

City of Morro Bay

City Council Agenda

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.

**REGULAR MEETING
TUESDAY, SEPTEMBER 9, 2014
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

CLOSED SESSION REPORT

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

- America in Bloom Certificate of Recognition Presentation

PUBLIC COMMENT - Members of the audience wishing to address the Council on City business matters not on the agenda may do so at this time. For those desiring to speak on items on the agenda, but unable to stay for the item, may also address the Council 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 AGENDA

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

A-1 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON AUGUST 26, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON AUGUST 26, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 STATUS REPORT OF A MAJOR MAINTENANCE & REPAIR PLAN (MMRP) FOR THE EXISTING WASTEWATER TREATMENT PLANT; (PUBLIC SERVICES)

RECOMMENDATION: Receive and file report.

A-4 WATER RECLAMATION FACILITY (WRF) PROJECT STATUS AND DISCUSSION; (PUBLIC SERVICES)

RECOMMENDATION: Receive and file report.

A-5 AMENDMENT 1 TO THE COOPERATION AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF MORRO BAY FOR JOINT PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE EMERGENCY SOLUTIONS GRANT PROGRAM, AND THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM THROUGH FISCAL YEARS 2015-2017; (PUBLIC SERVICES)

RECOMMENDATION: Approve execution of Amendment 1 to the Cooperation Agreement for participation in the Urban County for Fiscal Years 2015-2017.

A-6 APPROVAL OF RESOLUTION 59-14 AUTHORIZING A NEW LEASE AGREEMENT WITH UNITED STATES COAST GUARD TO LEASE A MAINTENANCE AND STORAGE FACILITY FOR THE COAST GUARD STATION MORRO BAY, LOCATED AT 1620 EMBARCADERO; (HARBOR)

RECOMMENDATION: Approve the attached one-year Lease Agreement with three one-year successive options to renew, with the United States Coast Guard (USCG) for use of a portion of the City's Harbor Department gear storage yard and building located at 1620 Embarcadero.

A-7 AUTHORIZE CITY MANAGER TO NEGOTIATE AND EXECUTE A LICENSE AGREEMENT WITH CENTRAL COAST MARITIME MUSEUM ASSOCIATION (CCMA) FOR DISPLAY OF UP TO THREE VESSELS AND TWO KIOSKS IN THE CITY PARKING LOT ON FRONT STREET; (PUBLIC SERVICES / HARBOR)

RECOMMENDATION: Authorize the City Manager to negotiate and approve a license agreement with Central Coast Maritime Museum Association, to allow the CCMA to use a portion of the City's parking lot and public right-of-way along Front Street for display of three vessels, and two informational kiosks.

B. PUBLIC HEARINGS - NONE

C. UNFINISHED BUSINESS / SECOND READING AND ADOPTION OF ORDINANCES - NONE

D. NEW BUSINESS

D-1 CONSIDERATION OF DYNEGY APPLICATIONS TO THE FEDERAL ENERGY REGULATORY COMMISSION FOR ENERGY-GENERATING WAVE PARKS IN MORRO BAY AREA WATERS; (HARBOR)

RECOMMENDATION: Consider wave park application proposals, Harbor Advisory Board input and provide comments or recommendations, if any, for staff to incorporate into a comment letter to the Federal Energy Regulatory Commission (FERC).

E. COUNCIL 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 772-6205 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: 9/9/2014

MINUTES – MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
AUGUST 26, 2014
CITY HALL CONFERENCE ROOM – 5:00 P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Edward Kreins	Interim City Manager
	Joe Pannone	City Attorney
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Irons called the meeting to order at 5:00pm.

SUMMARY OF CLOSED SESSION ITEMS - The Mayor read a summary of Closed Session items.

CLOSED SESSION PUBLIC COMMENTS - Mayor Irons opened the meeting for public comments for items only on the agenda.

Giovanni Comin, former owner of Central Coast Seafood and now managing Santa Maria Seafood wanted to make himself available for any questions that Council might have. Regarding their use of Lease site 129W-131W, they are anxious to get this done and get it behind them.

Neil Maloney, owner of Morro Bay Oyster Company, are current tenants of the Marciels at M&M Refrigeration, Lease site 144/144W. Initially they had no intention of purchasing the lease site but with their increased oyster production – 600,000+ oysters are anticipated this year alone, they are now interested. They have been approved to build a depuration facility which will enable them to continue to harvest oysters from the depuration tanks on land during times of seasonal ran closures of their oyster harvesting from their leases in bay waters. Their business has a unique need for water, making this site so valuable to them. They have grown and hope to continue growing. They also hope to incorporate a tourism and education component to the site with even the possibility of a wholesale location.

Dwight Maloney provided a bit of California history on the shell fish industry. With the closing of Drake’s Bay to commercial shellfish harvesting, the demand for their product doesn’t go away so it has to look elsewhere. Currently the demand is high and the supply is low; as such, the future for this business is very bright and are hoping for a location and the support to do this.

The public comment period was closed.

The City Council moved to Closed Session and heard the following item:

CS-1 CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: Interim City Manager
Employee Organizations: Morro Bay Firefighters' Association; Morro Bay Police Officers' Association; Service Employee's International Union, SEIU Local 620; Management Employees; and, Confidential Employees

CS-2 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

Initiation of litigation pursuant to paragraph (4) or subdivision (d) of Section 54956.9:
1 Matter

CS-3 GOVERNMENT CODE SECTION 54956.8 - CONFERENCE WITH REAL PROPERTY NEGOTIATOR:

- Property: Lease Site 129W-131W, Morro Bay Fish Company, 1231 Embarcadero
Agency Negotiators: Joseph W. Pannone, Interim City Attorney and Eric Endersby, Harbor Director
Under Negotiation: Price and Terms of Payment
- Property: Lease Site 144/144W, M&M Refrigeration, 1287 Embarcadero
Agency Negotiators: Joseph W. Pannone, Interim City Attorney and Eric Endersby, Harbor Director
Under Negotiation: Price and Terms of Payment

CITY COUNCIL RECONVENED TO OPEN SESSION

The City Attorney reported that with regards to the Closed Session Items, the Council did not take any reportable action pursuant to the Brown Act.

ADJOURNMENT

The meeting adjourned at 5:56p.m.

Recorded by:

Jamie Boucher
City Clerk

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – AUGUST 26, 2014
VETERAN’S MEMORIAL HALL – 6:00P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Edward Kreins	Interim City Manager
	Joe Pannone	City Attorney
	Jamie Boucher	City Clerk
	Susan Slayton	Administrative Services Director
	Rob Livick	Public Services Director
	Amy Christey	Police Chief
	Steve Knuckles	Fire Chief
	Joe Woods	Recreation & Parks Director
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT – Interim City Attorney Joe Pannone reported that with regards to Closed Session Items: Conference with Labor Negotiators regarding Morro Bay Firefighters’ Association, Morro Bay Police Officers’ Association, Service Employee’s International Union, SEIU Local 620, Management Employees, and, Confidential Employees; Conference with Legal Counsel regarding anticipated litigation; and, Conference with Real Property Negotiator re: Lease Site 129W-131W - Morro Bay Fish Company, 1231 Embarcadero and Lease Site 144/144W - M&M Refrigeration, 1287 Embarcadero, the Council did not take any reportable action pursuant to the Brown Act.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

Public Services Director Rob Livick gave an update on the City’s water use in response to an article and editorial in the local paper. The Tribune had announced a 1.5% increase in overall City water use and 25% increase in City facility water use. The City feels that is misrepresentative of our conservation efforts. Overall, the City is at the lower end of the continuum of regional water use. Coastal areas have been conserving water all along so it makes sense that we wouldn’t reflect a huge decrease in consumption. In 2013, the total of all water users averaged 108 gallons/person/day and so far in 2014, those numbers are down to 104

gallons/person/day. The City's conservation efforts include declaring a local water emergency in May 2014, distributed water restriction flyers to all residents, provided handouts to restaurants and motels on water restrictions, highlighted water conservation in July utility newsletter, sends letter to potential conservation violators, field staff hands out conservation reminder flyers and there will be a water conservation newsletter coming in September. Broken down into current residential use only, we are averaging 64 gallons/person/day which equates to an overall decrease of 8%; there has been a decrease of 1% in our commercial usage - Morro Bay is driven by tourism, as businesses get more business, they will use more water; there is a decrease of 5% in City parks use and 15% in City facility use. We are experiencing our lowest water use year in the last 7 years. Mr. Livick urged residents to keep doing what they have been doing; he urged the commercial businesses to educate themselves and maybe the City should look into providing rebate incentives for making changes in the types of plumbing fixture they have; and, for the City, look at going brown.

Brian French, owner of Estero Bay Solar Solutions provided a presentation on the installation of a solar system at the City's Teen Center, Rockies. His and the City's goal for the project was community contribution and increasing the awareness of our solar energy potential along our coastline. He initially proposed to donate a small scale solar system; staff indicated interest in a larger project to be able to cover the entire building's annual energy costs. They began a project partnership approach encouraging companies to come forward to contribute to the project in exchange for being recognized on the City's website where the public can view the daily, weekly and monthly data, energy savings, and companies donating supplies. He wanted to ensure the partners were recognized; they were Quick Mount PV, ProSolar, SolarWorld, Miners Ace Hardware, Estero Bay Solar Systems and the City of Morro Bay

Jessica Berry with SLOCOG made a presentation on the Chorro Valley Trail Study. This is a bike trail study that is proposed to connect San Luis Obispo to Quintana Rd in Morro Bay. The goal of the study was to identify what the most feasible alignment would be; there are 3 segments of independent utility that were identified as segments that would probably move forward in achieving that goal: Cal Poly to Cuesta; Cuesta to the large piece of property owned by Department of Fish and Wildlife; and, that large property segment to Morro Bay. There is a website www.chorrovallytrail.com where you can find information, maps, etc. about the study. To date, this study has consisted of meeting with affected property owners, achieving funding sources, design, and researching the most feasible alignment. There are many partners necessary to work with: CMC, CalTrans, Department of Fish and Wildlife, Camp San Luis, Cuesta, SLO County, and City to name some. Their next steps include working with SLO County Parks for the initial study as well as defining fundable segments that they can put into the Regional Transpiration Plan.

PUBLIC COMMENT

Pam Woodruff, owner of Queen's Closet presented the Morro Bay Business report. Queen's Closet is a women's dress boutique that has been in Morro Bay for over 45 years. They offer both casual and formal wear and carry sizes 14-5x. They were the first department store before the City was even incorporated. She has a passion for fashion. They are located at 325 Morro Bay Blvd and have been for 16 years. They are open 7 days a week, Monday – Saturday 10am-

5pm and Sundays 11am-3pm. Their phone number is 772-4288. She urged you to join them for some retail therapy.

Rigmore stated she and many of her friends are annoyed and frustrated with all of the different codes, rules and regulations that the City has for building homes, owning homes, doing improvements, building commercial or starting a business. She sincerely believes that some simplification is in order.

Robert Kraus, 421 Arbutus, requested Council visit the City's interpretation of MBMC Title 17: Zoning, Section 17.48.040 which states that citizens who live on a 50'x100' R-1 lot, who have garden sheds, green houses, play houses, bird aviaries, etc., which are less than 120 sq. feet, and not in need of a building permit, may have an illegal structure if they are not 10' from the rear fence, 5' from the side fence and 6' from the main building. Mr. Kraus received an administrative citation, as a result of him having a shed that does not fit into this definition. He doesn't feel that the City wants to restrict or in some cases eliminate all backyard structures but that's what this interpretation is doing. He urged the Council to take the necessary action to dismiss all outstanding "warning of administrative citations" that have been issued for all non-permitted, non-habitable structures less than 120 sq. feet that have been deemed illegal due to Chapter 17: Zoning.

Kyle Shaffer announced a fundraiser – the Never Quit Challenge – being held on Sunday, September 7, 2014 at the Morro Bay Veteran's Hall from 6-8pm. This fundraiser is a personal water craft adventure for select military veterans and combat wounded to benefit veteran's charities, specifically Phoenix Patriot Foundation, Station Foundation and MARSOC Foundation. There will be food, beverages and you can meet the veterans participating in this event.

Susan Kraus 421 Arbutus, stated that she feels that their rear yard neighbors have made a conscious decision to take away the enjoyment of their backyard. She doesn't understand why the City continues to support a Morro Bay resident who is hurting not only them, but their contiguous neighbors as well. They feel they are being bullied by this neighbor who she feels is being empowered by the City. She hopes this isn't the environment that the Council wants its citizens to perpetuate and urges you to take the necessary action to dismiss their Warning of Administrative Citation until such a time that you are able to examine this subjective interpretation of garden shed placement and not subject them or any other citizens to this bullying atmosphere of neighbor reporting on neighbor, especially when no harm is being done.

Trina Daugherty spoke on behalf of AGP Video, Eco Rotary and Friends of the Library. She reminded people that they can send a flyer to AGP for event advertising purposes for an event or special gathering. She requested that the flyer be in a powerpoint, landscape orientation. This allows you to enhance your advertisement efforts at no cost. The Library remodel is in full swing and on target. Their next book sale will be April, 2015 so continue to save up your book donations. Eco Rotary is celebrating membership month with a program on August 28th – they will have NEP as a program. They have adopted the Bayshore Bluffs Park and hopes people will join them for their scheduled clean-ups. Eco Rotary has also recently joined the Chamber. And

finally, they are sponsoring an E-Waste recycling event at Coast Electronics on November 1, 2014 from 9am-1pm. Anything with a chord will be recycled.

Joan Solu spoke representing the Morro Bay 50th Celebration Committee. They are holding a Founder's Day Parade on Saturday, September 6th at 10am. The parade route will start at City Park, go down Morro Bay Blvd, turn right onto Main Street and then turn right on Harbor and end back at City Park. She encouraged the participation of clubs, societies, the Council, etc. to participate. It's a family friendly free event. Botso Korisheli will be the Grand Marshall.

Susan Stewart said that it was Barry Ross of Morro Bay Furniture's last day of business; he is retiring and will hopefully enjoy his time off. Lemos Ranch is doing a beautiful redevelopment of their property. This coming weekend is Art in the Park which brings people to town and also supports the Art Center. She encouraged people to attend Dahlia Days. September 13th and 14th is the Avocado Margarita Festival celebrating our local avocado growers.

John Heading reminded the public to get your flu shot as the flu season has begun. For those people 65 and over, he recommends a high dose vaccine. For those under 8 years, he recommends a nasal spray. If you were to get your shot in September, it will carry you through the season. Morro Bay Drug & Gift has entered into a partnership with Del Mar PTA for TB testing. The CDC mandates TB testing and clearance for all volunteers who enter school grounds twice a year or more. Morro Bay Drug & Gift offers the flu shots and TB testing at a reduced rate.

The public comment period was closed.

A. CONSENT AGENDA

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

A-1 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON AUGUST 8, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE SPECIAL CITY COUNCIL MEETING HELD ON AUGUST 11, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON AUGUST 12, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted..

A-4 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON AUGUST 12, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 A PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY DECLARING SEPTEMBER 2014 AS “CHILDHOOD CANCER AWARENESS MONTH”; (ADMINISTRATION)

RECOMMENDATION: Approve Proclamation.

A-6 REVIEW AND APPROVAL OF THE 2014 SAN LUIS OBISPO COUNTY IRWM PLAN AND FINDING THAT THE PROJECT IS EXEMPT FROM SECTION 21000 ET SEQ. OF THE CALIFORNIA PUBLIC RESOURCES CODE (CEQA); (PUBLIC SERVICES)

RECOMMENDATION: Review the proposed Integrated Regional Water Management (IRWM) Plan and adopt Resolution 57-14 approving the 2014 San Luis Obispo County IRWM Plan and find that the Project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA).

A-7 REGIONAL DISPATCH TRANSITION UPDATE; (POLICE)

RECOMMENDATION: Receive and file this informational report.

