



## CITY OF MORRO BAY PUBLIC WORKS ADVISORY BOARD MEETING AGENDA

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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.

**Wednesday, April 20, 2016  
Veterans Memorial Building - 5:30 P.M.  
209 Surf Street, Morro Bay, CA**

Steven Shively, Vice-Chair  
Janith Goldman

Marlys McPherson, Chair  
David Sozinho

Christopher Parker  
Stewart Skiff

ESTABLISH QUORUM AND CALL TO ORDER  
MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE  
ANNOUNCEMENTS  
PRESENTATIONS – None

### PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Board on City business matters other than scheduled items may do so at this time. To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Chair, please come forward to the podium and state your name and address for the record. Board meetings are audio and video recorded and this information is voluntary and desired for the preparation of minutes.
- Comments are to be limited to three minutes.
- All remarks shall be addressed to the Board, as a whole, and not to any individual member thereof.
- The Board 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 Board to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in Board 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 Public Works Department at (805) 772-6262. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

### A. CONSENT CALENDAR

- A-1 Approval of Minutes of March 16, 2016 Meeting  
Recommendation: Approve minutes.

### B. BUSINESS ITEMS

- B-1 Directors Report – Informational summary of current Public Works Activities  
Recommendation: Information item, no action needed.

- B-2 Consideration to Approve Third Amendment to the Garbage, Recycling and Greenwaste Services Franchise Agreement  
Recommendation: Recommend the City Council adopt a resolution approving the Third Amendment that includes the following:
1. Add Section 3.5 to the Agreement extending the term by 17 years related to the long-term solution of constructing an organics processing facility in San Luis Obispo;
  2. Change Section 5.6.2A to state no vehicle shall be more than 12 years old; and
  3. Increase in Section 5.10 the number of free public area garbage and recycling containers collected to 40 each.
- B-3 Review and Comments for San Luis Obispo Council of Government's (SLOCOG) Self-Help Transportation Funding Initiative  
Recommendation: 1. Review and provide comments to staff regarding the draft Transportation Investment Plan categories and distributions, including: 9-year duration, formula distribution for Local Road Repairs and Transportation Improvements, and Safeguards. 2. Review Key Projects for local funding allocation and provide any comments
- C. FUTURE AGENDA ITEMS
- Memorial Bench, Tree, and Bike Rack Program
  - Adopt a Street/Park
  - Annual "Streets Summit" - Tentatively June
- D. ADJOURNMENT  
Adjourn to the Public Works Advisory Board meeting at the Veteran's Memorial Building, 209 Surf Street, on Wednesday, May 18, 2016 at 5:30 p.m.

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This agenda is subject to amendment up to 72 hours prior to the date and time set for the meeting. Please refer to the agenda posted at the Public Works Department, 955 Shasta Avenue, for any revisions or call the department at 772-6262 for further information.

Materials related to an item on this Agenda are available for public inspection during normal business hours in the Public Works Department at 955 Shasta, City Hall at 595 Harbor, Mill's/ASAP at 495 Morro Bay Boulevard, or the Morro Bay Library at 695 Harbor, Morro Bay, CA 93442.

This agenda may be found on the Internet at: [www.morrobayca.gov/pwab](http://www.morrobayca.gov/pwab) or you can subscribe to Notify Me for email notification when the Agenda is posted on the City's website. To subscribe, go to [www.morrobayca.gov/notifyme](http://www.morrobayca.gov/notifyme) and follow the instructions.

Materials related to an item on this agenda submitted to the Board after publication of the agenda packet are available for inspection at the Public Works Department during normal business hours or at the scheduled meeting.

MINUTES - PUBLIC WORKS ADVISORY BOARD (PWAB)  
REGULAR MEETING – MARCH 16, 2016  
VETERAN’S MEMORIAL HALL – 5:30P.M.

PRESENT:	Marlys McPherson	Chair
	Steve Shively	Vice-Chair
	Chris Parker	Board Member
	Deborah Owen	Board Member
	Janith Goldman	Board Member
	Stu Skiff	Board Member
ABSENT:	David Sozinho	Board Member
STAFF:	Rob Livick	Public Works Director
	Kay Merrill	Administrative Utilities Technician

ESTABLISH QUORUM, CALL TO ORDER AND MOMENT OF SILENCE

The meeting was called to order at 5:31p.m., a quorum was present and there was a moment of silence.

