, and several public comment meetings held to take comment. The Mayor Bill Yates sent a comment letter, drafted with input from other Council members, the City Attorney, Harbor Director, and the Morro Bay Commercial Fisherman's Organization. A copy is attached. State Lands is currently in the process of the environmental review based on the many comments received, and finalizing of the DEIR is expected in early August. The DEIR is slated for State Lands Commission review at the Commission's August 14th meeting in Sacramento where, provided the review and addressing of the comments received satisfy the Commission, it will be certified.

Concurrently, PG&E is negotiating with both the Morro Bay and Port San Luis commercial fisherman's organizations on agreements addressing potential lost catch mitigations and other fishery impacts and mitigations, as well as on monitoring programs for during and after the project is completed to truly measure the impacts to the resources. Those negotiations are ongoing.

Prepared By: EE

Dept. Review: EE



City of Morro Bay

595 Harbor Street
Morro Bay, CA 93442
(805) 772-6200



April 23, 2012

Jennifer DeLeon, Project Manager
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825

RE: Draft Environmental Impact Report for the Central Coastal California Seismic Imaging Project (State Clearinghouse No. 2011061085)

Dear Ms. DeLeon:

The following comments on the Draft Environmental Impact Report for the Central Coastal California Seismic Imaging Project are submitted by the City of Morro Bay.

The City of Morro Bay shares the concerns in the Draft Environmental Impact Report (DEIR) for Pacific Gas & Electric Company's (PG&E) proposed Central Coastal California Seismic Imaging Project related to the severe impacts resulting from seismic blasting from arrays of towed massive airguns during an 82-day, 24/7 period from September to December 2012. Therefore, the City of Morro Bay agrees with the findings in the Draft Environmental Impact Report that states:

The Project would generate potentially significant environmental impacts on air quality, terrestrial and marine biological resources, greenhouse gases (GHGs), land use and recreation, and noise. Impacts to air quality, marine biological resources, and land use and recreation, remain Significant and Unavoidable even after all appropriate and feasible mitigation measures are applied. The EIR found Significant and Unavoidable impacts to fin, humpback and blue whales resulting from noise. Substantial impact on the Morro Bay stock of the harbor porpoise is also considered to be significant; based on this threshold, is Significant and Unavoidable. Project impacts on sea otters are also considered to be Significant and Unavoidable because of the proximity of the survey to sea otter habitat. The Project is also expected to have Significant and Unavoidable impacts on air quality and greenhouse gases. Significance thresholds for air pollutants are developed by taking into consideration the levels at which individual project emissions would result in cumulatively considerable impacts.

ADMINISTRATION
595 Harbor Street

CITY ATTORNEY
595 Harbor Street

FINANCE DEPARTMENT
595 Harbor Street

FIRE DEPARTMENT
715 Harbor Street

HARBOR DEPARTMENT
1275 Embarcadero Road

POLICE DEPARTMENT
850 Morro Bay Boulevard

PUBLIC SERVICES
955 Shasta Avenue

RECREATION & PARKS
1001 Kennedy Way

Clearly, the impacts from the Central Coastal California Seismic Imaging Project would be tremendous and would have significant known and unknown effects on our local ecosystem, in addition to effects to our City's and the local fishing community's economy, both recreational and commercial, from revenue lost from the study's effects on commercial fishing, sport fishing, and whale and marine mammal watching.

Although the City of Morro Bay agrees with the above findings, that the Seismic surveying proposed by the Pacific Gas & Electric threatens "significant and unavoidable impacts" to fish, mammals, persons in the water and to fishing seasons, many of the Applicant Proposed Measures fall far short of realistic and meaningful mitigations for those impacts. In addition, the DEIR fails to adequately address many other concerns for the City of Morro Bay.

