



CITY OF MORRO BAY HARBOR ADVISORY BOARD AGENDA

*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, June 6, 2013
Veteran's Memorial Building - 6:00 P.M.
209 Surf Street, Morro Bay, CA**

Jeff Eckles, Chair

Bill Luffee, Vice Chair
Jim Phillips
Lynn Meissen

Gene Doughty
Dana McClish
(Vacant)

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 Harbor Department's Office Assistant at (805) 772-6254. 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 May 2, 2013
Staff Recommendation: Approve minutes

B. PUBLIC HEARINGS, REPORTS, AND APPEARANCES

- B-1 Harbor Department Status Report
Staff Recommendation: Receive and file

- B-2 Morro Bay National Estuary Program Comprehensive Conservation and Management Plan Update
Staff Recommendation: Receive update

C. UNFINISHED BUSINESS

- C-1 None

D. NEW BUSINESS

- D-1 Cancellation of July 4, 2013 Harbor Advisory Board Meeting
Staff Recommendation: Cancel the July, 2013 Harbor Advisory Board Meeting

- D-2 Overview and Review of Proposed Harbor Department 2013/2014 Operating Budget and Capital Improvement Plan
Staff Recommendation: Receive and file

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. 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, May 2, 2013 at 6:00 PM in the Veteran's Hall, 209 Surf ST, Morro Bay, California.

ESTABLISH QUORUM AND CALL TO ORDER

Present:	Members:	Gene Doughty Jeff Eckles Bill Luffee Dana McClish Lynn Meissen Jim Phillips (Vacant Seat)
	Staff:	Eric Endersby, Harbor Director Polly Curtis, Office Assistant

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

Ms. Meissen said the Morro Bay Yacht Club will begin summer sailing lessons on June 8th. The instructive course is given on small sailing vessels for children ages 8 and up, and adults of all ages; the oldest student was 83 years old.

Chair Eckles announced that Agenda Item B-2 "State Park Marina Proposed Maintenance Plan" has been pulled from tonight's Agenda, as the presenter is unable to attend this meeting.

Chair Eckles thanked the public for all the correspondence he has received on the Morro Bay Aquarium, which is Agenda Item B-3. Chair Eckles explained the way the seats on this Board function. He said the Harbor Advisory Board has authority to make recommendations to the City Council, and that each seat on the Board is a different area of interest, but each member represents the community as a whole. Chair Eckles' area of interest is Waterfront Leaseholders, Gene Doughty's area of interest is Los Osos/Baywood, Bill Luffee is Marine Oriented Business, Dana McClish is Recreational Boating, Jim Phillips and Lynn Meissen are Member at Large. However, this does not mean each person only represents this one group; they come from different factions of the community but do represent the entire community. He said there is one vacant seat with the area of interest of Commercial Fishing.

PUBLIC COMMENT

None.

A. CONSENT CALENDAR

A-1 MINUTES

Mr. Phillips moved the March 7, 2013 Harbor Advisory Board minutes be approved as submitted. The Motion was seconded by Mr. Luffee and carried unanimously.

B. PUBLIC HEARINGS

B-1 Harbor Department Status Report

Mr. Endersby briefed the Board on the following topics:

New Harbor Patrol Vessel

North T-Pier Repair Project

CMANC Winter Meeting – Reports by Endersby and Mayor Irons

Lifeguard Academy

Harbor Dept. Budget

Recent Events:

Emergency Vehicle Car Show

Blessing of the Fleet

Morro Bay Kite Festival

Miracle Mile for Kids

Upcoming Events:

17th Annual Cruisin' Morro Bay Car Show

Retirement Barbecue for Retired Fire Chief Pond

Lost at Sea Ceremony and Flyover at Cayucos Pier

Department Training

Passing of Nick Deurloo

B-2 This Item Has Been Pulled from the Agenda

B-3 Morro Bay Aquarium

Mr. Endersby said the Aquarium lease site is an important and historical lease for the City. It has served as a marine mammal rescue and rehabilitation center, information and education center, and an attraction for almost five decades. He said the Lease Management Policy stipulates in part that all lease sites eventually need to be reconstructed or significantly remodeled to bring sites up to modern codes, design criteria, and market conditions. Lease sites are public property, and the Tylers' lease expires in 2018. As with most older sites at the end of their term, a remodel or redevelopment is typically warranted.