ANNOUNCEMENTS

<https://youtu.be/iD4mWH-x1sQ?t=1m16s>

Marlys McPherson announced Deborah Owen is resigning from PWAB. Tonight is her last meeting and thanked her for all years of service on PWAB.

PRESENTATIONS - None

PUBLIC COMMENT

<https://youtu.be/iD4mWH-x1sQ?t=1m59s>

The public comment period was opened.

Rob Livick announced on Sunday, March 20, 2016 at the Performing Arts Center (PAC) in San Luis Obispo, there will be a 30<sup>th</sup> Anniversary Celebration of Opera SLO. Tickets can be purchased at [pacslo.org/tickets](http://pacslo.org/tickets).

The public comment period was closed.

A. CONSENT AGENDA

<https://youtu.be/iD4mWH-x1sQ?t=2m54s>

A-1 Approval of Minutes from the PWAB Meeting of February 17, 2016

MOTION:

Steve Shively moved to approve Item A-1. The motion was seconded by Chris Parker and carried unanimously, 6-0.

## B. BUSINESS ITEMS

### B-1 Directors Report – Informational summary of current Public Works Activities <https://youtu.be/iD4mWH-x1sQ?t=3m26s>

Rob Livick presented the staff report.

The Committee asked questions of staff and commented on the current Public Works Activities Directors Report.

### B-2 Modifications to Morro Bay Municipal Code (MBMC) § 13.20 – Building Limitation <https://youtu.be/iD4mWH-x1sQ?t=23m8s>

Rob Livick presented the staff report and a power point presentation.

The Committee asked questions of staff and commented on the Modifications to Morro Bay Municipal Code (MBMC) § 13.20 – Building Limitation.

### B-3 FY 2016/2017 PWAB Work Program <https://youtu.be/iD4mWH-x1sQ?t=54m>

Rob Livick presented the staff report.

The Committee asked questions of staff and commented on the FY 2016/2017 PWAB Work Program.

## C. Future Agenda Items

<https://youtu.be/iD4mWH-x1sQ?t=1h29m37s>

- Marlys McPherson received an e-mail from a citizen stating several citizens are concerned about a spike in their gas bill following the gas company's installation of the new smart meter. She would like to know if Rob Livick could explore the issue with the gas company and come back to PWAB with a response. Rob Livick stated he will get a hold of their government relations representative for them to give a presentation on their version of smart metering.

Deborah Owens stated this is her final meeting and said it has been a wonderful experience. She has enjoyed working with the committee and thanked them for being a civilized group of people and encouraged the public to apply for her position.

## D. ADJOURNMENT

The meeting adjourned at 7:03p.m. to a regular PWAB meeting to be held on Wednesday, April 20, 2016 at 5:30 p.m. at the Veteran's Memorial Hall, 209 Surf Street, Morro Bay, California

# Staff Report

**TO: Public Works Advisory Board**                      **DATE: April 14, 2016**  
**FROM: Rob Livick, PE/PLS – Public Works Director/City Engineer**  
**SUBJECT: Director’s Report / Information Items**

The information contained in this report provides a snapshot into the workings of the Public Works Department. Please contact the individual staff members prior to the meeting, if possible, for more detailed information.

## **Notify Me**

Sign up for Notify Me on the City’s Website [www.morrobayca.gov/notifyme](http://www.morrobayca.gov/notifyme) for notification of Council, Board’s and Commission’s agendas and minutes.

## **Service Requests**

The City has a feature to the City’s website, Service Requests [www.morrobayca.gov/905/Service-Requests](http://www.morrobayca.gov/905/Service-Requests), where citizens can report a concern to the City for predetermined issues without the need to phone the City during business hours (for example: reporting a pothole). As an alternative you can use the iPhone or Android App “My Morro Bay” free at the App store.

Staff can also add Service Requests for someone over the phone or in the office if they do not have access to a computer. Each category in Service Requests is assigned to the appropriate staff member to handle so citizens don't have to figure out what department to contact for an issue they need to report on.