A-8 APPROVAL OF JOB DESCRIPTION AND SALARY RANGE FOR THE SUPPORT SERVICES TECHNICIAN IN THE POLICE DEPARTMENT AND AUTHORIZATION TO HIRE; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Approve the job description and salary range for the Support Services Technician in the Police Department, and authorize staff to open a recruitment.

A-9 DISCUSSION AND DIRECTION ON LEAGUE OF CALIFORNIA CITIES RESOLUTIONS; (ADMINISTRATION)

RECOMMENDATION: Authorize the City’s voting delegate, Mayor Irons, to support Resolution No. 1 at the League of California Cities Annual Conference..

A-10 REVIEW AND APPROVAL OF CONTRACT WITH DAVID BUCKINGHAM FOR SERVICES AS THE CITY MANAGER; (ADMINISTRATION)

RECOMMENDATION: Approve the employment contract to memorialize the City Council’s appointment of David Buckingham as the Morro Bay City Manager, and authorize the Mayor to sign the contract on behalf of the City.

The public comment period was opened for the Consent Calendar; seeing none, the public comment period was closed.

Mayor Irons pulled Item A-10 and Councilmember Smukler pulled Items A-7 and A-9 from the Consent Calendar.

MOTION: Councilmember Smukler moved the City Council approve Items, A-1, A-2, A-3, A-4, A-5, A-6, and A-8 from the Consent Calendar as presented. The motion was seconded by Councilmember Christine Johnson and carried unanimously, 5-0.

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

No's: None

A-7 REGIONAL DISPATCH TRANSITION UPDATE; (POLICE)

Councilmember Smukler pulled Item A-7 for a status update to the public on the transition of dispatch services. Police Chief Amy Christey stated that they are working on systems, technology upgrades, and testing radio frequencies; they are also working with employees on training into the new systems; and will continue to update as things change. Fire Chief Steve Knuckles, along with Harbor and the Coast Guard are working on the technology portion with the rip and run capabilities as well as working on technology to get their mobile data's up and running. They are testing their tones and radio frequencies throughout the community. The department, harbor and coast guard is going through some training this coming Thursday.

MOTION: Councilmember Christine Johnson moved the City Council approve Item A-7 from the Consent Calendar as presented. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

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

No's: None

A-9 DISCUSSION AND DIRECTION ON LEAGUE OF CALIFORNIA CITIES RESOLUTIONS; (ADMINISTRATION)

Councilmember Smukler pulled Item A-9 as he wanted to ensure Council was going to support the League of California Cities Resolution to address the devastating environmental impacts of illegal marijuana grows on both private and public lands as well as the increasing problems to public safety. There was Council consensus for support.

MOTION: Councilmember Smukler moved the City Council approve Item A-9 from the Consent Calendar as presented. The motion was seconded by Councilmember Nancy Johnson and carried unanimously, 5-0.

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

No's: None

A-10 REVIEW AND APPROVAL OF CONTRACT WITH DAVID BUCKINGHAM FOR SERVICES AS THE CITY MANAGER; (ADMINISTRATION)

Mayor Irons pulled Item A-10 for clarification on the contract terms. This item is being presented so that the contract can be approved in open session and to assure the public that any future amendments to this contract will come to the Council in open session for approval. He

also reiterated that at the conclusion of the interview process, there was unanimous consensus to hire Mr. Buckingham. He thanked the interview panels for their help in this process. He also thanked the employees for their dedication and service over the last year. In addition, he thanked Mr. Kreins for his help in this last year.

City Attorney Joe Pannone clarified an amendment to page 13, section C. (5); since the negotiation of this contract, CJPIA has changed the name of one of their programs from “Termination of Chief Executive Employment Liability” to “Executive Separation Payment”. That change has been written into the final document.

Councilmember Nancy Johnson addressed her concerns over the hiring process. She has received a lot of correspondence reflecting concerns from Morro Bay citizens since her vote. She believes in giving Mr. Buckingham the benefit of the doubt, yet she is still concerned and will be voting no on the contract tonight, representing the concerns of her constituents.

Councilmember Smukler asked Mr. Kreins to review the financial component of the contract. Mr. Kreins stated that the City will be saving approximately \$30,000 from the budgeted figure in the 2014/15 adopted budget; most of this is due to Mr. Buckingham being hired into the 3rd PERS Retirement Tier. Mr. Kreins went on to say that Mr. Buckingham will be furnishing his own health insurance; as such there is additional savings to the City; the City is also paying \$17,500 into a deferred compensation account for Mr. Buckingham. Had Mr. Buckingham taken the City health plan, the cost to the City would have been \$22,000; this saves the City \$4,500.

Councilmember Christine Johnson responded to a citizen’s email question regarding the timing of evaluations and the timing of goal setting. Regarding evaluations, if they occur in January, you would have 2 new councilmembers who wouldn’t be prepared to do a full evaluation. She sees that date being flexible as long as there is Council consensus. As far as goals go, having a January check-in is something helpful for the City Manager when there may be a change of tone. Ultimately, the Council has the freedom and leeway to set goals as needed and having a check-in for goals in January is also valuable. As far as her support of Mr. Buckingham, there are things he has done in his career that are very admirable. She fully supports approving the contract tonight.

MOTION: Mayor Irons moved the City Council approve the contract between David Buckingham for services as City manager for the City of Morro Bay to include the amendment on page 13, subsection 5. The motion was seconded by Councilmember Leage and carried 4-1.

Ayes: Irons, C. Johnson, Leage, Smukler

No’s: N. Johnson

B. PUBLIC HEARINGS - None

C. UNFINISHED BUSINESS / SECOND READING AND ADOPTION OF ORDINANCES – None

D. NEW BUSINESS

D-1 APPROVAL OF 'DIRECT TO THE PUBLIC "OFF THE BOAT" FISH SALES' IN MORRO BAY AT VARIOUS CITY PUBLIC DOCKING FACILITIES; (HARBOR)

Harbor Director Eric Endersby presented the staff report.

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

Mayor Irons sensed general Council support for this item. Council also liked the fact that it will be revisited by the Harbor Advisory Board and then Council after a year.

MOTION: Councilmember Christine Johnson moved approval of direct to the public off the boat fish sales. The motion was seconded by Councilmember Nancy Johnson and carried unanimously, 5-0.

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

No's: None

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Smukler requested a staff review of the Beach St. Specific Plan and Parking Management Plan and recommended options to address parking issues re: parking in the Beach St. district area similar to the parking exception that exists on North Main (Ord 578); there was unanimous Council consensus to hear this item.

Councilmember Smukler requested a presentation from the Tourism Bureau to review the efforts of the lodging and Tourism Bureau regarding their water conservation efforts; there was unanimous Council consensus to hear this item.

ADJOURNMENT

The meeting adjourned at 8:15 p.m.

Recorded by:

Jamie Boucher
City Clerk



AGENDA NO: A-3

MEETING DATE: September 9, 2014

Staff Report

TO: Honorable Mayor and City Council DATE: August 27, 2014

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

SUBJECT: Status Report of a Major Maintenance & Repair Plan (MMRP) for the Existing Wastewater Treatment Plant

RECOMMENDATION

Staff recommends this report be received and filed.

ALTERNATIVES

As no action is requested, there are no recommended alternatives.

FISCAL IMPACT

No fiscal impact at this time as a result of this report. Fiscal impact is addressed through the budget process.

BACKGROUND

This staff report is intended to provide an update on the development of the MMRP for the WWTP. At the February 14, 2013, JPA meeting the Council and District Board approved the development of an MMRP and made the following motion:

- Direct staff to prepare a time sensitive and prioritized MMRP for the WWTP with an anticipated rolling 2 year budget;
- The JPA solicit proposals from a qualified firm, or firms, to provide technical advice and analysis on an as needed basis as determined by Morro Bay's Public Services Director and Cayucos Sanitary District Manager; and
- The Morro Bay Public Services Director and Cayucos Sanitary District Manager report back to the JPA on a semi-annual basis on the progress and costs associated with the MMRP.

Development of a MMRP will assist the City and District in projecting the budgeting of expenditures required to keep the current plant operating in compliance with regulatory requirements.

Staff's focus has been on developing and implementing work on the MMRP projects approved for the FY14/15 budget. The adopted FY14/15 budget contains \$1.221M for funding MMRP

Prepared by: RL/BK/RS Dept. Review: RL

City Manager Review: _____

City Attorney's Review: _____

projects. The funds represent new MMRP projects as well as roll over from the FY13/14 budget for the headworks screening project and chlorine contact tank repairs. Staff is continuing to develop and refine the implementation schedule for projects funded in the FY 14/15 budget. This staff report includes a description of on-going MMRP projects and MMRP projects approved for funding in FY14/15.

DISCUSSION

Digester #2 Repair

The repair projects for digester #2 have been successfully completed. Staff filed a Notice of Completion for Project No. MB-2014-WW02, MMRP: Digester #2 Coating Project with the County Clerk's office on September 8, 2014. Plant staff continues with the process to bring digester #2 back on-line as a functional primary digester. They will now focus on the process for the cleaning and coating of digester #1.

Plant staff anticipates cleaning digester #1 will occur in mid to late October, with sandblasting and coating projects as well as piping and valving repairs and replacement to follow. The goal will be to have digester #1 back on-line prior to May 2015. Staff from the City, District, and Mike Nunley & Associates (MKN) will utilize the lessons learned from digester #2 in preparing and implementing the scope of work for digester #1.

Headworks Influent Screening Project

The headworks influent screening project remains on schedule. The screens and associated equipment are scheduled for delivery on September 12th. City and District staffs anticipate a Notice to Proceed in September with completion of the project by November, 2014.

Chlorine Contact Basin Improvements

Plant staff issued a purchase order on August 15th for the purchase of the required equipment to replace the head and idler shaft assemblies in the south portion of the chlorine contact tank. Staff is making arrangements with a contractor for the installation of the shafts and associated equipment in late October or early November, depending on when the equipment is received. Plant staff will also be making minor repairs to other equipment within the tank when the tank is off-line. The work will require by-passing the chlorine contact for up to a twenty-four hour period. By-passing of the tank will result in an effluent violation and the associated minimum mandatory penalty of \$3,000. During the time period the tank is off-line, staff will chlorinate and disinfect the effluent, but will not be able to dechlorinate the effluent resulting in the violation. Both staff at the Regional Water Quality Control Board and the California Department of Health Shellfish Division have been notified of our repair plans and the intent to by-pass the chlorine contact tank.

MMRP Projects and Budget for FY 14/15

The City and District adopted a budget for the WWTP following presentations at the June 5, 2014 City Council Budget Workshop and the June 12, 2014 JPA meeting. The adopted FY14/15 budget contains \$1.221M for funding MMRP projects. The funds represent new MMRP projects as well as roll-over from the FY13/14 budget for the headworks screening project and chlorine contact tank repairs discussed above.

In adopting the FY 14/15 budget, the City and District approved staff's request to reallocate \$125K of the \$200K allocated for the chlorine contact tank repairs to the headworks screening project for FY14/15. This would provide \$550K to finish the headworks screens and \$75 K for the chlorine contact tank repairs. The MMRP budget for FY 14/15 projects is estimated at \$596K. Coupled with the carry-over of funds for the headworks screen project (\$550K) and chlorine contact project (\$75K), this would bring the total MMRP budget for FY14/15 to \$1.221M.

The following narrative provides a summary of the new MMRP projects adopted in the FY14/15 budget:

New MMRP projects for the FY14/15 fiscal year:

The following MMRP projects are included in the adopted FY14/15 budget.

1. The cleaning and coating of digester #1: This will provide funding for the cleaning and coating of digester #1; in addition, structural analysis and potential structural repair work will be required. This project also includes funding for piping and valving repairs on digester #3 and digester #2 and replacement of various equipment required to operate the digesters. Cost estimates for the various components are: \$180,000 for cleaning and coating digester #1; \$50,000 for the purchase of valves and piping for digester recirculation and transfer lines on digester #1; \$60,000 for piping repairs to digester #3 and #2; and, \$20,000 for replacement of the sludge recirculation pump on digester #3. In addition, there is a list of equipment and components that will need to be repaired or replaced. These repairs will coincide with the digester cleaning and rehabilitation project and include the replacement of the spark arrestors and vacuum/pressure relief valves on the top of all three digesters (\$15,000) and purchase of three hot water circulation pumps for the hot water loop used to heat the digesters (\$6,000). All items are vital for the operational and safety components of the anaerobic digestion process. The total estimated cost for cleaning, rehabilitation, and equipment repair and replacement for digester #1 is \$331,000.
2. Rehabilitation of primary clarifier #2: This will provide funding for the highest priority projects on primary clarifier #2 and includes repairs to the metal framework on the flights and skimmer cage assembly; repair and replacement of piping and valving, and other associated repairs. Estimated cost for these projects is \$50,000.
3. Purchase and installation of new distributor arms on biofilter improvement project: This will provide funding for several projects to improve biofilter #2 and the interstage pump station to include the purchase and installation of new distributor arms on biofilter #2 and replacement of the main bearing on the turntable (\$65,000). The biofilter arms are badly corroded and have exceeded their useful life. These units are a critical component of the secondary treatment system. Funds will also be used to install flood walls surrounding the two biofilters and interstage pumps to prevent inundation during a flooding event (\$150,000). Total cost estimate for this work is \$215,000.

CONCLUSION

Staff will continue to bring a status report on the development of the MMRP at City Council meetings on a monthly basis.



AGENDA NO: A-4

MEETING DATE: September 9, 2014

Staff Report

TO: Mayor and City Council

DATE: August 28, 2014

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

SUBJECT: Water Reclamation Facility (WRF) Project Status and Discussion

RECOMMENDATION

Staff recommends the City Council review this informational item.

ALTERNATIVES

Not applicable at this time.

FISCAL IMPACT

Consultant Contracts

<i>JFR Consulting – Site Selection</i>	
Original Contract	\$117,256
Amendment #1	\$76,129
Amendment #2	\$91,336
Total Contract	\$284,721
<i>Kestrel Consulting – Assessment Funding</i>	
Contract Amount	\$20,530
Paid to date	\$0
<i>Larry Walker and Associates – Permitting Constraints</i>	
Contract Amount	\$24,970
<i>Cleath-Harris Associates – Stream Flow Augmentation</i>	
Contract Amount	\$7,500
Amendment #1	\$7,500
Total Contract	\$15,000
<i>Total Consultant Contract Amount</i>	\$345,221

SUMMARY

Staff provides this report as a monthly update to the progress made to date on the new WRF project.

BACKGROUND

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

With the denial of the permit for the WWTP project in its current location, the City has embarked on a process for a WRF. This staff report provides a review of what has occurred to date.

DISCUSSION

Below is a brief review of dates, status and accomplishments on the WRF facility project. Note the bolded information has been added since your last review.

<u>Date</u>	<u>Action</u>
01/03/13	Special City Council meeting – City Adopted Resolution No. 07-13 supporting the California Coastal Commission staff recommendation for denial.
01/08/13	WWTP Project denied by the California Coastal Commission (CCC).
01/08/13	January JPA not held due to CCC meeting.
01/24/13	City Staff, Morro Bay JPA Sub-Committee, Cayucos SD representatives, staff and attorney meet and discuss strategy and moving forward.
02/14/13	February JPA meeting held, “Discussion and Consideration of Next Steps for the WWTP Upgrade Project” was on the agenda and discussed.
02/26/13	City Council meeting - draft schedule/project timeline presented to City Council. City Council directed staff to prepare an RFP for a project manager.
03/11/13	City Council goal session, WRF established as Essential City Goal.
03/14/13	City Council goal session, WRF established as Essential City Goal.
03/14/13	March JPA meeting held, “Status Report on the Discussion with RWQCB Staff Renewal Process for the WWTP NPDES Permit No. CA0047881” and “Verbal Report by the City and District on the Progress of the future WWTP” were on the agenda and discussed.
03/18/13	RFP issued.
03/26/13	City Council meeting - City Council approves citizens to serve on the RFP selection committee.
03/27/13	Announcement placed on City website, etc. regarding citizen selection committee application period.
04/05/13	Citizen selection committee deadline.
04/09/13	City Council meeting - appointment of 5 citizens for the RFP selection committee at City Council meeting.
04/10/13	Addendum to RFP issued, re: selection committee
04/11/13	April JPA meeting held, “Verbal Report by the City and District on the Progress of the future WWTP” and Discussion and Approval to Terminate the Consultant Services Agreements with Delzeit; Dudek, McCabe and Company; and Montgomery Watson Harza (MWH)” were on the agenda and discussed.
04/15/13	RFP due.
04/16/13	Study Session on WRF facility announced for April 29, 2013.
04/23/13	City Council meeting –reaffirmation of 5 members of citizen selection committee.