Mr. Endersby said the Tylers are in good standing as leaseholders, and have now submitted a modest proposal for development. Last fall, because the Tylers had not yet submitted any plans, the City Council directed staff to put the site out for Requests for Proposals. He said tonight is simply the first step in the process for the community and the leaseholder to express what they see as the future of the Aquarium and this site. A City Council hearing is tentatively set for June 25th. Mr. Endersby welcomed input from the public.

Mayor Jamie Irons said he and the Board have received many letters and emails about the Aquarium, both for and against. He said Dean and Bertha have been stewards of the Aquarium in Morro Bay for a very long time, and they are good people and good souls. He said this lease expires in five years, and all state and city laws are being complied with by the Tylers. The City is giving the Tylers opportunity to submit plans. The mayor asked the Board and the public to show compassion for the Tylers and whether the public is for or against the issue, to be considerate and respectful when speaking about the Tylers.

Mr. Dean Tyler, leaseholder of the Morro Bay Aquarium, said he has been running the Aquarium since 1960. He said that he and his wife, Bertha, have visited 35 different Aquariums over the years to see how they are run. He reviewed 11 of those visits from Sitka, Alaska, to Amsterdam, explaining the general attractions of each site. Mr. Tyler said that each Aquarium had at least one special point of interest, depending upon what the people want to see, such as a bear in Sitka, and a diver who hand-feeds the octopus in Depot Bay. He said of all the Aquariums he visited, Morro Bay is the only one he saw where people can buy seal food and feed the seals, who then clap and jump in the air, which makes people feel like seal trainers.

Mrs. Bertha Tyler said she owned a restaurant in Morro Bay, which she sold in 1973 in order to work with Dean at the Aquarium rehabilitating marine animals. They began by sometimes earning as little as .75-cents per day to now seeing an annual number of visitors upwards of 200,000 people. Mrs. Tyler said the Aquarium is an asset to the community, good for the local economy, and gives a lot of pleasure to people. She reviewed the lives of many animals, including one seal who has lived for 25 years at the Aquarium. She said their grandson, John, will take over running the Aquarium eventually, and she asked Morro Bay to keep the Aquarium. She said she hopes it stays forever, and hopes the lease will be renewed for them in 2018.

The following citizens spoke generally in favor of the Tylers and/or the Aquarium:
Lupe Sylvester, Maria Gutierrez, Gayle Bickford, Bill Robinson, Patty James, Susan Fortman, Katie Fortman, Bill Martony, Nathaniel Player, Renee Hicks, Marlene Owens, Jeremiah O'Brien, Ed Sylvester, Deborah Hesch, and John Elkhorn.

The following citizens spoke generally in opposition to the current state of the Aquarium:
Jenny Brantley Jones, John Weiss, Claudia Ferreday, Randal Huss, Sarah Spegamin, Julie Thomas, and Carol Carson.

The Board expressed concerns over the Aquarium's age and need for improvements; the importance of keeping this site connected to waterfront uses rather than just a gift shop; the fact that the current permit for allowing intake and discharge of seawater is a difficult one to obtain; and encouraging the Tylers as well as other people to submit proposals for improvements to the Aquarium and the whole lease site. Chair Eckles reminded the public that this is the initial discussion and talks will continue, and that the Lease Management Policy does require capital improvements prior to lease renewal.

C. UNFINISHED BUSINESS

C-1 None

D. NEW BUSINESS

D-1 State Park Marina Operating Agreement

Mr. Endersby reviewed the history of the siltation and dredging in the State Park Marina, as well as the estimated cost of land disposal of the dredged material. He discussed the future dredging needs, and said we are at a crossroads trying to decide whether the City continues with the Operating Agreement with State Parks, or hands it back to the State. He requested input from the Board and the public tonight; then will eventually meet with State Parks to discuss possibilities.

Board members questioned Mr. Endersby on the previous possible land disposal sites; on the type of materials allowed in nearshore disposal; on the terms of the Operating Agreement being month-to-month; on the funds received from the Concessionaire (Associated Pacific) and its uses; other funding possibilities; and concerns about the State not pursuing further dredging in time to fulfill requirements of the permits that were so difficult to obtain.

Public concerns over the current dredging needs in the State Park Marina were expressed by people who keep their boats in the marina: Norman Anton, Don Boatman, and Laura McCarren, as well as by Bill Martony. Each of these people said he or she would prefer the Harbor Department to directly take over the operations of the marina. The public agreed that since the Harbor Department has entered into the operations of the marina, through Associated Pacific as the Concessionaire, improvements to the marina have been far greater than when left to the State alone, but continued dredging and slip improvements are desperately needed.