## **BICYCLE ISSUES / BIKE COMMITTEE REPORT**

Staff Contact: Rob Livick

The Amgen Tour of California is coming to Morro Bay! This international event will be watched by millions around the world and may bring a few thousand cycling enthusiasts to Morro Bay on May 17th and 18th. At about 10 am on the morning of the 18<sup>th</sup>, the race will start at the Rock parking lot, proceed South on the Embarcadero to Pacific Street; East on Pacific Street to Main Street; then North on Main Street all the way to Yerba Buena where the racers will get on the Highway and finish 137 miles later in Laguna Seca Motor Speedway. The Public Works Department staff will be providing logistical support for this event. Wednesday morning, the Embarcadero from the Race start to Pacific will be posted as no parking, and it would be most helpful for the event if there was no parking on the remainder of the course until after 11 am. There will be delays and minor inconveniences during this event, please be patient and use alternative routes as appropriate. Please refer to the attached route map.

Should you wish to volunteer for the Tour, please register at the Amgen Tour of California website: <http://www.amgentourofcalifornia.com/%20Tour/volunteer>.

## **COLLECTION SYSTEM CAPITAL PROJECTS – Collection System**

Staff Contact: Bruce Keogh  
Rick Sauerwein  
Jarrod Whelan

- Renovation of Lift Station#1 (Near Cloisters Park) is scheduled to be complete by the end of the month.
  - Notice of Completion scheduled to go before Council at the April 26, 2016 meeting.

## **CONSOLIDATED MAINTENANCE**

Staff Contact: Mike Wilcox

Several more trees and limbs were lost since the last report. But, it appears that the storms are behind us now and staff can begin to focus on repairs and maintenance tasks.

Staff has been working on a rotating schedule with street repairs, focusing two or more days a week on pothole patching with cold mix one week and working on dig outs and hot mix repairs the following.

The Consolidated Maintenance team recently finish renovating both the City Hall conference room and the Council office and conference room at 535 Harbor. Additional facilities projects included; rodent and termite abatement, and fence building at the city owned rental property at 570 Dunes Street. And, removal of the poured in place rubberized mat at Tidelands Park playground bringing us one step closer to the installation of new play elements.

A lot of progress has been made on the California Energy Commission energy efficiency projects. The contract for city wide HVAC upgrades has been released and work should commence in about 5 weeks. Following shortly after this project is completed, the same city owned buildings will be outfitted with photovoltaic (PV) arrays. When completed, the city will have installed four hundred and thirty 320w PV modules across six roof tops, significantly reducing the Carbon footprint. This work will be complete by December 2016.

Upcoming projects include retro-fitting public urinals and toilets to ultra-low flow government standards, the installation of synthetic turf at Anchor Memorial Park the completion of the rain water harvesting system at Centennial Parkway restrooms, and the installation of public art in front of the Senior Center.

Street & Sidewalk Maintenance, Fleet Maintenance, Street Tree, Street Lighting, Storm Drain and Creek, Facility Maintenance, and Park Maintenance are all part of the Public Works Department and no longer with the Recreation Department.

If you have maintenance requests please call 772-6261 or use the City's Service Requests online system on our website [www.morrobayca.gov/905/Service-Requests](http://www.morrobayca.gov/905/Service-Requests). Upon receipt, the electronic requests will be reviewed and assigned to the appropriate staff for action. In the future, the City will be upgrading to a fully integrated maintenance work order system that will allow you to view the progress of your requests. Attached is one of the many reports available for tracking electronic service requests.

## **SIDEWALK INSTALLATION**

Staff Contact: Rick Sauerwein

2016 CDBG ADA Accessibility project: Staff is awaiting the final allocation 2016 funding and the new Sub-recipient Agreement. The expected allocation is approximately \$63,017. City Council approved this project on March 8th and the County Board of Supervisors is expected to

approve this allocation on April 12th. Funds are expected to be available by the end of Q2 2016. The County also announced their intention to reallocate up to \$200,000 of currently unobligated prior year funds on April 8<sup>th</sup>. The reallocated funds must be expended by September 30, 2016. The City Council directed staff to pursue those funds at their December 2015 meeting.

### **STREET TREES – Urban Forest Management Plan**

Staff Contact: Damaris Hanson

The City is currently in Bird Nesting Season from February 1<sup>st</sup> to July 1<sup>st</sup> no City right-of-way trees shall be trimmed or removed unless in the case of an emergency during nesting season.

Therefore, during nesting season, potential problem trees, are evaluated by a certified arborist to determine if they are hazardous and need emergency trimming or removal.