The DEIR fails to take into account the need for vessels to enter and leave the Morro Bay Harbor. The project proposes to keep all vessels out of the entire Project Boundary for the entire 82 days (Pages 4.10-13 to 4.10-16). The Project Boundary goes completely across the mouth of the Morro Bay Harbor and would preclude any vessels from leaving or entering the harbor for 82 days. This is an extremely important issue since the Morro Bay Harbor is designated as a "Harbor of Safe Refuge" and is the only protected harbor between Monterey and Santa Barbara, as well as home to United States Coast Guard and Morro Bay Harbor Patrol. Both of these entities cannot have any restrictions on access to the harbor mouth or elsewhere due to patrol responsibilities and in case of emergency.

The DEIR fails to take into account that the recreational rockfish season has been extended from the more recent November 15 close date to December 31. This impact will extend over into our local community, which will suffer significant losses due to their inability to sell coffee, fuel, breakfasts, bait, etc., because of the closure of fishing areas. This will also result in a trickle-down effect on a number of other community businesses such hotels/motels, restaurants, retail businesses and gas stations as they too will significantly suffer financially as a result of less fishing activity in the area.

The DEIR fails to take into account that a portion of the project boundary is within a highly rich Marine Protection Area (MPA). The MPAs are intended to protect the State's marine life and habitats, marine ecosystems, and marine natural heritage, as well as to improve recreational, educational and study opportunities provided by marine ecosystems subject to minimal human disturbance. The Marine Protection Areas have been designed to create areas of no fishing in order to enhance areas outside MPAs. This project will result in the "take" of fish, larvae and eggs in violation of and destroying the whole purpose of the MPA. In addition, "take" will also occur in the Federally protected Rock Cod Conservation Area (RCA). The fishermen are not exempt from a "take" of fish in protected areas, and the same should be the case under the law for PG&E.

The DEIR incorrectly states that operations of the project will be occurring during a slower fishing production time period as the City experiences its best fishing during the fall and early winter months. The DEIR at page 4.12-13 / 4.13-14 establishes that the three primary fisheries in the City's ports have high production levels during the project time frame, only really dropping off somewhat during the holidays in December. Obviously this is the best weather time of year, and is the reason why PG&E has designated this time of year to commence the project.

The DEIR, on page 4.13-3, incorrectly states that the commercial fishing activity of the area is in “precipitous” decline by quoting an outdated study, the *2008 Morro Bay and Port San Luis Commercial Fisheries Business Plan*, when in fact, according to the *2011 Morro Bay Commercial Fisheries Economic Impact Report*, “Earnings for fishermen at the dock (EVV) in Morro Bay have jumped to \$4.3 million in 2010 from a 20 year low of \$1.7 million in 2007, an increase of over 250%. Earnings are translated into wages for crew, purchases of fuel, ice, supplies, offloading fees, bait and baiting services as well as vessel and gear repair, gear purchases, association dues and slip fees” (Lisa Wise Consulting, May 2011, page 3). And on page 9 of this report it is stated, “Fishing activity has been on the rise in San Luis Obispo County and the number of trips has increased from 3,102 in 2007 to 4,211 in 2010, an approximate 36% increase.” Figures from calendar year 2011 indicate an additional increase to near \$7 million (see attached graphs). The City has serious issue with the DEIR in that regard as it downplays the commercial fishing industry and activity and its importance to the local and regional economies, and therefore the Commercial Catch and Landing Data Trends section of the DEIR starting on page 4.13-3 is highly suspect. And finally, the applicable mitigation measures summarized for commercial fishing impacts on Table 4.10-11 consist entirely of developing and implementing a “Communication Plan” with local fishing and boating interests. This is completely unacceptable and does not address the real impacts that will be experienced by the fishing fleet now and well into the future.

In addition, effects to the recreational fishing fleet, both passenger-for-hire sportfishers as well as private boaters, will be similarly significant and the mitigations proposed under Table 4.10-4 consist of the same “Communication Plan” approach. This too is unacceptable.

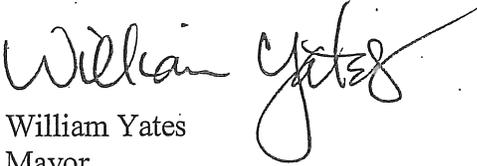
The DEIR fails to take into account that the National Marine Fisheries/NOAA has placed the Individual Fish Quota (IFQ) program into affect and is working on implementing this program in Morro Bay. IFQs are allocated according to the recent catch history of the fishery. Those with bigger catches generally get bigger quotas. This project would be very costly as fisherman would lose one fourth of the year’s overall production lowering the local IFQ’S to the fishermen of this area and cause a loss of the annual income to local fishermen over the long term.