04/25/13 Quarterly Meeting with California Coastal Commission staff, WRF discussion and status report on the meeting agenda.

04/25/13 Initial meeting with Selection Committee for the RFP for Planning Services for the WRF.

04/29/13 WRF Study Session at Veteran’s Hall.

05/02/13 Interviews to recommend the individual/team for the WRF project manage.

05/09/13 May JPA meeting held, “Verbal Report by the City and District on the Progress of the future WWTP” was on the agenda and discussed.

05/14/13 City Council meeting – Approval of John F. Rickenbach, Consulting as the Preliminary Planning Consultant for the WRF project.

05/15/13 Public Services staff continues to work with John F. Rickenbach, Consulting to finalize the consultant contract.

05/28/13 Closed Session Item scheduled to discuss Righetti appraisal.

06/13/13 JPA Meeting – Cayucos Veteran’s Hall.

06/24/13 Kick-off Meeting with John Rickenbach and team members.

06/24/13-06/28/13 Work with Rickenbach to determine updated schedule pursuant to the scope of work in the RFP. Determination of Stakeholder groups/individuals.

07/03/13 Tentative Schedule from Rickenbach for the New WRF posted online and available.

07/03/13 Working with Coastal Commission staff to finalize date for quarterly meeting/teleconference.

07/11/13 July JPA Meeting Cancelled.

07/18/13 Quarterly Coastal Commission/City of Morro Bay meeting, Rickenbach Team participated in review and discussion of the status of the WRF project.

07/19/13 WSC Report entitled Conceptual Wastewater Treatment Alternatives Technical Memorandum commissioned by the Cayucos Sanitary District (CSD) released on the CSD website and delivered to the City. Report located at the following address:
www.cayucossd.org/documents/Conceptual%20WW%20Treatment%20AltTM_CSD.pdf

07/24/13-07/25/13 Stakeholder Interviews conducted by Rickenbach team.

08/08/13 August JPA Meeting Cancelled.

08/15/13 Community Workshop #1 held at MB Veteran’s Hall.

Week of 8/19/13 Workshop Summary posted on City’s website.
Comments Form available on City’s website for additional comments on the workshop and/or project.

09/12/13 September JPA Meeting held.

09/16/13 Biosolids and Treatment Options Workshop at MB Veteran’s Hall.

09/27/13 October 2013 JPA Meeting cancelled.

10/21/13 Quarterly Coastal Commission/City of Morro Bay Meeting.

10/29/13 Release of Public Draft – Options Report.

11/04/13 Public Works Advisory Board – Options Report to Board for Public Feedback.

11/05/13 Second Public Workshop – Presentation of Options Report for Public

Feedback.

11/12/13 Presentation of Options Report to City Council.

11/14/13 November 2013 JPA Meeting Cancelled.

11/19/13 Meeting with RWCQB Staff regarding project Status and Permit Renewal.

12/10/13 Presentation of Options Report to City Council.

12/19/13 December JPA Meeting held – Verbal update by both CMB and CSD.

01/16/14 January JPA Meeting canceled.

01/20/14 Received proposal from Cleath-Harris to study Chorro Creek discharge and effect on City water supply. Estimated fees not to exceed \$7,500.

01/23/14 Onsite staff meeting with property owner at Rancho Colina to tour a potential location.

01/23/14 Telephone discussion with City’s Water Attorney regarding water rights to creek discharge of wastewater.

1/29/14 Received proposal from Rickenbach for a contract amendment to perform due diligence on alternative WRF sites for final site selection. Estimated fees not to exceed \$63,806.

01/31/14 Status report preparation assigned to Public Services Director.

02/11/14 Mid-year Budget adjustment to include additional funding for WRF alternative site analyses. \$100,000 was approved.

02/13/14 WRF Sub-Committee meeting to discuss the 5 year time schedule and grant opportunities.

02/13/14 February JPA Meeting held.

02/25/14 City Council received a status update on the New WRF and adopted Resolution 17-14 prescribing a 5-year time frame for the construction of the New WRF.

02/28/14 Received a revised scope of work for a contract amendment received from Rickenbach recognizing the accelerated time schedule for the WRF. Estimated fees not to exceed \$76,129.

03/06/14 Scheduled WRF Subcommittee meeting with staff to discuss grant opportunities and schedules.

03/10/14 March JPA Meeting cancelled.

03/20/14 WRF Sub-Committee meeting along with staff and property owner at the “Rancho Colina” Morro Valley site to get an overview of the potential for it as a project location.

03/21/14 Meeting between City of Morro Bay (Irons/Smukler) and CSD (Enns/Lloyd) Sub-Committees along with Morro Bay and CSD County and Water Board Staff to discuss overall project status and the CMC option.

04/10/14 April JPA Meeting cancelled

04/11/14 "Rancho Colina" site visit with staff and Council person C. Johnson.

04/18/14 Letter sent to property owners of potential WRF sites, inviting a discussion regarding siting potential

04/21/14 “Rancho Colina" site visit with staff and Council persons Leage and N. Johnson.

04/23/14 Meeting to review the “Rancho Colina” site with the Morro Bay and CSD Sub-Committees along with Water Board staff.

05/01/14 Scheduled site visit at Giannini site with WRF Subcommittee, JRF Consulting and Property Owner.

05/08/14 May JPA Meeting cancelled.

05/13/14 Council Approved New Water Reclamation Facility Project Report on Reclamation and Council Selection of a WRF Site and provided direction to staff to return to Council with a resolution that captured the motions made.

5/22/14 The City Clerk posted the notice of the formation of a new, limited term and scope, i.e. Water Reclamation Facility Citizen's Advisory Committee. Applications are due to the Clerk by Friday, June 13, 2014.

5/23/14 Selected Bartle Wells as Water and Sewer Rate Study consultant. The estimated fee for the study is not to exceed \$67,440.

5/27/14 City Council adopted Resolution 34-14 that provides direction to staff regarding the "Rancho Colina" site, continuing parallel path discussion regarding the CMC site, and forming a Citizen's Advisory Committee.

6/15/14 City executed a contract with Kestrel Consulting in the amount of \$20,530 to develop funding strategies for the new WRF project.

6/20/14 City executed a contract with Larry Walker Associates in the amount of \$24,970 to advise the City regarding discharge permit requirements for various disposal/reuse options for the new WRF project.

6/14/14 Staff has met with a variety of alternative project delivery method firms to explore the requirements for this process, firm include: Corollo, CDMSmith; and Black and Veatch.

6/25/14 Meeting with John Rickenbach and Mike Nunley to discuss project schedule for the WRF project

6/27/14 Kick off meeting with Kestrel Consulting to discuss funding strategies for the new WRF project.

6/27/14 Meeting with Cleath-Harris to review draft Chorro Creek discharge study and effect on City water supply. Authorized Cleath-Harris to perform a similar study for the Morro Valley.

6/30/14 Staff met internally to gather preliminary information for Bartle Wells Rate Study. Staff will have all info to Bartle Wells by the end of July.

7/8 & 7/9/14 City Council conducted interviews for positions on the WRF Citizens Advisory Committee (WRFCAC). City Council appointed seven members to the WRFCAC.

7/10/14 Meeting with Cayucos Sanitary District staff to discuss the scope of work for the proposed Carollo Engineers CMC capacity evaluation study.

7/16/14 Kick off meeting with Larry Walker Associates regarding discharge permit requirements for various disposal/reuse options for the new WRF project.

8/12/14 City Council confirmed Citizen Appointments to the WRFCAC

9/10/14 Proposed first Meeting of the WRFCAC

9/11/14 Scheduled Joint meeting of the Morro Bay City Council and the Cayucos Sanitary District Board of Directors Meeting in Morro Bay

CONCLUSION

City Council, since the Coastal Commission's denial of the WWTP Coastal Development Permit in January 2013, has made measured and deliberate progress in the WRF project, as outlined above.



AGENDA NO: A-5

MEETING DATE: September 9, 2014

Staff Report

TO: Honorable Mayor and City Council

DATE: August 27, 2014

FROM: Cindy Jacinth, Associate Planner

SUBJECT: Amendment 1 to the Cooperation Agreement between the County of San Luis Obispo and the City of Morro Bay for Joint Participation in the Community Development Block Grant Program, the Emergency Solutions Grant Program, and the Housing Opportunities for Persons with Aids Program through Fiscal Years 2015-2017

RECOMMENDATION:

Council review, and approve execution of Amendment 1 to the Cooperation Agreement for participation in the Urban County for Fiscal Years 2015-2017.

ALTERNATIVES

Staff does not feel there are any alternatives to this item as the requested changes are non-substantive and intended to be consistent with federal regulations.

FISCAL IMPACT

There is no fiscal impact to this decision.

BACKGROUND/DISCUSSION:

Since 2011, the City of Morro Bay has participated with other cities and the County of San Luis Obispo as an "Urban County" for purposes of U.S. Department of Housing and Urban Development (HUD) entitlement funding. At the June 10, 2014, City Council meeting, the City of Morro Bay approved renewal of the Cooperation Agreement with the County of San Luis Obispo for fiscal years ending 2015-2017.

On August 22, 2014, the City received email notification indicating HUD is requiring Urban Counties amend their cooperation agreements to provide for a three-year term and to add a clause in the agreement regarding use of program funds. HUD is requiring modified cooperation agreements be submitted by September 30, 2014. County Planning staff has requested each participating city seek Council approval prior to requesting County Board of Supervisor approval at its September 23, 2014 meeting.

Prepared By: CJ

Dept Review:

City Manager Review: _____

City Attorney Review: _____

The proposed changes to the cooperation agreement include:

1. Expiration date of the three-year agreement to be June 30, 2018 instead of 2017.
2. Add the following paragraph regarding Use of Program Funds:

The City may not sell, trade, or otherwise transfer all of any portion of CDBG funds to another metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under Title I of the Act.

CONCLUSION

The proposed amendments are being requested by the County in order to be compliant with federal HUD regulations. Staff recommends approval of Amendment Number 1 to the Cooperation Agreement.

ATTACHMENT

1. Resolution
2. Amendment Number 1 to Cooperation Agreement for Fiscal Year 2015-2017
3. Signed Cooperation Agreement dated July 15, 2014

RESOLUTION 58-14

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING AMENDMENT 1 TO THE COOPERATION AGREEMENT
BETWEEN THE COUNTY OF SAN LUIS OBISPO AND
THE CITY OF MORRO BAY FOR JOINT PARTICIPATION IN
THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM,
THE HOME INVESTMENT PARTNERSHIP PROGRAM, THE EMERGENCY
SOLUTIONS GRANT PROGRAM, AND THE HOUSING OPPORTUNITIES FOR
PERSONS WITH AIDS (HOPWA) PROGRAM FOR FISCAL YEARS 2015-2017**

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

WHEREAS, the County of San Luis Obispo (“County”), a political subdivision of the State of California, and the City of Morro Bay (“City”) a municipal corporation, desire to participate in the Community Development Block Grant (CDBG) program administered by the U.S. Department of Housing and Urban Development (“HUD”); and

WHEREAS, said program will promote the public health, safety and welfare by providing grant funds to be used by the City and County to improve housing opportunities for low and moderate- income households, to encourage economic reinvestment, to improve community facilities and public services, and to provide other housing-related facilities, or services; and

WHEREAS, the County and the City executed a cooperation agreement dated July 15, 2014 for participation in the Urban County of San Luis Obispo for Purposes of Federal CDBG, HOME, and ESG Funding; and

WHEREAS, the County informed the City on August 22, 2014 of a requirement by HUD to amend the Cooperation Agreement to allow for a three year agreement term and to add a paragraph to the Agreement to provide for Use of Program Funds as required by HUD federal regulations; and

WHEREAS, the City desires to continue to participate jointly with the County in said program; and

WHEREAS, the proposed amendment to the cooperation agreement is consistent with the General Plan and with City and County policies encouraging cooperation between agencies on issues of regional significance such as affordable housing; and

WHEREAS, the proposed amendment to the cooperation agreement is not a “project” for purposes of compliance with the provisions of the California Environmental Quality Act (CEQA) and the City’s CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, as follows:

Section 1. The City Council hereby approves and authorizes the Amendment 1 to the Cooperation Agreement with the County to enable joint participation in HUD’s CDBG program.

Section 2. The City Manager or his/her designee is hereby authorized to act on behalf of the City in connection with the implementation of the agreement, ongoing operation of the CDBG program, and other activities necessary to carry out the intent of the cooperation agreement.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 9th day of September, 2014 on the following vote:

AYES:

NOES:

ABSENT:

Jamie L. Irons, Mayor

ATTEST:

Jamie Boucher, City Clerk

**AMENDMENT NUMBER 1 TO
A COOPERATION AGREEMENT BETWEEN THE COUNTY OF SAN LUIS
OBISPO AND THE CITY OF MORRO BAY FOR JOINT PARTICIPATION IN
THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE HOME
INVESTMENT PARTNERSHIPS PROGRAM, THE EMERGENCY SOLUTIONS
GRANT PROGRAM, AND THE HOUSING OPPORTUNITIES FOR PERSONS
WITH AIDS PROGRAM FOR FISCAL YEARS 2015 THROUGH 2017**

THIS AGREEMENT is made and entered into this ____ day of _____, 2014, by and between the County of San Luis Obispo, a political subdivision of the State of California, hereinafter called "County"; and the City of Morro Bay, a municipal corporation of the State of California, located in the County of San Luis Obispo, hereinafter called "City," jointly referred to as "Parties."

WITNESSETH

WHEREAS, in 1974, the U.S. Congress enacted and the President signed a law entitled, The Housing and Community Development Act of 1974, herein called the "Act." The Act is omnibus legislation relating to federal involvement in a wide range of housing and community development activities and contains eight separate titles; and

WHEREAS, Title I of the Act is entitled "Community Development" and governs programs for housing and community development within metropolitan cities and urban counties or communities by providing financial assistance annually for area-wide plans and for housing, public services and public works programs; and

WHEREAS, the Community Development Block Grant (CDBG) Program, the HOME Investment Partnerships (HOME) Program, the Emergency Solutions Grant (ESG) Program, and the Housing Opportunities for Persons with AIDS (HOPWA) Program are consolidated under Title I of the Act; and

WHEREAS, County has requested of the federal Department of Housing and Urban Development, hereinafter referred to as "HUD", that the County be designated as an "urban county"; and

WHEREAS, County needs to requalify as an urban county and will be eligible to receive CDBG funds; provided, that County's entitled cities defer their entitlement to County to enable both County and the entitlement cities to jointly participate in the program; and

WHEREAS, City desires to participate jointly with County in said program; and

WHEREAS, on July 15, 2014, the County and City entered into a Cooperation Agreement (the “Original Cooperation Agreement”) in order for the County to requalify as an urban county and submitted said cooperation agreement to the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, HUD reviewed the Original Cooperation Agreement and determined that it must be amended to provide for a three year term and to include additional language required by the Transportation, Housing and Urban Development, and Related agencies Appropriations Act, 2014, Public Law 113-76.

NOW THEREFORE, in consideration of the mutual promises, recitals and other provisions hereof, the Parties agree as follows:

1. The first sentence of Paragraph C, entitled “**C. Term of Agreement – Automatic Renewal Provision**,” of Section I, entitled “**SECTION I. General.**,” of the Original Cooperation Agreement is hereby amended and replaced to read as follows:

The term of this Agreement shall be for a period of three (3) years commencing July 1, 2015 through June 30, 2018.