Board members stated they preferred to wait until after Agenda Item B-2 "State Park Marina Proposed Maintenance Plan" has been presented to the Board in a future meeting, before making further recommendations on the Harbor Department operating the marina.

MOTION: Mr. Luffee moved to recommend that the Harbor Department continue to remain in the Operating Agreement with the State to run the State Park Marina. The Motion was seconded by Mr. McClish and carried unanimously.

E. DECLARATION OF FUTURE AGENDA ITEMS

**June: NEP Comprehensive Conservation & Management Plan (CCMP)
State Park Marina Proposed Maintenance Plan
Cancellation of July Harbor Advisory Board Meeting**

**Aug: Review of Harbor Lease Sites
Feasibility of Harbor Dept Directly Managing State Park Marina
Proposed Budget & Capital Improvement Plan**

F. ADJOURNMENT

This meeting was adjourned at 9:00 PM.

Submitted by,



Polly Curtis
Harbor Department



AGENDA NO: B-1

MEETING DATE: June 6, 2013

Staff Report

TO: Harbor Advisory Board
FROM: Eric Endersby, Harbor Director
SUBJECT: Harbor Department Status Report

DATE: May 30, 2013

RECOMMENDATION

Receive and file.

DISCUSSION

New Harbor Patrol Vessel: DR Radon Boatbuilding has the hull out of the mold and is continuing with the build-out of the structural components. On May 23 HPO Dana Stein stopped by the yard on his way back from training in Carpinteria and checked on the progress. With the boat beginning to take shape, bi-weekly visits are anticipated to help make layout and design decisions. It was also reported by Radon that the twin diesel drive engines and diesel-powered fire fighting pump systems are all under build by their respective manufacturers.

New Harbor Patrol Truck: A new four-wheel-drive Ford truck is on order to replace our 2003 Dodge Ram truck. Delivery is expected within a month. Although the mileage of the old truck is relatively low, the beach usage, vessel towing, and outside storage on the waterfront all take their toll and our vehicles typically rust, rot, and wear away long before a typical vehicle from a mileage standpoint.

Recent Events: The 17th Annual Cruisin' Morro Bay Car Show took place on Thursday, May 2 through Sunday May 5. By all accounts it was a great show.

On Memorial Day weekend, Saturday, May 25 a retirement celebration for recently retired Morro Bay Fire Chief Mike Pond was held at Del Mar Park. City employees past and present, as well as fire and other emergency response personnel from across the county were in attendance. The weather was beautiful, and a good time was had by all.

On Memorial Day, May 27 the annual Memorial Day Lost at Sea Ceremony and Flyover took place at the Cayucos Pier. Although there were gale winds, it was a great turnout and a moving ceremony with a multi-branch Color Guard and overhead flyover of vintage military aircraft. A

Prepared By: EE

Dept. Review: EE

SLO County Sheriff patrol boat and one Harbor Patrol Boat made the wet ride to the pier and back to be a part of the ceremony.

Harbor Dredging: On May 17 the Army Corps of Engineers dredge ship YAQUINA arrived for her annual 20 days of harbor entrance and channel dredging. She has been averaging about 7000-8000 cubic yards of material dredged per day and is scheduled to depart on June 3.

Panga Landing: In the early morning hours of Tuesday, May 28 a Mexican drug-smuggling panga landed just north of Hazards Canyon in Montana de Oro. Apparently it had been tracked for several days prior, and when it landed the SLO County Sheriffs, State Parks Rangers, and Immigration and Customs agents were on hand to make arrests and seize the property. It was reported that 14 persons were taken into custody and all of the product being smuggled seized.

Harbor Patrol Staffing: As of the writing of this report, the department is underway with an internal (open to all current City employees) recruitment for our newly vacant Harbor Patrol Officer position. Five applications were received, and interviews for the position are scheduled for Friday, May 31.

Lifeguard Season: Over the Memorial Day weekend the Beach Lifeguards took to their towers for the first weekend of beach coverage. Despite the gale winds, beach usage was fairly heavy. Weekend-only coverage will continue until the weekend of June 8, where after 7-day a week coverage will begin.

Career Day: The Harbor Patrol was invited to the annual Atascadero High School Career Day on May 30. Reserve Harbor Patrol Officer Nate Ditmore had the honors and towed one of the department rescue watercraft there for a show-and-tell display of harbor patrol and lifeguard activities. The Coast Guard was represented as well.

Leases: At the May 6, 2013 City Council meeting, the Council approved Request For Proposal (RFP) packages to be issued to the public to develop the vacant lease sites 138-139 (between the north T-Pier restrooms and Crill's), 107W-108W (adjacent to the south T-Pier), and 49/49W (south of Associated Pacific Constructors). The RFPs are currently advertised on the City's website, Craigslist, and also ran in the Tribune.