Eucalyptus trees along San Jacinto (along the west side of Hwy 1) have been evaluated by a certified arborist after one fell during a storm event recently. There are a total of seven trees on the south side, one being removed, and fourteen eucalyptus trees along the north side of San Jacinto, two being removed. These three Eucalyptus trees along San Jacinto will be removed due to be determined as hazardous by a certified arborist.

Several other trees around town are in need of emergency/hazardous tree trimming.

### **STORM WATER – Storm Preparation**

Staff Contact: Rick Sauerwein and Damaris Hanson

As the 2016 Storm season rapidly comes to an end without major incident of flooding or debris flow, staff's focus shifts to incorporating as many storm water improvements into our 2016/17 Street Rehabilitation program as funding will allow.

### **STORM WATER**

Staff Contact: Damaris Hanson

Staff is currently undergoing a mapping exercise to map all our storm drains into sub watersheds and to determine how much impervious area and include zoning info into each sub watershed. This map will be used as a tool to guide yearly prioritization of actions to reduce urban pollutant loading. The map will also be used to inventory and assess structural Best Management Practices (BMP) using a modelling tool - BMP rapid assessment methodology (BMP RAM), and a pollutant loading model – Tool to Estimate Load Reductions (TELRL) is being developed to estimate the relative expected benefits of stormwater management actions implemented within each urban catchment area.

### **TRANSIT – Runabout Free Fare Program**

Staff Contact: Janeen Burlingame

The Regional Transportation Authority (RTA) has seen an increase in use, as well as expenses, associated with Runabout operations. Runabout is the American with Disabilities Act (ADA) complementary paratransit service to the fixed-route operations in the county. As costs for Runabout continue to increase, the resulting impact is reduced TDA funding for all systems that operate fixed-route transit programs within the county, including Morro Bay. One way to assist RTA in reducing the load on the paratransit system is to have local fixed-route providers accommodate paratransit riders when, and if, they can complete a ride on the fixed-route system. These rides are provided at a lower cost and can help save money for RTA and in turn, the JPA funding partners.

The City recently approved an agreement with the RTA to allow RTA to subsidize Runabout passenger rides provided by Morro Bay Transit and Trolley, at the rate of \$7.45 per trip. This would help alleviate demands on Runabout paratransit services by capturing more trips on a more cost effective fixed-route system. The Runabout free fare program began April 1, 2016.

**WATER – Chorro Stream Gauge**

Staff Contact: Rick Sauerwein and Pamela Newman

Mitigated Negative Declaration has been completed. County Permitting is on hold pending owner permission from San Luis Coastal Resource Conservation District (RCD) and resolution of National Marine Fishery Service design concerns. Continue to work with the RCD and The USDA for permission to install gage on RCD property within the NRCS easement.

**WATER – Nutmeg Tank Replacement**

Staff Contact: Rick Sauerwein  
Jarrod Whelan

Mitigated Negative Declaration will be revised further to include renovation of water, sewer and storm drains in the Laurel Easement. The sewer and storm drains are under evaluation to determine the full project scope.

**WATER – Operations**

Staff Contact: Rob Livick  
Jamie James  
Damaris Hanson

The City was notified by the Central Coast Water Authority and County Water Operations that California Department of Water Resources increased the State Water Allocation from 10-percent to 45-percent. This means the City of Morro Bay will receive its full allocation of the State water requested. Staff requested 1140 of the maximum 1313 acre feet of water for Morro Bay.

Staff has selected MNS engineers to assist in developing our 2015 Urban Water Management Plan (UWMP). The plan is tentatively scheduled to go to PWAB on May 18<sup>th</sup>. Currently chapters 1-4 have been reviewed by City staff and Chapters 5-9 review will begin April 15<sup>th</sup>.

Staff is also currently working on the annual Consumer confidence Report (CCR) for 2015. The CCR is an annual water quality report that the City of Morro Bay is required to provide to its customers under the Safe Drinking Water Act (SDWA). The purpose of the CCR is to raise customer awareness of the quality of their drinking water, what it takes to deliver water to their homes, and the importance of protecting drinking water sources.

The City's five person field crew in the water division performed 569, 426 and 571 work items during the months of January, February and March respectively, which included Customer Service Requests, USA marking, Resetting Meter Boxes, Re-reading water meters water sampling and water service replacement or installations.

**WATER – Water Conservation**

Staff Contact: Damaris Hanson

The State's Water Conservation requirements for Morro Bay remain unchanged for the upcoming year at 12-percent as compared to 2013. Even though some individual months do not meet that target, we are on track to meet the annual requirement, since most reduction occurs in the summer months due to reductions in outside water use.