2. The section entitled “**SECTION IV. Use of Program Funds**” of the Original Cooperation Agreement is hereby amended to add a new section “I” that reads as follows:

I. The City may not sell, trade, or otherwise transfer all of any portion of CDBG funds to another metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under Title I of the Act.

3. All other provisions of the Original Cooperation Agreement not specifically amended herein remain in full force and effect.

NOW, THEREFORE, the Parties hereto have caused this Amendment Number 1 to the Original Cooperation Agreement to be executed and attested by their proper officer thereunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

APPROVED AS TO FORM:

By: _____
_____, Deputy County Counsel

Date: _____

COUNTY OF SAN LUIS OBISPO

By: _____
Chairperson of the Board of Supervisors

Date: _____

ATTEST:

Julie Rodewald, County Clerk

Date: _____

[Signatures continued on Page 4]

[Signatures continued from Page 3]

CITY OF MORRO BAY

Jamie L. Irons, Mayor

Date: _____

ATTEST:

Jamie Boucher, City Clerk

Date: _____

APPROVED AS TO FORM:

Joseph W. Pannone, Interim City Attorney

Date: _____



SAN LUIS OBISPO COUNTY

DEPARTMENT OF PLANNING AND BUILDING

Promoting the wise use of land - Helping to build great communities

July 21, 2014

Edward S. Kreins, Interim City Manager
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

Subject: Fully Executed Cooperation Agreement for Purposes of Federal CDBG,
HOME, and ESG Funding Programs

Dear Mr. Kreins:

Enclosed is an original signed Cooperation Agreement between the County and the City of Morro Bay for participation with other cities and the County of San Luis Obispo as an "Urban County" for fiscal years (FY) 2015-2017. The County will submit a copy of this agreement and other materials to the U.S. Department of Housing and Urban Development (HUD) prior to July 25, 2014. HUD will advise the County regarding any amendments which may be required to this agreement in order to meet applicable federal requirements.

Please feel free to call me 781-5715 if you have any questions about this matter.

Sincerely,

Dana Lilley, Supervising Planner

A COOPERATION AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF MORRO BAY FOR JOINT PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE HOME INVESTMENT PARTNERSHIPS PROGRAM, THE EMERGENCY SOLUTIONS GRANT PROGRAM, AND THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM FOR FISCAL YEARS 2015 THROUGH 2017

THIS AGREEMENT is made and entered into this 15th day of July, 2014, by and between the County of San Luis Obispo, a political subdivision of the State of California, hereinafter called "the County"; and the City of Morro Bay, a municipal corporation of the State of California, located in the County of San Luis Obispo, hereinafter called "the City" (jointly referred to as "the Parties").

WITNESSETH

WHEREAS, in 1974, the U.S. Congress enacted and the President signed a law entitled, The Housing and Community Development Act of 1974, herein called "the Act". The Act is omnibus legislation relating to federal involvement in a wide range of housing and community development activities and contains eight separate titles; and

WHEREAS, Title I of the Act is entitled "Community Development" and governs programs for housing and community development within metropolitan cities and urban counties or communities by providing financial assistance annually for area-wide plans and for housing, public services and public works programs; and

WHEREAS, the Community Development Block Grant (CDBG) Program, the HOME Investment Partnerships (HOME) Program, the Emergency Solutions Grant (ESG) Program, and the Housing Opportunities for Persons with AIDS (HOPWA) Program are consolidated under Title I of the Act; and

WHEREAS, the County has requested of the federal Department of Housing and Urban Development, hereinafter referred to as "HUD," for the County to be designated as an "urban county"; and

WHEREAS, the County needs to requalify as an urban county and will be eligible to receive CDBG funds; provided, that the County's entitled cities defer their entitlement to the County to enable both the County and the entitlement cities to jointly participate in the program; and

WHEREAS, the City desires to participate jointly with the County in said program; and

WHEREAS, if HUD redesignates the County as an urban county, then the County may also be eligible to receive funds from the Home Investment Partnership Program (hereinafter referred to as "HOME"), the Emergency Solutions Program (hereinafter referred to as "ESG"), and the Housing Opportunities for Persons with Aids Program (hereinafter referred to as "HOPWA"); and

WHEREAS, the CDBG Regulations issued pursuant to the Act provide that qualified urban counties must submit an application to HUD for funds, and cities and smaller communities within the metropolitan area not qualifying as metropolitan cities may join the County in said application and thereby become a part of the County's more comprehensive effort; and

WHEREAS, as the urban county applicant, the County must take responsibility and assume all obligations of an applicant under federal statutes, including: the analysis of needs, the setting of objectives, the development of community development and housing assistance plans, the consolidated plan, and the assurances of certifications; and

WHEREAS, by executing this Agreement, the Parties hereby give notice of their intention to participate in the urban county CDBG, HOME, ESG, and HOPWA programs.

NOW THEREFORE, in consideration of the mutual promises, recitals and other provisions hereof, the Parties agree as follows:

SECTION I. General.

- A. **Responsible Officers.** The Director of the County's Department of Planning and Building (hereinafter referred to as "Director") is hereby authorized to act as applicant for the CDBG, HOME, ESG, and HOPWA programs and to administer funding and activities under the programs. The City Manager is hereby authorized to act as the responsible officer of the City under the programs.
- B. **Full Cooperation.** Parties agree to fully cooperate and to assist each other in undertaking eligible grant programs or projects, including but not limited to community renewal and lower income housing assistance activities, specifically urban renewal and publicly-assisted housing; public services; and economic development.
- C. **Term of Agreement – Automatic Renewal Provision.** The term of this Agreement shall be for a period of three (3) years commencing July 1, 2015 through June 30, 2017. In addition, this Agreement provides for automatic renewal for participation in successive three-year qualification periods, unless the City provides written notice at least 60 days prior to the end of the term that it elects not to participate in a new qualification period.

Before the end of the first three-year term, the County will notify the City in writing of its right not to participate in the urban county for a successive three-year term.

The Parties agree to adopt amendments to this Agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in an Urban County Qualification Notice by HUD for a subsequent three-year urban county qualification period, prior to the subsequent three-year extension of the term. Any amendment to this Agreement shall be submitted to HUD as required by the regulations and any failure to adopt required amendments will void the automatic renewal of this Agreement for the relevant qualification period.

This Agreement remains in effect until the CDBG, HOME, ESG, and HOPWA program funds and income received with respect to the three-year qualification period, and the subsequent three-year renewals are expended and the funded activities are completed. The Parties may not terminate or withdraw from this Agreement while this Agreement remains in effect.

- D. **Scope of Agreement.** This Agreement covers the following formula funding programs administered by HUD where the County is awarded and accepts funding directly from HUD: the CDBG Entitlement Program, the HOME Program, the ESG Program, and the HOPWA Program.

SECTION II. Preparation and Submittal of CDBG Funding Applications.

- A. **Inclusion of City as Applicant.** The Parties agree the City shall be included in the application the County shall submit to the HUD for Title I Housing and Community Development Block funds under the above recited Act.
- B. **Consolidated Plan.** The City shall assist the County by preparing a community development plan, for the period of this Agreement, which identifies community development and housing needs, projects and programs for the City; and specifies both short and long-term City objectives, consistent with requirements of the Act. The County agrees to: (1) include the City plan in the program application, and (2) include City's desired housing and community development objectives, policies, programs, projects and plans as submitted by the City in the County's consolidated plan.
- C. **Application Submittal.** The County agrees to commit sufficient resources to completing and submitting the Consolidated Plan and supporting documents to HUD in time for the Parties to be eligible to receive funding beginning July 1, 2015, and to hold public hearings as required to meet HUD requirements.

- D. **The County's Responsibility.** The Parties agree the County shall, as applicant, be responsible for holding public hearings and preparing and submitting the CDBG funding application and supporting materials in a timely and thorough manner, as required by the Act and the federal regulations established by HUD to secure entitlement grant funding beginning July 1, 2015.
- E. **Grant Eligibility.** In executing this Agreement, the Parties understand they shall not be eligible to apply for grants under the Small Cities or State CDBG Programs for appropriations for fiscal years during the period in which the Parties are participating in the urban county CDBG entitlement program; and further, the City shall not be eligible to participate in the HOME, ESG or HOPWA programs, except through the urban county.

SECTION III. Program Administration.

- A. **Program Authorization.** The County Administrator is hereby authorized to carry out activities that will be funded from the annual CDBG, HOME, ESG, and HOPWA programs from fiscal years 2015, 2014, and 2017 appropriations and from any program income generated from the expenditure of such funds.
- B. **Responsibilities of Parties.** The Parties agree the County shall be the governmental entity required to execute any grant agreement received pursuant to the CDBG, HOME, ESG, and HOPWA applications, and subject to the limitations set out in this Agreement; the County shall thereby become liable and responsible, thereunder, for the proper performance of the plan and CDBG, HOME, ESG, and HOPWA under the County programs. The City agrees to act in good faith and with due diligence in performance of the City's obligations and responsibilities under this Agreement and under all subrecipient agreements. The City further agrees it shall fully cooperate with the County in all things required and appropriate to comply with the provisions of any Grant Agreement received by the County pursuant to the Act and its Regulations.
- C. **The City's Assistance.** The City agrees to undertake, conduct, perform or assist the County in performing the essential community development and housing assistance activities identified in the City's community development plan. Pursuant to the Act and pursuant to 24 CFR 570.501(b), the City is subject to the same requirements applicable to subrecipients, including the requirement of a written agreement with the County as set forth in 24 CFR 570.503.

SECTION IV. Use of Program Funds.

A. **Allocation of CDBG funds.** All funds received by the County pursuant to this Agreement shall be identified and allocated, as described below, to the specific projects or activities set out in the application, and such allocated amounts shall be expended exclusively for such projects or activities; provided, however, that a different distribution may be made when required by HUD to comply with Title I of the Housing and Community Development Act of 1974, as amended.

1) **Metropolitan Cities' Allocation.** The Parties agree the County shall make available to the City a total amount of CDBG funds equal to that which City would have been entitled had it applied separately as a "metropolitan city," using HUD allocation formulas as applied by County, except that an amount equal to thirteen (13) percent of the Metropolitan Cities' allocations of CDBG funds will be deducted by the County to meet its obligations under the terms of this Agreement or HUD requirements for administrative costs. Further, with respect to the availability of the funds, the County agrees to fully cooperate and assist the City in expending such funds.

2) **Non-Metropolitan Cities' Allocation.** The County agrees to allocate a portion of CDBG program funds to the non-Metropolitan, incorporated cities participating in the program. The amount of allocation per city shall be equal to that which the urban county formula award from HUD increases as a result of the HUD allocation formulas as applied by the County, except an amount equal to thirteen (13) percent of the Non-Metropolitan Cities' allocations of CDBG funds will be deducted by the County to meet its obligations under the terms of this Agreement or HUD requirements for administrative costs..

3) The City agrees it shall not recommend an individual CDBG award of less than \$8000 for public service activities due to the staff cost of processing such awards in compliance with federal requirements. The County may question inclusion of such a project. Notwithstanding, the City and County each may make an award of \$8,000 which is aggregated to a greater amount).

B. **Availability of Funds.** The County agrees to make CDBG funds available to all participating incorporated cities as set out here when HUD makes the CDBG funds available to it. The County shall immediately notify the participating incorporated cities of the availability of the funds.

It is understood by the Parties hereto the CDBG funds being used for the purposes of this Agreement are funds furnished to the County, through HUD, pursuant to the provisions of the Act. Notwithstanding any other provision of this Agreement, the liability of the County shall be limited to CDBG funds available for the Project. The City understands the County must wait for release of CDBG funds from HUD before CDBG funds may be advanced or reimbursed. The County shall incur no liability to the City, its officers, agents, employees, suppliers, or contractors for any delay in making any such payments, if that delay is the result of a delay in the release of CDBG funds from HUD.

- C. **Administrative and Public Services Costs.** The County hereby acknowledges that City, as subrecipient, incurs certain administrative costs in preparing housing and economic development plans, program planning, management and accounting, professional support services, and other reasonable and necessary expenses to carry out the City's plan; and further, the County agrees, after the availability of CDBG program funds to the City, the County shall not use its remaining balance of funds in any way that would limit the City's ability to use its CDBG funds to the maximum extent allowed by HUD for administrative, public service, or program purposes.
- D. **Income Generated.** The City shall notify the County of any income generated by the expenditure of CDBG funds received by the City. Such program income may be retained by the City subject to the provisions of this Agreement, the Act and its Regulations. Any program income retained must only be used for eligible activities in accordance with all CDBG requirements as they apply.
- E. **Use of Program Income.** The County shall monitor the use of any program income, requiring appropriate record-keeping and reporting by the City as may be needed for this purpose, and shall report the use of such program income to HUD. In the event of close-out or change of status of the City, all program income on hand or received by the City subsequent to the close-out or change of status shall be paid to the County. In the event the City withdraws from the urban county to become an entitlement grantee, as provided under 24 CFR 570.504, all program income on hand or received by the City from urban county activities shall be retained by the City to be used as additional CDBG funds subject to all applicable requirements governing the use of CDBG funds.
- F. **Change in Use of Property.** The City shall notify the County of any modification or change in the use of real property acquired or improved in whole or in part using CDBG funds that is within the control of the

City, from that use planned at the time of acquisition or improvement including disposition. Such notification shall be made within thirty (30) calendar days after such change of use and comply with the provisions of 24 CFR 570.505.

- G. **Fair Housing Implementation.** The Parties agree no urban county funding shall be allocated or expended for activities in or in support of any cooperating unit of general local government that does not affirmatively further fair housing within its own jurisdiction or that impedes the County's actions to comply with its fair housing certification.
- H. **Conflict Resolution.** In the event of disagreement between the County and the City as to the allocations, disbursement, use, or reimbursement of CDBG funds, the Parties agree to accept HUD's written determination as to the appropriate resolution or disposition of funds to the extent HUD is willing to resolve such disagreement.

SECTION V. Amendment or Extension of Agreement.

- A. **Subrecipient Agreement.** For each fiscal year during the term of this Agreement, the County and the City shall enter into a Subrecipient Agreement, prepared jointly by the County and the City, which will list the project(s) City will undertake with its CDBG entitlement funds during that program year. Said Subrecipient Agreement will set forth the project changes, time schedule for completion of the project(s), and additional funding sources, if any. If substantial compliance with the completion schedule cannot be met by the City due to unforeseen or uncontrollable circumstances, then the County may extend the schedule for project completion, as allowed by federal regulations.
- B. **Amendments.** Any amendments to this Agreement shall be in writing. The Parties agree any such fully executed amendment or amendments to this Agreement may be entered into at any time if required or necessary to implement the plans contemplated hereunder, or to comply with any grant agreement or the regulations issued pursuant to the Act.

SECTION VI. Compliance with Federal Regulations.

- A. **General.** The Parties agree to take all actions necessary to assure compliance with the urban county's certifications required by section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, regarding Title VI of the Civil Rights Act of 1964, the Fair Housing Act, affirmatively furthering fair housing, Section 109 of Title I of the Housing and Community Development Act of 1974; the National Environmental Policy Act of 1969; the Uniform Relocation

Assistance and Real Property Acquisition Act of 1970; and other applicable laws.

B. **Citizen Participation.** The Parties agree to comply with federal citizen participation requirements of 24 CFR Part 91, and provide citizens with:

- 1) An estimate of the amount of CDBG funds proposed to be used for activities that will benefit persons of low and moderate income; and
- 2) A plan for minimizing displacement of persons as a result of CDBG-assisted activities and programs, and to provide assistance to such persons.