At the June 28, 2013 City Council meeting, Council directed staff to begin negotiating lease agreements with the upland property owners at lease sites 30W-33W (Coakely, current lease holder), 35W-36W (Vacant lease site, property owner Martony), and 37W (Meyer, current lease holder).

Fishery Grant: At the May 6 Council meeting, Council approved accepting a \$35,000 grant from The Nature Conservancy for the City to complete work on getting the Morro Bay Community Quota Fund up and running. Rick Algert, the point-man on this project, reports that progress is going well.



AGENDA NO: B-2

MEETING DATE: June 6, 2013

Staff Report

TO: Harbor Advisory Board

DATE: May 30, 2013

FROM: Eric Endersby, Harbor Director

SUBJECT: Morro Bay National Estuary Program Comprehensive Conservation and Management Plan Update

RECOMMENDATION

Receive update.

DISCUSSION

A representative from the Morro Bay National Estuary Program (MBNEP) will provide an update on their 2013 Comprehensive Conservation and Management Plan (CCMP) that was recently adopted. The CCMP can be viewed online at the MBNEP's website at <http://www.mbnep.org/Library/ccmp.html>.

Prepared By: EE

Dept. Review: EE



AGENDA NO: D-1

MEETING DATE: June 6, 2013

Staff Report

TO: Harbor Advisory Board **DATE:** May 30, 2013
FROM: Eric Endersby, Harbor Director
SUBJECT: Cancellation of the July 4, 2013 Harbor Advisory Board Meeting

RECOMMENDATION:

Cancel the July, 2013 Harbor Advisory Board meeting.

FISCAL IMPACT:

None.

BACKGROUND:

The July Harbor Advisory Board meeting is traditionally cancelled due to the July 4 holiday as well as absenteeism of Board members and staff due to the summer season. This year the July meeting actually falls on July 4.

DISCUSSION:

Canceling the July 4, 2012 Harbor Advisory Board meeting would be consistent with past practice, and expected given the busy time of the year in which it would normally occur, in addition to the meeting being on the actual holiday.

Prepared By: EE

Dept. Review: EE



AGENDA NO: D-2

MEETING DATE: June 6, 2013

Staff Report

TO: Harbor Advisory Board **DATE:** May 30, 2013

FROM: Eric Endersby, Harbor Director

SUBJECT: Overview and Review of Proposed Harbor Department 2013/2014 Operating Budget and Capital Improvement Plan

RECOMMENDATION:

Receive and file.

BACKGROUND:

City Department budget forecasting and planning typically begins in March each year. Budgets are assembled and presented to the Administrative Services Director for her input and direction. For numerous years now the budgeting process has been “zero-based,” meaning that each department head must match expenditures to a known starting budget amount. However, due to the nature of the Harbor Department’s Enterprise Fund and unlike the General Fund, we must forecast our revenues and then plan our expenditures to match.

DISCUSSION:

In this current budget year (FY12/13) we forecast our revenues to be \$1,759,885 and we are generally on-track to meet that amount. Actual 5-year revenues for the three previous fiscal years were:

FY11/12 - \$1,864,120

FY10/11 - \$1,815,509

FY09/10 - \$1,902,041

We are generally still seeing an uptick with the economy, particularly with sales tax revenues which are up approximately 1.7% and property tax revenues which are up approximately 2%. Therefore we have forecast a modest 1.7% increase in percent gross revenues. In addition, all of our base rents that are subject to annual CPI adjustments are going up for the next fiscal year because of the general CPI index increases this year over last.

Prepared By: EE

Dept. Review: EE

FY13/14's projected revenues are \$1,841,952. However, \$174,140 of that revenue is going into Accumulation Fund reserves as it is revenue in excess of what is needed to balance the operating budget from the power plant outfall lease. This upcoming fiscal year we are only relying on \$75,860 of power plant outfall lease revenues to balance the operating budget. This is in contrast to \$137,000 needed this fiscal year to balance, and in the following fiscal year, when the outfall lease is expected to be canceled permanently in 2015, we anticipate needing no revenues from the outfall lease to balance our budget. Therefore we will have successfully "weaned" ourselves from the \$250,000 outfall lease revenues. The net result is a balanced operating budget with \$1,667,812 in expenditures, revenues to match, with some excess revenue going into the Accumulation Fund reserve.