PG&E has publicly stated that, while they acknowledge that there will be impacts to Morro Bay’s commercial fishing industry during the survey period, they have been in discussions with the fishermen in order to minimize those impacts. It has been brought to the City’s attention that there have been **NO** contacts with the Morro Bay Commercial Fishing Organization either as a group or to any of their Board Members or their Counsel regarding this proposed project. The City is appalled at the inconsistencies of PG&E’s statements and believes that PG&E is being incredibly disingenuous as they attempt to move this project forward.

Lastly, while the State Lands Commission and PG&E may have met the minimum noticing requirements for this project and its documentation, given the nature and scope of this project, and its potential known and unknown impacts, the timeline for comment on this DEIR is woefully inadequate for meaningful analysis and comment by the public and seems on a fast track suited only to PG&E and their project calendar and commitments.

Based upon the foregoing, it is the City of Morro Bay's position that if this study goes on as planned, there will be serious damage to our local economy from revenue lost from the study's effects on commercial fishing, sport fishing and whale and marine mammal watching, as well as the countless other businesses that depend on them for their livelihood. Therefore, if this project were to proceed as proposed, there must be fair mitigation, both short term and long term, to the City and fishermen of Morro Bay, as well as full account of the effects on the local ecosystem and meaningful and effective mitigation measures to offset those effects.

Sincerely,

A handwritten signature in black ink that reads "William Yates". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

William Yates
Mayor

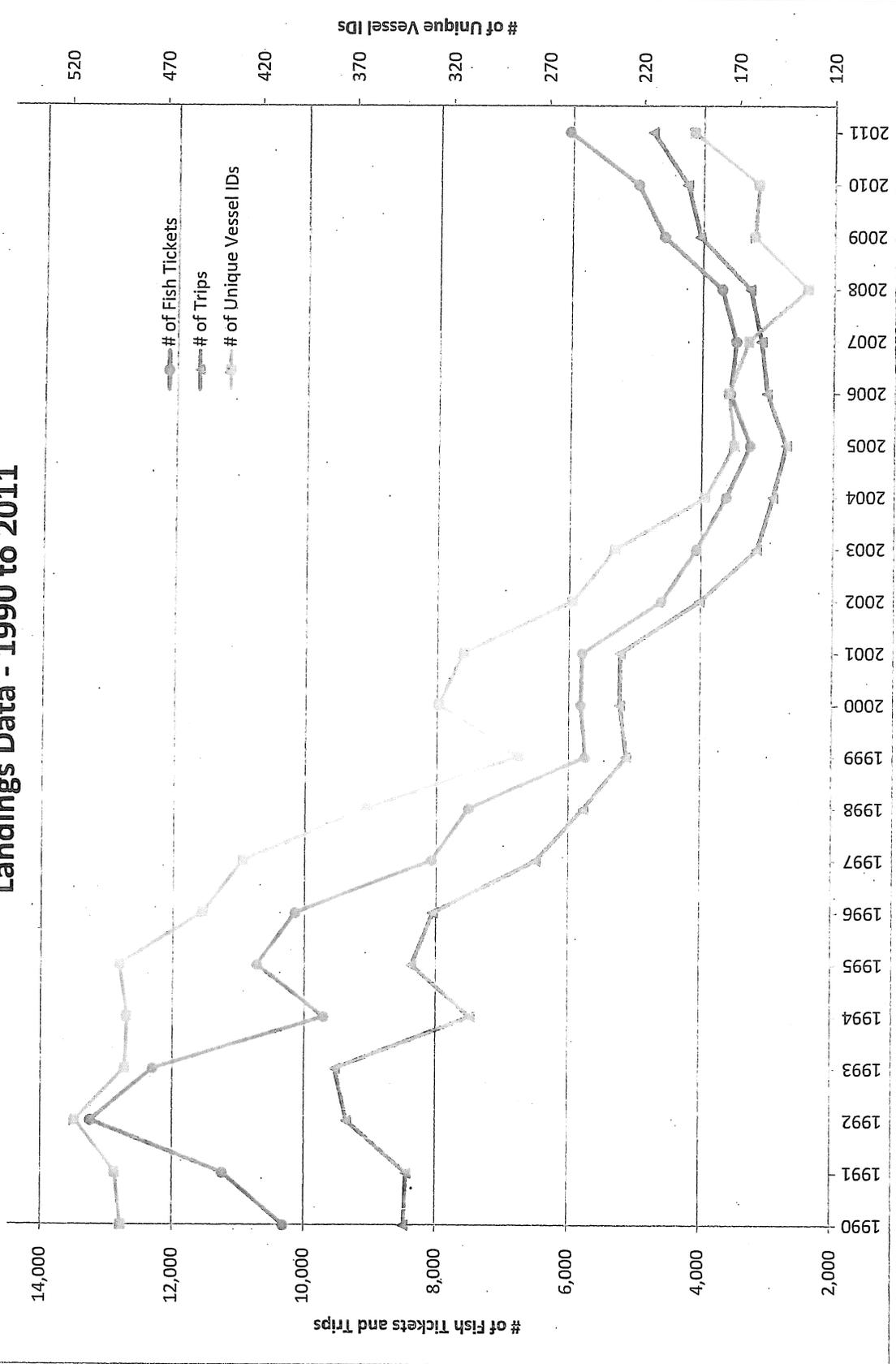
Enc.