C. **Citizen Participation Plan.** The Parties agree to follow a citizen participation plan which:

- 1) Provide for and encourages citizen participation, particularly those of low or moderate income who reside in slum or blighted areas where CDBG funds are proposed to be used;
- 2) Provide citizens with reasonable and timely access to local meetings, staff reports, and other information relating to grantee's proposed use of funds, as required by HUD regulations related to the actual use of funds under the Act;
- 3) Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least: 1) formulation of needs, 2) review of proposed grant activities, and 3) review of program performance for which public hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation of handicapped persons;
- 4) Provides for a timely written answer to written complaints and grievances, within 15 working days where practicable;
- 5) Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate; and
- 6) Identifies the use of non-traditional methods of community outreach, including the provision of CDBG documents in a user-friendly format, including but not limited to Braille, large print, oral format, and delivering copies to homebound individuals.

D. The Parties hereby certify, to the best of their knowledge and belief,:

- 1) **Conflict of Interest.** No federal grant monies have been paid or will be paid, by or on behalf of the Parties, to any officer or employee or any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan, or cooperative agreement.
- 2) **Influence.** If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- 3) **Certifications Disclosure.** The Parties agree to include this certification in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements), and that all grant subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was entered into.

E. Certification Regarding Policies Prohibiting Use of Excessive Force and Regarding Enforcement of State and Local Laws Barring Entrances.

In accordance with Section 519 Public Law 101-144 (the 1990 HUD Appropriations Act), the City certifies it has adopted and is enforcing.

- 1) A policy prohibiting the use of excessive force by law enforcement agencies within their respective jurisdictions against any individuals engaged in non-violent civil rights demonstrations; and
- 2) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within their jurisdictions.

SECTION VII. Execution of Agreement and Recordkeeping.

- A. **HUD Certification.** The Director is hereby authorized to execute and submit to the County the HUD Certification Form with respect to the community development activities carried out within the boundaries of the City. It is further understood the County will rely upon the certification executed by the Director for purposes of executing a certification form for submission to HUD.

- B. **Maintenance of Records.** The City shall maintain records of activities for any projects undertaken pursuant to the program, and said records shall be open and available for inspection by auditors assigned by HUD and the County on reasonable notice during the normal business hours of the City.

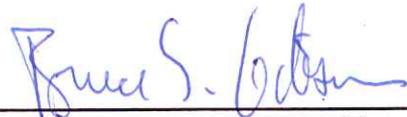
NOW, THEREFORE, the Parties hereto have caused this Agreement to be executed and attested by their proper officer thereunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

County Counsel Certification

The Office of the County Counsel hereby certifies that the terms and provisions of this Agreement are fully authorized under State and local laws, and that this Agreement provides full legal authority for the County to undertake or assist in undertaking essential community development and housing assistance activities, specifically urban renewal and publicly assisted housing.

By: 
Asst. Deputy County Counsel

Date: 7.1.2014
COUNTY OF SAN LUIS OBISPO

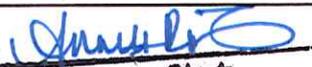
By: 
Chairperson of the Board of Supervisors

Date: JUL 15 2014

ATTEST:

JULIE L. RODEWALD

Julie Rodewald, County Clerk

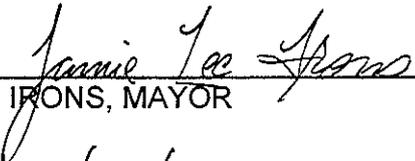
Date: JUL 15 2014
By: 
County Clerk

[Signatures continued on page 12]

[Signatures continued from page 11]

NOW, THEREFORE, the Parties hereto have caused this Agreement to be executed and attested by their proper officer thereunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

CITY OF MORRO BAY



JAMIE IRONS, MAYOR

Date: 6/16/14

ATTEST:



JAMIE BOUCHER, CITY CLERK

Date: 6/19/14

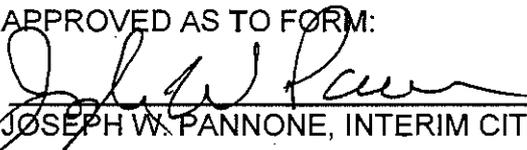
APPROVED AS TO CONTENT:



ED KREINS, INTERIM CITY MANAGER

Date: 6/18/14

APPROVED AS TO FORM:



JOSEPH W. PANNONE, INTERIM CITY ATTORNEY

Date: 6/19/14

IN THE BOARD OF SUPERVISORS
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Tuesday, July 15, 2014

PRESENT: Supervisors Frank R. Mecham, Adam Hill, Caren Ray, Debbie Arnold,
and Chairperson Bruce S. Gibson

ABSENT: None

RESOLUTION NO. 2014-173

RESOLUTION APPROVING COOPERATIVE AGREEMENTS WITH THE CITIES OF ARROYO GRANDE, ATASCADERO, MORRO BAY, PASO ROBLES, PISMO BEACH AND SAN LUIS OBISPO FOR JOINT PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT, HOME INVESTMENT PARTNERSHIPS ACT, EMERGENCY SOLUTIONS GRANT, AND THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAMS FOR FISCAL YEARS 2015 THROUGH 2017

The following resolution is hereby offered and read:

WHEREAS, the County of San Luis Obispo sees a need to promote and protect decent and suitable housing and community development opportunities for the residents of this county; and

WHEREAS, Title I of the Housing and Community Development Act of 1974, as amended, (hereinafter the "Act") provides for grant funds to be made available for the development of viable communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income; and

WHEREAS, the County of San Luis Obispo, based on Section 102(a)(6)(A) of the Act and Section 23000 et seq. of the California Government Code may seek to participate in the Community Development Block Grant Program as an Urban County; and

WHEREAS, the cities of Arroyo Grande, Atascadero, Morro Bay, Paso Robles, Pismo Beach and San Luis Obispo wish to participate in the Community Development Block Grant, HOME Investment Partnerships Act, Emergency Solutions Grant, and the Housing Opportunities for Persons with AIDS Programs, and have executed cooperative agreements with the County as required by the Act.

NOW, THEREFORE BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of San Luis Obispo, State of California, as follows:

That the cooperative agreements with the cities of Arroyo Grande, Atascadero, Morro Bay, Paso Robles, Pismo Beach and San Luis Obispo for joint participation in the Community Development Block Grant, HOME Investment Partnerships Act, Emergency Solutions Grant, and the Housing Opportunities for Persons with AIDS Programs for fiscal

Attachment 1: Resolution Approving Cooperation Agreements

years 2012 through 2014 are hereby approved by the Board of Supervisors of the County of San Luis Obispo and the Chairperson of the Board of Supervisors of the County of San Luis Obispo and the Chairperson of the Board of Supervisors is hereby authorized and directed to execute said agreements on behalf of the County.

Upon motion of Supervisor Ray, seconded by Supervisor Hill, and on the following roll call vote, to wit:

AYES: Supervisors Ray, Hill, Mecham, Arnold, and Chairperson Gibson

NOES: None

ABSENT: None

ABSTAINING: None

the foregoing resolution is hereby adopted.

Bruce S. Gibson
Chairman of the Board of Supervisors
of the County of San Luis Obispo,
State of California

ATTEST

JULIE L. RODEWALD
County Clerk and Ex-Officio Clerk
of the Board of Supervisors,
County of San Luis Obispo,
State of California

BY: Annette Ramirez
Deputy Clerk

[SEAL]

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: /s/ Timothy McNulty
Assistant County Counsel

STATE OF CALIFORNIA) ss.
COUNTY OF SAN LUIS OBISPO)
I, JULIE L. RODEWALD, County Clerk of the above entitled County, and Ex-Officio Clerk of the Board of Supervisors thereof, do hereby certify the foregoing to be a full, true and correct copy of an order entered in the minutes of said Board of Supervisors, and now remaining of record in my office.
Witness, my hand and seal of said Board of Supervisors this 17th day of July, 2014.
JULIE L. RODEWALD,
County Clerk and Ex-Officio Clerk of the Board of Supervisors
By: Annette Ramirez
Deputy Clerk



AGENDA NO: A-6

MEETING DATE: September 9, 2014

Staff Report

TO: Honorable Mayor and City Council **DATE:** August 29, 2014

FROM: Eric Endersby, Harbor Director

SUBJECT: Approval of Resolution 59-14 Authorizing a New Lease Agreement with United States Coast Guard to Lease a Maintenance and Storage Facility for the Coast Guard Station Morro Bay, Located at 1620 Embarcadero.

RECOMMENDATION

Staff recommends the City Council approve the attached one-year Lease Agreement with three one-year successive options to renew, with the United States Coast Guard (USCG) for use of a portion of the City's Harbor Department gear storage yard and building located at 1620 Embarcadero.

ALTERNATIVES

1. Approve lease agreement as presented.
2. Approve lease agreement with amendments.
3. Deny agreement.

FISCAL IMPACT

There will be an increase in revenue to the Harbor Department budget. The USCG's annual rent will be \$8,400.00 at a rate of \$700.00 a month, in arrears to October 1, 2013, with annual CPI adjustments.

SUMMARY

The Coast Guard Station Morro Bay is currently occupying a small Harbor Department maintenance building and yard area and has been since late 2012. The City has never collected rent from USCG as there has been no formal agreement to do so. The Harbor Department and USCG have since come to an agreement and would like to enter into the attached lease.

BACKGROUND

The Harbor Department acquired the "Cal Poly Shed" from Cal Poly when their rowing club dissolved approximately 15 years ago. The Harbor Department began leasing (at \$1/year) the large shed at the end of the dirt Embarcadero extension from the power plant adjacent to the department's current gear storage shed and outdoor area. Approximately 10 years ago, the Morro Bay Coast Guard Station desperately needed additional storage space, and the shed was informally shared with them.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

Over the years, the USCG helped pay for maintenance and repairs as best they could; however, because there was no lease agreement, they were unable to procure adequate annual federal funding to expend on it.

Approximately two years ago, the Harbor Department completely took over the “Cal Poly” shed for its own growing storage and maintenance needs, and the department’s smaller building and a yard area immediately to the east was turned over to the USCG as it was deemed adequate for their needs.

At that time, the local USCG personnel moved to their new location, and Harbor Department staff began working with USCG property specialists on a proper lease agreement.

DISCUSSION

The proposed new lease includes use of an approximate 1000 sq. ft. maintenance and storage building along with a fenced outdoor area of approximately 5100 sq. ft. located at 1620 Embarcadero.

Staff is proposing the attached new Lease Agreement with the following highlights:

- 1-year term, with an option to extend, administratively, for three one-year periods.
- Annual rent of \$8400/year (\$700/month) with an annual CPI adjustment, payable in arrears to October 1, 2013.
- Provision that should the City’s easement use of the power plant property to which the facility is located be revoked, the lease agreement between USCG and the City can be terminated.

CONCLUSION

Staff recommends that the City Council adopt Resolution 59-14 authorizing the City to enter into a lease agreement with the USCG for the use of the Harbor Department’s maintenance storage building and yard area located at 1620 Embarcadero to enable USCG Station Morro Bay to store and maintain their gear and equipment.

RESOLUTION NO. 59-14

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING A LEASE AGREEMENT WITH THE UNITED STATES
COAST GUARD TO LEASE A MAINTENANCE STORAGE BUILDING
LOCATED AT 1620 EMBARCADERO**

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

WHEREAS, in 1994 the City of Morro Bay constructed a gear storage facility on Morro Bay Power Plant Property along with a Harbor Department maintenance storage building at 1620 Embarcadero; and,

WHEREAS, the City of Morro Bay was granted an easement for use of the gear storage facility site in 1998 by Pacific Gas and Electric which is now held by their successor to the Morro Bay Power Plant, Dynegy; and,

WHEREAS, the City of Morro Bay leased a portion of the area to the Morro Bay Commercial Fisherman's Organization for operation of a non-profit, low-cost, safe and convenient gear storage area for commercial fishermen; and,

WHEREAS, the United States Coast Guard Station Morro Bay currently occupies a Harbor Department maintenance storage building; and,

WHEREAS, the United States Coast Guard and the Harbor Department have agreed to terms and conditions to enter into a one year lease agreement with three one year options for renewal.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California as follows:

1. Approval of a lease agreement with the United States Coast Guard for storage at 1620 Embarcadero is hereby approved and the Mayor is hereby authorized to execute the lease document.
2. The Harbor Director is hereby authorized to administratively execute any or all of the three year options to renew should the United States Coast Guard wish to renew.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 9th day of September, 2014 on the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

Jamie L. Irons, Mayor

Jamie Boucher, City Clerk

U. S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE July XX, 2014	LEASE NO. HSCG89-14-1-
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PURPOSE. Pursuant to specific Congressional appropriations and 14 U.S.C. 92(f), the statutory authority, the parties understand that the sole purpose of this lease is to secure for the United States a lease for a maintenance building at Morro Bay. The address of the leased building is 1620 Embarcadero, Morro Bay 93442.

THEREFORE THIS LEASE, made and entered into this date by and between **City of Morro Bay**, whose address is **1275 Embarcadero, Morro Bay, California, 93442**, and whose interest in the property hereinafter described is that of owner (“LESSOR”), and the Commanding Officer, U.S. Coast Guard SILC, Product Line Division, Portfolio Management Branch, Oakland, California, on behalf of the **UNITED STATES OF AMERICA**, hereinafter called the (“Government:”), for the consideration hereinafter mentioned.

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agrees as follows:

1. Lessor hereby leases to the Government the following described premises:

Exclusive use of a 1,000sqft building and a fenced outdoor layout area approximately 5,100sqft located at 1620 Embarcadero, Morro Bay 93442 in San Luis Obispo County, California.
Latitude: 35.376027, Longitude -120.859968

To be used for: Property will be used as a maintenance and storage facility for Coast Guard Station Morro Bay.

2. **TO HAVE AND TO HOLD** the said premises with their appurtenances for the term beginning on October 1, 2013 Through September 30, 2014 subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$8,400.00, at a rate of \$700.00 a month in arrears. (“Rent”). Rent for a lesser period will be prorated. Rent for a lesser amount will be prorated. Electronic (ACH) Rent payments shall be made payable to Lessor .

At this time, the Government will exercise its first option right for FY15. The option period for FY15 will be for the term beginning on October 1, 2014 through September 30, 2015, provided annual appropriations are granted by Congress.

Accounting Data: FY14: 2/L/401/111/30/0/63/30471/2321 PROJ: D11 Leases \$8,400.00
FY15: 2/L/501/111/30/0/63/30471/2321 PROJ: D11 Leases \$8,400.00

4. The Government may terminate this lease, at any time without cause and without cost, by giving at least thirty (30) days’ notice in writing or via email notification to the Lessor. Said notice shall be computed commencing with the day after the date of mailing.

5. This lease may be renewed at the option of the Government, for the following term: three (3), one (1) year successive option renewal terms, provided notice is given in writing or via email notification to the Lessor at least thirty (30) days before the end of the original lease. The rental rate for each successive year, starting in FY16 will be adjusted based upon the increase, over the immediate preceding year, in the U.S. Department of Commerce Price Index, All Urban Consumers-San Francisco, provided annual appropriations are granted by Congress. All conditions of this lease, except for the rental rate adjustment as described in this Section, shall remain the same during the renewal term. Said notice shall be computed commencing with the day after the date of mailing.

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6. The Lessor shall furnish to the Government the following:
 - a. The right of ingress and egress over the adjacent property of the Lessor for the Government, its contractors or other duly authorized representatives, necessary or convenient for the maintenance, repair operation and replacement of Government equipment located on its leased premises.
 - b. The Lessor shall provide to the Government all utilities, that shall be included as part of the rental amount.
 - c. The Lessor shall notify the Government, in writing, within thirty (30) days of any:
 - 1) Transfer of ownership of the described premises.
 - 2) Change of payment or mailing address for ACH payments

7. The following are attached and made a part hereof:
 - a. The General Clauses (GSA form 3517A as amended) – Attachment “A”
 - b. Area Map Exhibit “A1” and “A2”
 - c. Easement Number LD 2229-10-0437 Exhibit “B”

8. **SUCCESSORS BOUND:** The Lease shall bind, and inure to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns.

9. **SUBLETTING/ASSIGNMENT:** Government may not sublet or assign lease premises to without the prior written consent of the Lessor, which consent shall not be unreasonably withheld.