Our biggest line-item expenditures are full-time personnel services at \$916,144, the Cost Allocation at \$276,986, debt service on the south T-Pier loan at \$134,859 (with only nine more annual payments left), and part-time personnel services at \$126,116.

Out of our Accumulation Fund reserves we will be requesting transfers of \$30,000 to replace our second four-wheel-drive truck (one is being replaced this year, delivery expected within a month), and approximately \$340,000 to begin a major replacement project of the oldest of our slip facilities; those between the south T-Pier and the fuel dock. The north T-Pier repair and maintenance project is already fully-funded at \$658,000.

For the upcoming fiscal year we have applied to the Department of Boating and Waterways for the following grants:

\$11,000 under their Boating Safety and Enforcement grants to purchase a new 3-axel trailer for our new patrol vessel.

\$12,000 under their Abandoned Watercraft Abatement Fund grants for disposal of derelict vessels.

\$12,000 under their Vessel Turn-In Program grants for disposal of turned-in derelict and obsolete vessels.

Finally, the Schedule of Five-Year Capital Requirements is attached for reference for the planned capital projects.

**CITY OF MORRO BAY
SCHEDULE OF FIVE-YEAR CAPITAL REQUIREMENTS
HARBOR DEPT.**

DESCRIPTION	YEAR ACQUIRED OR PLACED IN SERVICE	LIFE IN YEARS	FISCAL YEAR FOR REPLACEMENT AND COST					NOTES
			2012/13	2013/14	2014/15	2015/16	2016/17 +	
Vehicles: Honda Personal Watercraft	08/01/12	5					\$12,000	Replaced 2012 w/grant funding, 5 yr. life
Boat, Rescue #68	01/01/84	25	\$ 401,760					Funded (\$281,760 city funds, \$120,000 grants)
Boat, Rescue #66	01/01/95	20						
Boat, Rescue #65	01/01/99	20						
Honda Personal Watercraft	08/01/12	5					\$ 12,000	Replaced w/grant funding 2012, 5 yr. life
Truck, 2003 Dodge Ram 1500 Pickup	06/30/03	10	\$ 29,000					Funded, underway
Truck, 2006 Ford Ranger Pickup	10/01/06	15						
Vehicle, 2006 Ford Escape 4x4 Hybrid	10/16/06	15						
Truck, 2001 Dodge Ram 2400 Pickup	01/01/01	10		\$ 30,000				At end of useful life
Truck, 2010 Ford F350 Flatbed	02/01/10	15						
Equipment: Emergency Satellite Telephone	08/21/03	15						
Buildings: Harbor Maint. Bldg, Front St.	06/01/64	20		\$ 10,000				Partial funding to modernize oil recycling facility, estimated cost \$35,000. Grant funding being sought as well.
Harbor Office	06/01/64	20					\$ 1,500,000	Needs Assessment first
Proj 8421 Harbor Ice Machine	06/01/07	20						
City Dock 129-133 W	06/01/80	20						
Beach Street Slips - South	06/01/80	25			\$ 225,000			Est. for complete replacement. Lower cost possible by staged replacement of sections over time.
Boat Launch Slip/Floating Slips South	06/01/64	25	\$ 55,000					Slips in fairly good shape, can postpone until 2017/18. Gangway/walkway repair funded and underway 12/13
Boat Slip Launch/Floating Slips North	06/01/95	25				\$ 80,000		Needs electric upgrade and 1 fender pile replaced
Boat Launch Pier Walkout Pier One	01/01/80	20					\$ 150,000	L/R concrete ramp needs replacement, 100% DBW grant funds being pursued
Boat Launch Pier Walkout Pier Two	06/01/64	20						Ditto
Dunes Street Fishing Pier	01/01/85	20	\$ 30,000					Repairs funded, underway
Dune Street Slips	01/01/95	20			\$ 80,000			Needs electric upgrade and 2 fender piles replaced
Beach Street North CC1 Slip	01/01/83	20		\$ 340,000				Est. for complete replacement. Lower cost possible by staged replacement of sections over time.
South T-Pier (rebuild 1992)	06/30/92	20						Professional Structural Condition Assessment/Inspection Funded.
North T-Pier	06/01/64	20	\$ 657,915		\$ 40,000			
North T-Pier Floating Slips	06/01/64	20						
Tideland Park Pier/ 250 Side Tie	06/01/97	20						
Parking Kiosk at Launch Ramp	05/01/10	15						
Street End Docks (3 each)	?	25					\$ 60,000	Estimate @ \$20,000/ea, 75% grant funding may be available
Floating Dock	?	25						