cc: City Council
City Attorney
City Manager
Harbor Director

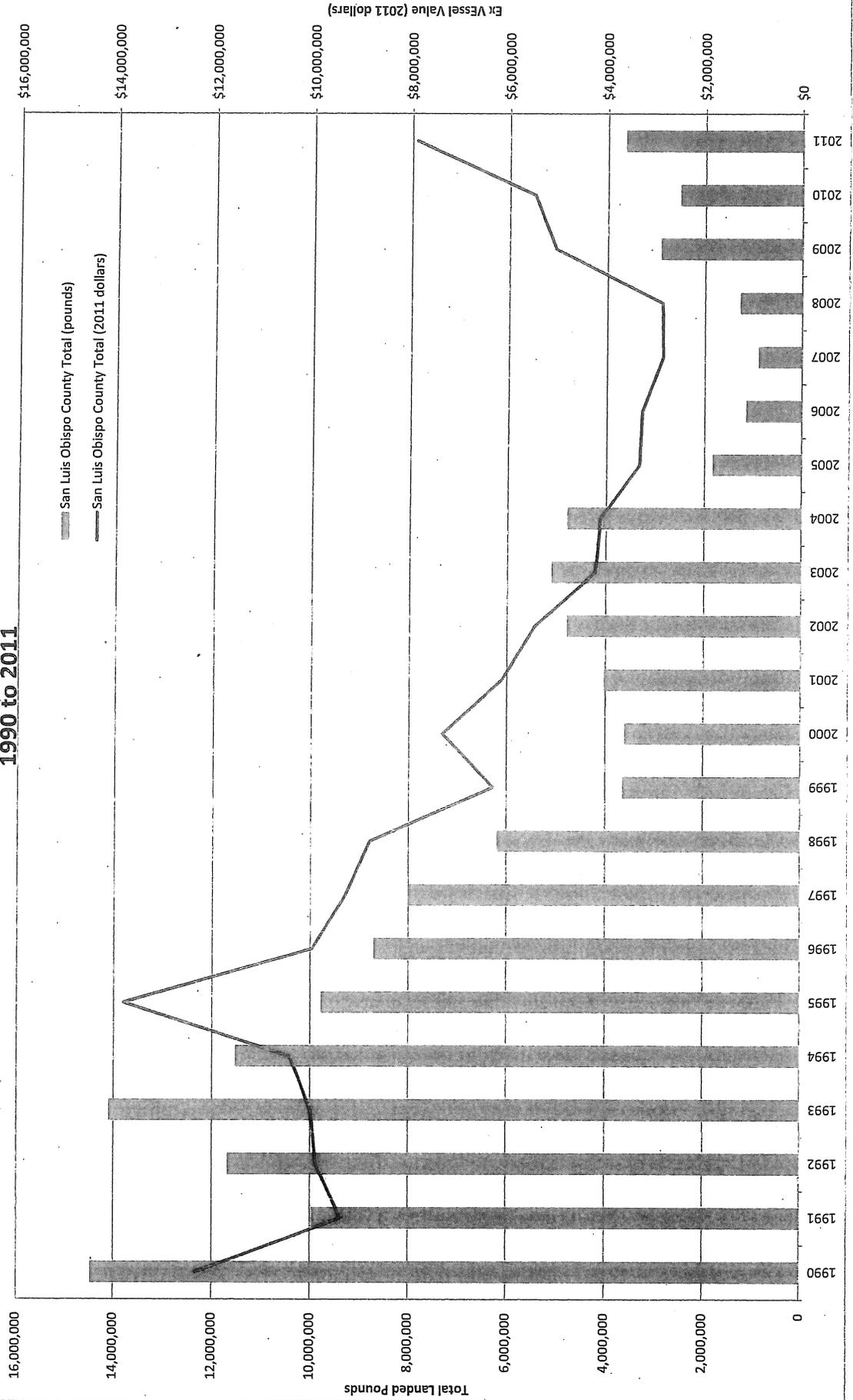
Morro Bay Total Landings and EVV 1990 to 2011