10. **ENVIRONMENTAL PROTECTION:** The Government is limited by Federal Law as to the assumption of liability for its acts or omissions. Within its legal limitations and appropriations, the Government agrees to the following: Government may not unlawfully pollute the air, ground or water, nor create a public nuisance. Licensee shall, at no cost to the Licensor, promptly comply with all applicable Federal, state, and local laws, regulations, and directives regulating the quality of the environment. This does not affect the Government’s right to contest the validity of such laws, regulations or directives or to try to enjoin their applicability. Government shall use all required means to protect the environment and natural resources from any damage arising from Licensee’s use of the facility and activities incident to its use. If any damage results to the environment or natural resources, Government shall restore the environment or damaged resources. Government agrees to comply with all applicable federal, state and local environmental laws and regulations, including, but not limited, to those laws concerning any petroleum products, toxic substances, medical wastes and hazardous materials, substances or wastes.

11. **ANTI-DEFICIENCY ACT:** (31 USC §1341 as amended). Nothing in this Lease shall constitute an obligation of funds of the United States in advance of appropriation thereof.

12. **INDEMNIFICATION:** The Government, in the manner and to the extent provided by the Federal Tort Claims Act (28 USC Sections 2671-2680 as amended) shall be liable for, and shall hold Lessor harmless from, claims for damage or loss of property, personal injury or death caused by the acts or omissions of the Government, its officers, employees and agents in the use of the leased premises.

13. **INSURANCE:** Government is a self-insured entity and as such is not required to provide Lessor with any certificate of insurance or notice of renewal, termination, cancellation, expiration or alteration of insurance policy.

14. **OWNERSHIP OF IMPROVEMENTS:**
It is understood and agreed that any improvements added by the Government belong to the Government.

15. **EQUIPMENT INSTALLATION AND OPERATION.** The Government shall have the right during the term of this Lease to install, operate, maintain, repair, and replace upon the Premises, including but not limited to any shore-tie or other improvement presently existing or to be constructed upon the Premises, or related or ancillary to, the operation, performance, and maintenance of the equipment and infrastructure. Upon termination of this Lease, the Lessor shall permit the Government all reasonable access to the Premises for the purpose of removing or otherwise disposing of the equipment or any part thereof, and the Government shall conduct its removal of the equipment or any part thereof in a reasonable and safe manner and within a reasonable period of time, in accordance with all Federal, state, and local law.

16. IMPROVEMENTS AND ALTERATIONS. The Government shall have the right during the term of this lease, as long as the prior written consent of Lessor is received by the Government, which consent shall not be unreasonably withheld or delayed by Lessor, to make improvements and alterations, erect structures, and attach fixtures and signs upon the Premises. Government acknowledges that Lessor's consent to the installation of any such improvements may be conditioned upon a reasonable increase in the Rental Amount payable by Government to Lessor pursuant to condition 3 of this Agreement. If Lessor consents to the installation of such improvements, Lessor shall deliver to Government an amendment to this Agreement and any other documents required to evidence such a modification. The Government shall have the right to tie into or make any physical connection with any structure located on the property as is reasonably necessary for appropriate utilization of the Premises. Any improvements, structures, fixtures or signs attached to or otherwise erected upon the Premises shall remain the property of the Government and may be removed or otherwise disposed of by the Government. Such disposition by the Government may include abandoning the improvement, structure, fixture, or sign in place. The Government shall be under no obligation to restore the Premises, or any part thereof, upon termination of this Lease.

17. OFFICIALS NOT TO BENEFIT: No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Lease or any benefit to arise there from, but this provision shall not be construed to extend to this Lease if made with a corporation whose membership, includes a member or delegate to Congress or Resident Commissioner, who indirectly receives a general benefit from this Lease.

18. AMENDMENT OR MODIFICATION: No amendment or modification shall be valid unless evidenced by an agreement in writing signed by both parties.

19. GOVERNING LAW: The parties shall construe the Lease to be in accordance with and governed by the laws of the State of Washington, insofar as those laws are consistent with applicable federal laws and regulations.

20. SEVERABILITY: If any term or provision of this Lease is held invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each term and provision hereof shall be valid and enforced to the fullest extent permitted by law.

21. PAYMENTS OF TAXES AND ASSESSMENTS:
The Government is not responsible for or liable for the payment of any real property taxes, personal taxes or assessments levied or assessed upon or against the leased premises.

22. ENTIRE AGREEMENT: This Lease, with attachment, constitutes the only agreement between Lessor and Government. Any prior understanding or representation of any kind, which preceded the date of this Lease, are not binding on either party, except to the extent the understandings are incorporated into this Lease.

23. MUTUAL AUTHORITY: Lessor and Government represent and warrant to each other that they have full right, power and authority to enter into this Lease without the consent or approval of any other entity or person and make these representations knowing that the other party will rely thereon. Furthermore, the signatories on behalf of Lessor and Government further represent and warrant that they have full right, power and authority to act for and on behalf of Lessor and Government in entering into this lease.

24. ATTORNEY FEES: To the extent not in conflict with federal law, should any dispute arise between the parties hereto or their legal representatives, successors and assigns concerning any provision of this Lease or the rights and duties of any person in relation thereto, the party prevailing in such dispute shall be entitled, in addition to such other relief that may be granted, to recover reasonable attorneys' fees and legal costs in connection with such dispute as determined by the judgment or award of any court or tribunal of competent jurisdiction.

25. LEASE ADMINISTRATION:
The following office shall administer this Lease:
Commanding Officer
Civil Engineering Office Oakland
1301 Clay Street, Suite 700N
Oakland, CA 94612-5203

26. TAX IDENTIFICATION: Government regulations require a Lessor tax identification number (TIN/SSN). Lessor hereby certifies that the following TIN/SSN and telephone number are correct:

TIN/SSN: 95-2308629
Telephone Number: 805-772-6203
DUNS: 060890571
Registered in SAM: Yes No
Date: 01/27/14 Signature: Cristina B. Bragg

27. PAYMENT BY ELECTRONIC FUNDS TRANSFER- SYSTEM FOR AWARD MANAGEMENT:

a. Method of Payment:

1) All payments by the Government under this contract shall be made by electronic transfer (EFT), except as provided in paragraph (a)(2) of this clause. As used in this clause, the term "AFT" refers to the funds transfer and may also include the payment information transfer.

2) In the event the Government is unable to release one or more payments by EFT, the Lessor agrees to either accept payment by check or some other mutually agreeable method of payment or request the Government extend the payment due date until such time as the Government can make payment by EFT (see paragraph (d) of this clause).

b. Lessor EFT information. The Government shall make payment to the Lessor using the EFT information contained in the Central Contractor Registration (SAM) database. In the event that the EFT information changes, the Lessor shall be responsible for providing the updated SAM database.

c. Mechanisms for EFT payment. The Government may make payments by EFT through either the Automated Clearing House (ACH) network, subject to the rules of the National Automated Clearing House Association, or Fedwire Transfer System. The rules governing Federal payments through the ACH are contained in 31 CFR part 210.

d. Suspension of payment. If the Lessor EFT information in the SAM database is incorrect, then the Government need not make payment to the Lessor under this contract until correct EFT information is entered into the SAM database; and any invoice or contract financing request shall be deemed not to be proper invoice for the purpose of prompt payment under this contract. The prompt payment terms of the contract regarding notice of an improper invoice and delays in accrual of interest penalties apply.

e. Lessor EFT arrangements. If the Lessor has identified multiple payment receiving points (i.e., more than one remittance address and/or EFT information set) in the SAM database, and the Lessor has not notified the Government of the payment receiving point applicable to this contract, the Government shall make payment to the first payment receiving point (EFT information set or remittance address is applicable) listed in the SAM database.

f. Liability for incomplete or erroneous transfer:

1) If an incomplete or erroneous transfer occurs because of Government used the Lessor's EFT information incorrectly, the Government remains responsible for making a correct payment, paying any prompt payment penalty due and recovering any erroneously directed funds.

2) If any incomplete or erroneous transfer occurs because the Lessor's EFT information was incorrect, or was revised within 30 days of Government release of the EFT payment transaction instruction to the Federal Reserve System, and if funds are no longer under the control of the payment office, the Government is deemed to have made payment and the Lessor is responsible for recovery of an erroneously directed funds or if the funds remain under the control of payment office, the Government shall not make payment, and the provisions of paragraph (d) of this clause shall apply.

g. EFT and prompt payment. A payment shall be deemed to have been made in a timely manner in accordance with the prompt payment terms of this contract if, in the EFT payment transaction instruction released to the Federal Reserve System, the date specified for settlement of the payment is on or before the prompt payment due date, provided the specified payment date is a valid date under the rules of the Federal Reserve System.

h. EFT and assignment claims. If the Lessor assigns the proceeds of this contract as provided for in the assignment of claims terms of this contract, the Lessor shall require as a condition of any such assignment, that the assignee shall

register in the SAM database and shall be paid by EFT in accordance with the terms of this clause. In all respects, the requirements of this clause shall apply to the assignee as if it were the Lessor. EFT information that shows the ultimate recipient of the transfer to be other than the Lessor, in the absence of proper assignment of claims acceptable to the Government, is incorrect EFT information within the meaning of paragraph (d) of this clause.

i. Liability for change to EFT information by financial agent. The Government is not liable for errors resulting from changes to EFT information made by the Lessor's financial agent.

j. Payment information. The payment or disbursing office shall forward to the Lessor available payment information that is suitable for transmission as of the date of release of EFT instruction to the Federal Reserve System. The Government may request the Lessor to designate a desired format and method(s) for delivery of payment information from a list of formats and methods the payment office is capable of executing. However, the Government does not guarantee that any particular format or method of delivery is available at any particular payment office and retains the latitude to use the format and delivery method most convenient to the Government. If the Government makes payment by check in accordance with paragraph (a) of this clause, the Government shall mail the payment information to the remittance address contained in the SAM database.

28. ADDITIONAL TERMS OF LEASE:

a. This lease is being written, executed and subject to the terms and conditions stated in Easement Number: LD 2229-10-0437, between the City of Morro Bay and the Pacific Gas and Electric Company; now Dynergy. Section 28 of the lease is being used to identify this fact and include the following terms to this lease.

1) The City of Morro Bay shall notify the Coast Guard in writing, no less than 30 days, prior to any revocation or termination of Easement Number: LD 2229-10-0437.

2) In the event that Easement Number: LD 2229-10-0437 is revoked or becomes invalid, this lease would be subject to termination under Section 4 of this Lease. Any and all other termination clauses found in this lease will remain in full effect.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR

SIGNATURE	SIGNATURE
NAME OF SIGNER	NAME OF SIGNER

IN PRESENCE OF

SIGNATURE	SIGNATURE
NAME OF SIGNER	NAME OF SIGNER

UNITED STATES OF AMERICA

SIGNATURE	NAME OF SIGNER David E. Brumley
	OFFICIAL TITLE OF SIGNER Realty Specialist Contracting Officer United States Coast Guard

**GENERAL CLAUSES
(Simplified Leases)**

(Acquisition of Leasehold Interests in Real Property for Leases Up to \$100,000 Net Annual Rent)

1. The Government reserves the right, at any time after the lease is signed and during the term of the lease, to inspect the leased premises and all other areas of the building to which access is necessary to ensure a safe and healthy work environment for the Government tenants and the Lessor's performance under this lease.
2. If the building is partially or totally destroyed or damaged by fire or other casualty so that the leased space is untenable as determined by the Government, the Government may terminate the lease upon 15 calendar days written notice to the Lessor and no further rental will be due.
3. The Lessor shall maintain the demised premises, including the building, building systems, and all equipment, fixtures, and appurtenances furnished by the Lessor under this lease, in good repair and tenantable condition. Upon request of the Contracting Officer, the Lessor shall provide written documentation that building systems have been maintained, tested, and are operational.
4. In the event the Lessor fails to perform any service, to provide any item, or meet any requirement of this lease, the Government may perform the service, provide the item, or meet the requirement, either directly or through a contract. The Government may deduct any costs incurred for the service or item, including administrative costs, from rental payments.
5. 52.252-2 CLAUSES INCORPORATED BY REFERENCE (VARIATION) (DEC 2003)
This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make the full text available, or the full text may be found as GSA Form 3517C at <http://www.gsa.gov/leasingform>.
6. The following clauses are incorporated by reference:
 - GSAR 552-203-5 COVENANT AGAINST CONTINGENT FEES (FEB 1990)
(Applicable to leases over \$100,000.)
 - GSAR 552-203-70 PRICE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (SEP 1999)
(Applicable to leases over \$100,000.)
 - FAR 52.204-7 CENTRAL CONTRACTOR REGISTRATION (OCT 2003) (VARIATION)
 - FAR 52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN
SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED,
OR PROPOSED FOR DEBARMENT (JAN 2005)
(Applicable to leases over \$25,000.)
 - FAR 52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (JUL 2005)
(Applicable to leases over \$500,000.)
 - FAR 52.219-16 LIQUIDATED DAMAGES—SUBCONTRACTING PLAN (JAN 1999)
(Applicable to leases over \$500,000.)
 - GSAR 552.219-72 PREPARATION, SUBMISSION, AND NEGOTIATION OF
SUBCONTRACTING PLANS (JUN 2005)
(Applicable to leases over \$500,000 if solicitation requires submission of the
subcontracting plan with initial offers.)
 - GSAR 552.219-73 GOALS FOR SUBCONTRACTING PLAN (JUN 2005)
(Applicable to leases over \$500,000 if solicitation does not require
submission of the subcontracting plan with initial offers.)

INITIALS: _____ & _____
LESSOR GOVERNMENT

FAR 52.222-26	EQUAL OPPORTUNITY (APR 2002) (Applicable to leases over \$10,000.)
FAR 52.222-21	PROHIBITION OF SEGREGATED FACILITIES (FEB 1999) (Applicable to leases over \$10,000.)
FAR 52.222-35	EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (DEC 2001) (Applicable to leases over \$25,000.)
FAR 52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (JUN 1998) (Applicable to leases over \$10,000.)
FAR 52.222-37	EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (DEC 2001) (Applicable to leases over \$25,000.)
FAR 52.232-23	ASSIGNMENT OF CLAIMS (SEP 1999) (Applicable to leases over \$2,500.)
GSAR 552.232-75	PROMPT PAYMENT (SEP 1999)
GSAR 552.232-76	ELECTRONIC FUNDS TRANSFER PAYMENT (MAR 2000) (VARIATION)
FAR 52.233-1	DISPUTES (JUL 2002)
FAR 52.215-10	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (OCT 1997) (Applicable when cost or pricing data are required for work or services over \$500,000.)
FAR 52.215-12	SUBCONTRACTOR COST OR PRICING DATA (OCT 1997) (Applicable when the clause at FAR 52.215-10 is applicable.)

The information collection requirements contained in this solicitation/contract, that are not required by regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

INITIALS: _____ & _____
LESSOR GOVERNMENT

Morro Bay Maintenance and Storage Facility
Lease Number: HSCG89-14-1-XXX Exhibit "A1"



Morrow Bay Maintenance and Storage Facility
Lease Number: HSCG89-14-1-XXX Exhibit "A2"



Lease Number:
HSCG89-14-1-XXX
Exhibit "B"

EXHIBIT B

Doc No: 1998 1775

Rpt No: 00015161

LD 2229-10-0437
97181 (JBO) 10-97-1
Morro Bay Power Plant
Gear Storage Area

Official Records
San Luis Obispo Co.
Julie L. Rodewald
Recorder
Mar 04, 1998
Time: 14:55

NF -1 0.00

AFTER RECORDING, RETURN TO:

[6]

TOTAL 0.00

PACIFIC GAS AND ELECTRIC COMPANY
245 Market, N10A, Room 1015
P.O. Box 770000
San Francisco, California 94177

Location: City/Uninc _____

Recording Fee \$ _____

Document Transfer Tax \$ _____

- Computed on Full Value of Property Conveyed, or
- Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale

Signature of declarant or agent determining tax

EASEMENT

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called first party, hereby grants to the CITY OF MORRO BAY, a public body of the State of California, hereinafter called second party, subject to termination as hereinafter provided, the right to construct, reconstruct, maintain and use the existing gear storage area with all necessary improvements therefor, hereinafter called Storage Area, together with a right of way and non-exclusive easement, on, along, and in all of the hereinafter described easement area lying within first party's lands which are situate in the City of Morro Bay, County of San Luis Obispo, State of California, described as follows:

(APN 66-331-24)

Blocks 30B and 30C of the map of Atascadero Beach, recorded July 2, 1917 in Book 2 of Maps at Page 15, San Luis Obispo County Records.