<b>Total Water Consumption (gal)</b>			
Month	2013	2016	% Overall Reduction
January	26,521,088	25,725,964	3
February	25,708,760	19,762,160	23
March	24,637,624	22,711,524	7.8

Water conservation rebates available; Cash for grass, rain barrel, irrigation retrofit, SMART irrigation controller, toilet retrofit and Energy star washing machine.

State rebates now available for removing grass (up to \$2 per sq ft) and replacing a toilet that flushed more than 1.6 gallons per flush (\$100). Go to [www.saveourwaterrebates.com](http://www.saveourwaterrebates.com)

Current rebate to date:

Rain Barrels:	48 Participants and 4,925 gallons of stormwater capacity, \$2200 provided as rebates
Cash for Grass:	21 Participants and 13,438 sq. ft. of turf removed, \$7,275 provided in rebates
Smart Irrigation Controllers:	3 participants, \$300 provided in rebates
Irrigation retrofit:	1 participant, \$100 provided in rebates
Toilets:	138, \$13,800 provided in rebates (2015 to current)
Washing Machines:	35, \$3,500 provided in rebates (2015 to current)

**WASTEWATER – Collections**

Staff Contact: Bruce Keogh, Dave Zevely & Jarrod Whelan

The City’s five-person field crew in wastewater collections section performed 16,642 feet of sewer main cleaning, entered two confined spaces: one to remove a metal object wedged in the collection system waste stream and another to remove construction debris. In addition, Staff de-ragged a pump at lift station 2, collected flowmeter data and submitted to MKN for ongoing flow analysis, conducted inspections at 13 food service establishments and one industrial facility, and assisted the wastewater treatment plant staff on various maintenance projects. For the month of March, no sanitary sewer overflows were reported in City main lines and the Collection’s crew responded to 2 private sewer lateral backups. As part of the City’s systematic chemical root control program, Duke’s Root Control chemically treated 22,490 feet of main lines. Also, Video Inspection Specialists CCTV’d approximately 17,800 feet of collection system main lines.

**WASTEWATER – Major Maintenance Repair Program (MMRP)**

Staff Contact: Bruce Keogh, Rick Sauerwein & Jarrod Whelan

The following discussion provides an update of the FY 15/16 MMRP projects that are currently on-going or have been recently completed.

Metering Vault Removal and Blending Valve Replacement Project

The City Council and Sanitary District Board awarded the contract to the lowest responsible bidder, Pacific Coast Excavation, Inc. of Santa Maria, in the amount of \$90,238.00 at their respective regularly meetings of October 13 and 15, 2015. Staff expects to issue a Notice to Proceed in early to mid-April depending on weather conditions, with construction expected to take 14 to 21 calendar days.

### Rehabilitation of the Secondary Clarifier #2

Plant staff has begun the repair process for the catwalk. These repairs include chipping away corroded areas and repairing and coating these areas to prevent or minimize corrosion. Ultimately, this project could include repairs to the catwalk, repairs to the metal framework on the flights and skimmer cage assembly, repair and replacement of piping and valving, and other associated work. Staff will rely on their recent experience performing similar repairs on the primary clarifiers to refine the work schedule and process.

### Chlorine Contact Basin Improvements

The repairs to the chlorine contact basin were completed on Wednesday, April 15, 2015. A detailed description of the work was included in the May 12, 2015 MMRP Update. On January 20, staff received notice that a minimum mandatory penalty of \$3,000 will be issued for the total chlorine residual violation that occurred when the chlorine contact was bypassed on April 15, 2015 to complete the repair project.

### Purchase and Installation of New Distributor Arms and Biofilter Improvement Project

Staff will continue to work with City Public Works Engineering staff and MKN for the purchase and installation of new distributor arms on biofilter #2 and replacement of the main bearing on the turntable. Staff requested quotes from several manufacturers and received three quotes. City Public Works Engineering staff is reviewing the quotes and will provide a purchase order to the manufacturer with the lowest responsible quote. There will be a long lead time of sixteen to twenty weeks for receipt of the equipment once a purchase order is issued, so the funding for this project will be rolled over and included in the draft FY16/17 budget.