San Luis Obispo County Landings Data - 1990 to 2011



San Luis Obispo County Total Landings (lbs) and Ex Vessel Value (\$) 1990 to 2011





AGENDA NO: B-3

MEETING DATE: August 2, 2012

Staff Report

TO: Harbor Advisory Board **DATE:** July 25, 2012

FROM: Eric Endersby, Harbor Director

SUBJECT: Report on Walter B. Jones Award for Excellence in Coastal and Ocean Management

RECOMMENDATION

Receive and file.

BACKGROUND

The Walter B. Jones Awards were created to honor the late 11-term congressman Walter B. Jones of North Carolina. As chairman of the House Merchant Marine and Fisheries Committee, Jones was a strong supporter of NOAA and its coastal zone management and Office of Ocean and Coastal Resource Management. He provided leadership on numerous legislative initiatives addressing coastal and ocean issues such as commercial shipping, oil spill clean-up and prevention, and flood insurance reform.

Given every two years, the Jones Awards recognize individuals and organizations for their dedication and outstanding contributions in helping the nation maintain healthy coastal and ocean resources, and balance the conservation of these resources with human needs. Winners are selected in three important award categories: Coastal Steward of the Year, Excellence in Local Government, and Excellence in Coastal and Marine Graduate Study.

DISCUSSION

Morro Bay was honored with an award for 2012 under the Excellence in Local Government category. According to NOAA, "Morro Bay's vision and commitment for the protection of its historic fishing industry and vibrant harbor, while facilitating innovation at the local level, have earned it this recognition. The city developed a strategic plan aimed at economic, social, and environmental sustainability in the Morro Bay fisheries and has successfully built a community fishing association capacity."

While not completely in place yet, contract employee and retired Harbor Director Rick Algert is working for the City under a grant from The Nature Conservancy (TNC) to acquire Trawl Sector fishing quota currently held by TNC, and anchor the future landings of that quota in the Morro Bay area via a Morro Bay Community Quota Fund organization (MBCQF). The MBCQF's mission statement is "to develop and enhance a financially and environmentally sustainable Morro Bay fishery, built upon local stewardship of ground fish resources and secured fishing rights anchored in the community."

Morro Bay National Estuary Program Executive Director Adrienne Harris nominated the city for the award and said, "The City of Morro Bay and local fishing groups like the Morro Bay Commercial Fishermen's Organization deserve this national-level praise. They are working closely together—along with conservation groups—to address the social, economic and environmental concerns surrounding fisheries management in the U.S."

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