The aforesaid easement area is described as follows:

The parcel of land described in "Exhibit A" attached hereto and made a part hereof.

Second party shall construct, reconstruct, maintain and use said Storage Area at its sole cost and expense.

Second party shall indemnify first party, its officers, agents and employees against all loss, damage, expense and liability resulting from injury to or death of persons, including, but not limited to, employees of first party or second party, or injury to property, including, but not limited to, property of first party or second party arising out of or in any way connected with the exercise of the rights herein granted or the use of said easement area by the public including the exposure to electric and magnetic fields, and any loss, damage, expense, or liability proximately caused or contributed to by the negligence, whether active or passive, of first party, excepting only such loss, damage, expense, or liability as may be caused by the sole negligence or willful misconduct of first party.

In the event that (a) said easement area, or any part thereof, is needed for the construction, reconstruction, maintenance, use or expansion of the Morro Bay Power Plant, and all governmental approvals, if any, have been obtained; provided however, that if no such governmental approvals are required for such construction, reconstruction, maintenance, use or expansion of the Morro Bay Power Plant, then the need of such easement area for Morro Bay Power Plant purposes shall be subject to second party's approval, which shall not be unreasonably withheld or delayed, or (b) if the existing land use for the Morro Bay Power Plant site should change from its current use to any other use, and all governmental approvals, if any, have been obtained for such other use; provided, however, that if no such governmental approvals are required for such other use, then such other use shall be subject to second party's approval, which approval shall not be unreasonably withheld or delayed, first party shall have the right to terminate this grant of right of way and non-exclusive easement by giving second party at least one hundred and eighty (180) days written notice of its intention to do so.

Upon termination of the rights granted herein, second party shall execute and deliver to first party within thirty (30) days after service of written demand therefor, a good and sufficient quitclaim deed to the rights arising hereunder. Should second party fail or refuse to deliver to first party such a quitclaim deed, a written notice by first party reciting the failure or refusal of second party to execute and deliver said quitclaim deed as herein provided and terminating said grant shall, after ten (10) days from the date of recordation of said notice, be conclusive evidence against second party and all persons claiming under second party of the termination of the said grant.

In the event that second party's use of said easement area shall at any time or times necessitate a rearrangement, relocation, reconstruction or removal of any of first party's facilities then existing on said easement area and second party shall notify first party in writing of such necessity, first party shall proceed to effect such rearrangement, relocation, reconstruction or removal and second party agrees to reimburse first party for its actual costs of performing such work.

This non-exclusive easement supersedes any prior leases, licenses or permits between first party and second party respecting said easement area and any such leases, licenses or permits are hereby terminated.

The easement granted in this agreement is non-exclusive, first party retains the right to grant concurrent easement(s) that do(es) not materially and adversely interfere with second party's use and enjoyment of the easement.

In the event that said easement area is no longer used by second party for the purposes herein stated, such easement right herein granted shall terminate upon first party's delivery of written notice to second party.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF the parties hereto have executed these presents this 12th day of January, 19 98.

First Party:
PACIFIC GAS AND ELECTRIC COMPANY

Second Party:
CITY OF MORRO BAY
Accepted:

By Lu de Silva
Lu de Silva
Director, Land Rights and Resource
Management

By Cathy Novak
Cathy Novak, Mayor

By Bridgett Bauer
Bridgett Bauer, City Clerk

Mission Trail Region
Los Padres Division
Auth: 3000221
SBE 135-40-5D, pcl. 2
T29S, R10E, MDB&M
Section 25: SW4 of NW4
Aff: 2229-10-0037
Prepared: JBO

EXHIBIT "A"

Page 1 of 1

That portion of Blocks 30B and 30C of the Map of Atascadero Beach, recorded July 2, 1917 in Book 2, Page 15 of Maps in the Office of the County Recorder of San Luis Obispo County lying in the City of Morro Bay, County of San Luis Obispo, State of California described as follows:

COMMENCING at the intersection of the centerline of "C" Street with the centerline of 79th Street as said streets are designated and so delineated on said Map; thence along the centerline of "C" Street North $08^{\circ}56'10''$ West 595.24 feet to a point of intersection of last said centerline with an existing 6 foot high chain link fence, as said fence was surveyed on October 21, 1997, said point also being the **TRUE POINT OF BEGINNING**; thence leaving said fence and continuing along last said centerline North $08^{\circ}56'10''$ West 30.17 feet to a point of intersection of last said centerline with an existing 6 foot high chain link fence, as said fence was surveyed on October 21, 1997; thence along last said chain link fence the following 7 courses; (1) North $73^{\circ}42'45''$ East 106.42 feet; (2) North $65^{\circ}04'56''$ East 89.03 feet; (3) North $74^{\circ}14'01''$ East 453.24 feet; (4) South $17^{\circ}29'48''$ East 109.98 feet; (5) South $74^{\circ}10'07''$ West 535.25 feet; (6) North $16^{\circ}14'10''$ West 66.05 feet; and (7) South $73^{\circ}57'09''$ West 118.67 feet to the **TRUE POINT OF BEGINNING**.

Containing 1.421 acres more or less.

End of Description



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO

On 2/26/98 before me, Melissa Brosnan, Notary Public
personally appeared Lu de Silva

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the
person(s) whose name(s) is/are

subscribed to the within instrument and
acknowledged to me the he/she/they
executed the same in his/her/their
authorized capacity(ies), and that by
his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of
which the person(s) acted, executed the
instrument.



WITNESS my hand and official seal.

Handwritten signature of Melissa Brosnan

SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL
CORPORATE OFFICER
PARTNER(S) LIMITED GENERAL
ATTORNEY-IN-FACT
TRUSTEE(S)
GUARDIAN/CONSERVATOR
OTHER:

TITLE(S)

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

SIGNER(S) OTHER THAN NAMED ABOVE



This is a true and correct copy of the record if
it bears the county seal and is printed in
purple ink

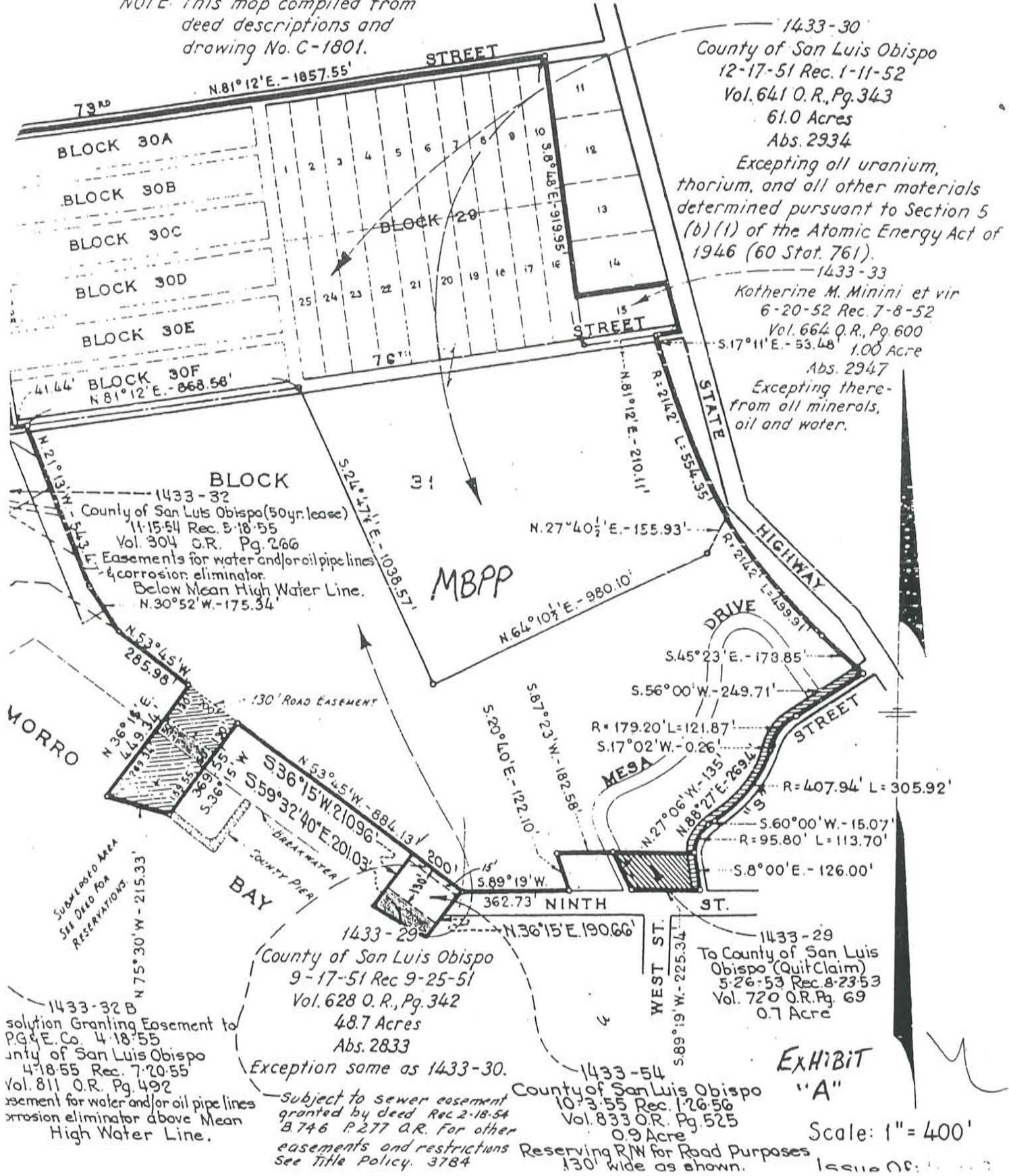
Julie L. Rodewald, Clerk-Recorder

MAR 04 1998

By W. A. Francis Deputy
San Luis Obispo County, California

PACIFIC GAS AND ELECTRIC COMPANY
PARCELS 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31 & PORTION OF 29 & 31 ATASCADERO BEACH SUBDIVISION
SAN LUIS OBISPO COUNTY T. 29 S. R. 10 E. M. D. M.
MORRO BAY STEAM PLANT

NOTE: This map compiled from deed descriptions and drawing No. C-1801.



1433-30
 County of San Luis Obispo
 12-17-51 Rec. 1-11-52
 Vol. 641 O.R., Pg. 343
 61.0 Acres
 Abs. 2934
 Excepting all uranium,
 thorium, and all other materials
 determined pursuant to Section 5
 (b) (1) of the Atomic Energy Act of
 1946 (60 Stat. 761).

1433-33
 Katherine M. Minini et vir
 6-20-52 Rec. 7-8-52
 Vol. 664 O.R., Pg. 600
 S.17°11'E. - 53.48' 1.00 Acre
 Abs. 2947
 Excepting there-
 from all minerals,
 oil and water.

1433-32
 County of San Luis Obispo (50yr. lease)
 11-15-54 Rec. E-18-55
 Vol. 304 O.R. Pg. 266
 Easements for water and/or oil pipelines
 & corrosion eliminator
 Below Mean High Water Line.
 N.30°52'W. - 175.34'

1433-32 B
 solution Granting Easement to
 P.G.&E. Co. 4-18-55
 County of San Luis Obispo
 4-18-55 Rec. 7-20-55
 Vol. 811 O.R. Pg. 492
 easement for water and/or oil pipe lines
 corrosion eliminator above Mean
 High Water Line.

1433-29
 County of San Luis Obispo
 9-17-51 Rec 9-25-51
 Vol. 628 O.R., Pg. 342
 48.7 Acres
 Abs. 2833
 Exception same as 1433-30.
 Subject to sewer easement
 granted by deed Rec 2-18-54
 B 746 P 277 O.R. For other
 easements and restrictions
 See Title Policy. 3784

1433-54
 County of San Luis Obispo
 10-3-55 Rec. 1-26-56
 Vol. 833 O.R. Pg. 525
 0.9 Acre
 Reserving R/W for Road Purposes
 130' wide as shown.

1433-29
 To County of San Luis
 Obispo (Quit Claim)
 5-26-53 Rec. 8-23-53
 Vol. 720 O.R. Pg. 69
 0.7 Acre

EXHIBIT
"A"
 Scale: 1" = 400'
 Issue Of: _____



AGENDA NO: A-7

Meeting Date: September 9, 2014

Staff Report

TO: Honorable Mayor and City Council **DATE:** September 4, 2014

FROM: Rob Livick, PE/PLS - Public Services Director/City Engineer
Eric Endersby, Harbor Director

SUBJECT: Authorize City Manager to Negotiate and Execute a License Agreement with Central Coast Maritime Museum Association (CCMA) for Display of Up to Three Vessels and Two Kiosks in the City Parking Lot on Front Street

RECOMMENDATION

Staff recommends the City Council authorize the City Manager to negotiate and approve a license agreement with Central Coast Maritime Museum Association, to allow the CCMA to use a portion of the City's parking lot and public right-of-way along Front Street for display of three vessels, and two informational kiosks.

ALTERNATIVES

1. Allow no additional use of City Property/Rights of Way by the CCMA ("status quo").
2. Require the CCMA to vacate the site and stop all use of City property/Rights of Way for the display of vessels and promotion of the CCMA.

FISCAL IMPACT

There is no fiscal impact, except for the potential economic development that could result from visitors to the vessels.

BACKGROUND / DISCUSSION

Since January and April, 2011, the Museum has displayed a retired United States Coast Guard Motor Lifeboat ("CG 30615") and a Retired United States Navy Deep Sea Rescue Vehicle (submarine "AVALON"), in addition to construction of an informational kiosk, on the public right-of-way along Front Street and Surf Street. That display has been allowed by the City pursuant to a Memorandum of Understanding (MOU) and a Special Encroachment Agreement. The Special Encroachment Agreement was used as the vehicle for permission since the vessels and kiosks are located in City Rights of Way. The community has not experienced any negative impacts from that use. Recently, the Museum indicated it wants to display a third vessel, the historic sea-going tug ALMA that saw service in WWII, on a portion of the parking lot near the other two.

Prepared By: RL/EE

Dept Review: _____

City Manager Review: EK

City Attorney Review: _____

Staff is preparing a draft license agreement to allow a new display and also to address the display of the other two vessels and kiosk. With a new license agreement all three vessels and kiosks would be covered by one document. The Museum anticipates locating the new vessel on the City's property as soon as feasible, early this fall. The license agreement proposes a term through December 31, 2016, but will allow for extension or termination; no fee is being proposed for the license agreement. The license agreement will require the Museum to indemnify the City from any liability relating to the license agreement and to provide insurance.

The exterior of the vessels will be able to be viewed without cost to the viewers, but the Museum may solicit donations for the viewing. The interior of the vessels may also be able to be viewed under Museum supervision at times and dates mutually agreeable to the City and Museum, and the Museum may charge a reasonable fee for the viewing.

The use of the area for display of the vessels, is not for the exclusive use of the Museum and is subject to the City, or a third party with the City's permission, being able to use the same area for programs, events and other municipal uses, as long as that use does not unreasonably interfere with or prevent in any substantial way the Museum's ability to utilize the area for their purposes. The City or third party would be responsible for all operation costs and maintenance for the portion of the Premises it or Licensor uses or occupies.

CONCLUSION

The license agreement negotiated by the City Manager would require City Attorney approval with input and concurrence from the Public Services Director and Harbor Director. Upon approval of the License Agreement the Museum will begin the process of moving the ALMA to the Embarcadero area of Morro Bay.



Surf Street Right-of-Way

Historic Tug Boat *Alma*
DSRV
Interpretive Panel Kiosk
US Coast Guard Boat



AGENDA NO: D-1

MEETING DATE: September 9, 2014

Staff Report

TO: Honorable Mayor and City Council

DATE: August 29, 2014

FROM: Eric Endersby, Harbor Director

SUBJECT: Consideration of Dynegy Applications to the Federal Energy Regulatory Commission for Energy-Generating Wave Parks in Morro Bay Area Waters

RECOMMENDATION

Staff recommends Council consider wave park application proposals, Harbor Advisory Board input and provide comments or recommendations, if any, for staff to incorporate into a comment letter to the Federal Energy Regulatory Commission (FERC).

ALTERNATIVES

1. Direct staff to draft a comment letter to FERC with specific direction for comments on issues for the Mayor's signature to be filed before the September 22, 2014 filing deadline.
2. Direct staff to draft a comment letter to FERC with general direction for comments on issues to be addressed for the Mayor's signature to be filed before the September 22, 2014 filing deadline.
3. Take no position and offer no comments to FERC on the proposals.
4. Direct staff to draft and send a comment letter to FERC as staff determines most appropriate.

FISCAL IMPACT

There is no fiscal impact with this item.

BACKGROUND/DISCUSSION

On July 22, 2014, noticing in the Federal Register indicated that Dynegy, current owner of the Morro Bay Power Plant, applied to the Federal Energy Regulatory Commission for a Preliminary Permit for two energy-generating "wave parks" in area waters; one in Estero Bay, and a second off Point Estero. These wave parks, if established, will ultimately consist of an array of moored electric-generating wave rider buoys connected to shore via submarine power cables that will land at the Morro Bay Power Plant. The Federal Register notices, included with this staff report, provide more detail about the proposed projects.

Representatives of Dynegy and their project partner, GWave LLC, have met on several

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

occasions in recent months with Morro Bay City Council members, representatives of the Morro Bay Commercial Fishing Organization (MBCFO), and Harbor Department staff to present their proposals and hear what the local concerns, issues and level of support may be. Dynegy representatives have stated that they are committed to a process of stakeholder engagement to understand the community's perspectives and concerns to ensure that it is consistent with the community's goals as well as the project's commercial realities.

In addition, at their August 7, 2014 meeting, the Harbor Advisory Board declared a Future Agenda item to review and possibly take a position or comment on the proposals; that item will be heard on September 4, 2014. Due to the timing of this meeting; staff is unable to present any Advisory Board comments or recommendations in this staff report; they will be presented verbally.

One issue of concern for staff is the potential impacts to the commercial and recreational fishing fleets, specifically the loss of fishable habitat to an array of buoys and moorings that, in effect, will become a "marine protected area." In discussions with Dynegy and GWave representatives, they have stated they recognize this issue and wish to minimize it to the maximum extent possible, and to reasonably mitigate any unavoidable losses. Working with the commercial and recreational fishermen to identify the best locations to avoid conflicts is the best way to achieve this. A copy of the Morro Bay Commercial Fisherman's Organization comment letter to FERC is included with this staff report.

Other issues of concern are the potential hazards that these proposed buoys and moorings may pose to vessels in transit, as well as to whales and other marine mammals. Staff believes that these issues need to be adequately addressed and mitigated to the maximum extent possible. Should FERC grant the Preliminary Permits and Dynegy follow through with license applications, it is expected that another level of public and environmental review will be triggered.

CONCLUSION

Staff is seeking Council consideration of Harbor Advisory Board and other comments and issues related to Dynegy's recent application proposals to FERC for two offshore wave energy "parks" in Morro Bay-area waters. These comments will be incorporated into a comment letter to FERC.

eComment system at <http://www.ferc.gov/docs-filing/ecomment.asp>. You must include your name and contact information at the end of your comments. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll free at 1-866-208-3676, or for TTY, (202) 502-8659. Although the Commission strongly encourages electronic filing, documents may also be paper-filed. To paper-file, mail an original and seven copies to: Secretary, Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426. Please include the project number (p-2964-015) on any comments, motions, or recommendations filed.

The Commission's Rules of Practice and Procedure require all intervenors filing documents with the Commission to serve a copy of that document on each person whose name appears on the official service list for the project. Further, if an intervenor files comments or documents with the Commission relating to the merits of an issue that may affect the responsibilities of a particular resource agency, they must also serve a copy of the document on that resource agency.

k. Description of Request: The licensee proposes to amend its recreation plan to modify all of the wetland hiking trails to consist of a minimum 36" width slip resistant compacted aggregate surface with resting/passing intervals approximately every 200 feet. Access pathways to recreation amenities would be widened to 60" minimum with slip resistant surface. The proposed hiking trail at Covered Bridge Park would be reduced in length from 2,605 linear feet to 1,675 linear feet. The proposed hiking trail at Pahl Point Park would be reduced in length from 700 linear feet to 465 linear feet.

l. Locations of the Application: A copy of the application is available for inspection and reproduction at the Commission's Public Reference Room, located at 888 First Street NE., Room 2A, Washington, DC 20426, or by calling (202) 502-8371. This filing may also be viewed on the Commission's Web site at <http://www.ferc.gov> using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number field to access the document. You may also register online at <http://www.ferc.gov/docs-filing/esubscription.asp> to be notified via email of new filings and issuances related to this or other pending projects. For assistance, call 1-866-208-3676 or email FERCOnlineSupport@ferc.gov, for TTY, call (202) 502-8659. A copy is also

available for inspection and reproduction at the address in item (h) above. Agencies may obtain copies of the application directly from the applicant.

m. Individuals desiring to be included on the Commission's mailing list should so indicate by writing to the Secretary of the Commission.

n. Comments, Protests, or Motions to Intervene: Anyone may submit comments, a protest, or a motion to intervene in accordance with the requirements of Rules of Practice and Procedure, 18 CFR 385.210, .211, .214, respectively. In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but only those who file a motion to intervene in accordance with the Commission's Rules may become a party to the proceeding. Any comments, protests, or motions to intervene must be received on or before the specified comment date for the particular application.

o. Filing and Service of Documents: Any filing must (1) bear in all capital letters the title "COMMENTS", "PROTEST", or "MOTION TO INTERVENE" as applicable; (2) set forth in the heading the name of the applicant and the project number of the application to which the filing responds; (3) furnish the name, address, and telephone number of the person commenting, protesting or intervening; and (4) otherwise comply with the requirements of 18 CFR 385.2001 through 385.2005. All comments, motions to intervene, or protests must set forth their evidentiary basis. Any filing made by an intervenor must be accompanied by proof of service on all persons listed in the service list prepared by the Commission in this proceeding, in accordance with 18 CFR 385.2010.

Dated: July 16, 2014.

Kimberly D. Bose,
Secretary.

[FR Doc. 2014-17211 Filed 7-21-14; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 14584-000]

Dynegy Point Estero Wave Park, LLC; Notice of Preliminary Permit Application Accepted for Filing and Soliciting Comments, Motions To Intervene, and Competing Applications

On February 7, 2014, Dynegy Point Estero Wave Park, LLC (Dynegy) filed an application for a preliminary permit, pursuant to section 4(f) of the Federal Power Act, proposing to study the feasibility of the proposed Point Estero Wave Park Project (project). The proposed project would be developed in a phased approach. First, under a demonstration phase, Dynegy plans to deploy a single approximately 1-megawatt (MW) GWAVE Power Generating Vessel (wave energy converter or WEC). Second, under a potential commercial license, Dynegy plans to deploy 10 to 16 approximately 1-MW WEC's. Third, Dynegy plans to seek authorization to deploy additional WEC's with a total installed capacity of 650 MW. Two or more high voltage submarine cables would transmit power to shore, interconnecting with Pacific Gas and Electric's switchyard facilities at Morro Bay. The requested project boundary comprises approximately 5.2 square nautical miles (4-miles-long by 1.5-miles-wide) of coastal waters and lands located along the coast of San Luis Obispo County, California, near the town of Morro Bay.

The sole purpose of a preliminary permit, if issued, is to grant the permit holder priority to file a license application during the permit term. A preliminary permit does not authorize the permit holder to perform any land disturbing or construction activities or to otherwise enter upon lands or waters owned by others without the owners' express permission.

Applicant Contact: Henry D. Jones, Dynegy Inc., 601 Travis, Suite 1400, Houston, TX 77002; (713) 767-0480.

FERC Contact: Jim Hastreiter, (503) 552-2760.

Deadline for filing comments, motions to intervene, competing applications (without notices of intent), or notices of intent to file competing applications: 60 days from the issuance of this notice. Competing applications and notices of intent must meet the requirements of 18 CFR 4.36. Comments, motions to intervene, notices of intent, and competing applications may be filed electronically via the Internet. See 18 CFR 385.2001(a)(1)(iii) and the

instructions on the Commission's Web site (<http://www.ferc.gov/docs-filing/ferconline.asp>) under the "eFiling" link.

For a simpler method of submitting text only comments, click on "Quick Comment." For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov; call toll-free at (866) 208-3676; or, for TTY, contact (202) 502-8659. Although the Commission strongly encourages electronic filing, documents may also be paper-filed. To paper-file, mail an original and 5 copies to: Kimberly D. Bose, Secretary, Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426.

More information about this project, including a copy of the application, can be viewed or printed on the "eLibrary" link of Commission's Web site at <http://www.ferc.gov/docs-filing/elibrary.asp>. Enter the docket number (P-14584) in the docket number field to access the document. For assistance, contact FERC Online Support.

Dated: July 16, 2014.

Kimberly D. Bose,
Secretary.

[FR Doc. 2014-17212 Filed 7-21-14; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 14585-000]

Dynergy Estero Bay Wave Park, LLC; Notice of Preliminary Permit Application Accepted for Filing and Soliciting Comments, Motions To Intervene, and Competing Applications

On February 7, 2014, Dynergy Estero Bay Wave Park, LLC (Dynergy) filed an application for a preliminary permit, pursuant to section 4(f) of the Federal Power Act, proposing to study the feasibility of the proposed Estero Bay Wave Park Project (project). The proposed project would be developed in a phased approach. First, under a demonstration phase, Dynergy plans to deploy a single approximately 1-megawatt (MW) GWAVE Power Generating Vessel (wave energy converter or WEC). Second, under a potential commercial license, Dynergy plans to deploy 10 to 16 approximately 1-MW WEC's. Third, Dynergy plans to seek authorization to deploy additional WEC's with a total installed capacity of 650 MW. Two or more high voltage submarine cables would transmit power to shore, interconnecting with Pacific Gas and Electric's switchyard facilities

at Morro Bay. The requested project boundary comprises approximately 2.73 square nautical miles (1.0-mile-wide by 2.73-miles-long) of coastal waters and lands located along the coast of San Luis Obispo County, California, near the town of Morro Bay.

The sole purpose of a preliminary permit, if issued, is to grant the permit holder priority to file a license application during the permit term. A preliminary permit does not authorize the permit holder to perform any land disturbing or construction activities or to otherwise enter upon lands or waters owned by others without the owners' express permission.

Applicant Contact: Henry D. Jones, Dynergy Inc., 601 Travis, Suite 1400, Houston, TX 77002; (713) 767-0480.

FERC Contact: Jim Hastreiter, (503) 552-2760.

Deadline for filing comments, motions to intervene, competing applications (without notices of intent), or notices of intent to file competing applications: 60 days from the issuance of this notice. Competing applications and notices of intent must meet the requirements of 18 CFR 4.36. Comments, motions to intervene, notices of intent, and competing applications may be filed electronically via the Internet. See 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's Web site (<http://www.ferc.gov/docs-filing/ferconline.asp>) under the "eFiling" link.

For a simpler method of submitting text only comments, click on "Quick Comment." For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov; call toll-free at (866) 208-3676; or, for TTY, contact (202) 502-8659. Although the Commission strongly encourages electronic filing, documents may also be paper-filed. To paper-file, mail an original and 5 copies to: Kimberly D. Bose, Secretary, Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426.

More information about this project, including a copy of the application, can be viewed or printed on the "eLibrary" link of Commission's Web site at <http://www.ferc.gov/docs-filing/elibrary.asp>. Enter the docket number (P-14585) in the docket number field to access the document. For assistance, contact FERC Online Support.

Dated: July 16, 2014.

Kimberly D. Bose,
Secretary.

[FR Doc. 2014-17213 Filed 7-21-14; 8:45 am]

BILLING CODE 6717-01-P

ENVIRONMENTAL PROTECTION AGENCY

[EPA-HQ-OAR-2014-0229; FRL-9914-10-OAR]

Confidentiality of Business Information Submitted in Compliance Documents for 2014 and Subsequent Model Year Vehicles, Engines and Equipment

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice; request for comment.

SUMMARY: The Environmental Protection Agency (EPA) is seeking comment on a draft Class Determination regarding the confidentiality of business information submitted in compliance documents for 2014 and subsequent model year vehicles, engines and equipment.

DATES: Comments must be submitted on or before September 5, 2014.

ADDRESSES: Submit your comments referencing Docket ID No. EPA-HQ-OAR-2014-0229 online using www.regulations.gov (our preferred method), by email to pugliese.holly@epa.gov or by mail to: EPA Docket Center, Environmental Protection Agency, Mailcode 28271T, 1200 Pennsylvania Ave. NW., Washington, DC 20460.

EPA's policy is that all comments received will be included in the public docket without charge including any personal information provided, unless the comment includes profanity, threats, information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute.

FOR FURTHER INFORMATION CONTACT: Holly Pugliese, Compliance Division, Office of Transportation and Air Quality, Environmental Protection Agency, 2000 Traverwood, Ann Arbor, Michigan, 48105; telephone number: 734-214-4268; fax number: 734-214-4869; email address: pugliese.holly@epa.gov.

SUPPLEMENTARY INFORMATION: EPA's Office of General Counsel (OGC) issues class determinations to describe the categories of business information submitted to the Agency that can be considered confidential and when and if such information can be released to the public when disclosure is requested under the Freedom of Information Act ("FOIA" or "the Act"). On March 28, 2013 OGC issued "Class Determination 1-13: Confidentiality of Business Information Submitted in Certification Applications for 2013 and Subsequent Model Year Vehicles, Engines and Equipment" (www.epa.gov/ogc/documents/1-13.pdf). Class

Attention Jim Hastreiter
Kimberly D. Bose Secretary
Federal Energy Regulatory Commission
888 1st St. NE.
Washington DC. 20426

Dear Mr. Hastreiter,

I am the President of the Morro Bay Commercial Fishermen's Organization (MBCFO). I am speaking on behalf of our membership regarding Project No. 14584-000 and 14585-000 in Vol. 79, No.140/Tues. July 22, 2014 notice in the Federal Register. These are the permit requests for Dynergy **Point** Estero Wave Park and Dynergy Estero **Bay** Wave Park. The directors of the MBCFO and a recreational fishermen representative met with Robert Stoddard of Gwave (the company installing this Wave Parks with Dynergy) only a few weeks ago. We talked about location, depths, size, distribution and cables for the Wave Energy Converters. We were only told about the Estero **Bay** Wave Park that is 2.73 miles by 1 mile that is in the sand where there is little fishing in the area. There was no discussion of the other **Point** Estero Wave Park that is 4 miles by 1.5 miles and is in the rocky reef area where there is heavy local fishing happening. Earlier in the year they showed us a map with this area on it and we specifically told them it wouldn't work.

We are not opposed to the 14585-000 project in **Estero Bay** and are willing to work with Gwave/Dynergy to mitigate the use of this area, but we can not afford to loose any more fishing areas with the other proposed 14584-000 project at **Estero Point**. The Central Coast has already lost several miles of fishing area to Marine Protected Areas, Rock Cod Conservation Areas, Essential Fishery Habitat, and a Nuclear Power Plant. We need to protect what fishing areas we have left, especially Estero Point which is one of the few areas left close to port .

Thank you for your consideration in this matter. Please contact me with any questions at (805) 610-2072 or at somethingsfishy@charter.net.

Sincerely,

Tom D. Hafer
President MBCFO