### Flood Control Measures at the Biofilters and Interstage Pumping Station

Flood control measures have been substantially completed at the plant. Staff will continue to work with Public Works Engineering staff and MKN to identify any remaining cost effective flood control measures in accordance with the requirements of the existing and anticipated NPDES permits.

## **WASTEWATER – NEW WRF**

Staff Contact: Rob Livick

Mike Nunley (Contract Program Manager)

Additional information on the WRF project is available on the City's website ([www.morrobay.ca.us/newwrf](http://www.morrobay.ca.us/newwrf)).

### **Schedule**

City Council to Update Site Recommendation after 60-day pause to reevaluate the Reghetti site after concerns regarding neighborhood compatibility. During the pause, several outreach events were held including the Saturday and Thursday farmer's markets.

Bring to WRFCAC on May 3, then Council May 10

Once Site is selected—

Facility Master Plan (FMP) to be completed for preferred site

CEQA/NEPA Review will focus on preferred site

Schedule: Still on track for 2021 delivery

### **Upcoming WRF Meetings**

Next WRFCAC Meeting on May 3, 2016 at 3:00 p.m. in the in the Vets Hall

**ATTACHMENTS:**

1. AMGEN Tour Start Map
2. "QAlert" Service Request Statistics

# CITY OF MORRO BAY AMGEN TOUR 2016



## Requests by Type

This report shows Service Requests by type, separated by status (Open, In Progress and Closed).

### Criteria used for this report:

Start Date Greater Than or Equal To: 3/1/2016 12:00 AM

End Date Less Than or Equal To: 4/1/2016 12:00 AM

Request Type(s) Equals Any Of: 353, 454, 453, 456, 455, 452, 301, 459, 458, 457, 302, 303, 304, 398, 306, 307, 392, 510, 308, 460, 320, 321, 322, 323, 326, 324, 325, 327, 401, 382, 328, 329, 330, 331, 332

Request Type	1 - Open	2 - Progress	3 - Closed	Total
Pothole/Sinkhole	0	6	11	17
Paving Request	1	0	8	9
Maintenance Request	0	5	4	9
Other	0	4	3	7
Tree Evaluation	0	3	2	5
Public Restroom Issue	0	0	4	4
Tree/Stump Removal	1	0	2	3
Street Light Out/Broken	0	0	3	3
Tree Fallen Across Sidewalk	0	0	3	3
Other Signs Missing/Damaged	1	0	1	2
Tree Pruning/Trimming	2	0	0	2
Public Building Issue	0	2	0	2
Street Cleaning/Sweeping	0	0	2	2
Other Light Out/Broken	0	0	2	2
Striping Request	0	0	2	2
Storm Drain Issue	0	1	0	1
Curb Repair	0	0	1	1
Tree Fallen Across Road	0	0	1	1
Custodial Request	0	0	1	1
Maintenance Request	0	0	1	1

# Staff Report

**TO: Public Works Advisory Board**                      **DATE: April 13, 2016**  
**FROM: Janeen Burlingame - Management Analyst**  
**SUBJECT: Consideration of Approving Third Amendment to Garbage, Recycling and Greenwaste Services Agreement with Morro Bay Garbage Service**

## **RECOMMENDATION**

Staff recommends the Public Works Advisory Board (PWAB) recommend the City Council adopt a resolution approving the Third Amendment to the Garbage, Recycling and Greenwaste Services Agreement with Morro Bay Garbage Service (MBGS) in Attachment 1 that includes the following:

1. Add Section 3.5 to the Agreement extending the term by 17 years related to the long-term solution of constructing an organics processing facility in San Luis Obispo;
2. Change Section 5.6.2A to state no vehicle shall be more than 12 years old; and
3. Increase in Section 5.10 the number of free public area garbage and recycling containers collected to 40 each.

## **ALTERNATIVES**

The alternative to the Staff Recommendation would be to not approve the Third Amendment. Since it has taken years of research from MBGS and the San Luis Obispo County Integrated Waste Management Authority (IWMA) to find the best long-term solution for the entire Waste Connections service area, which includes Morro Bay, for the mandatory requirement for commercial food waste recycling, and the changing regulations for composting operations, this would not be a preferred alternative and therefore not recommended.

## **FISCAL IMPACT**

Increases in collection rates are borne by individual customers. Changing the vehicle age to a more appropriate useful life that the cost would be amortized over, will reduce the amount needed in future rate increases from customers for this acquisition. With regard to the increase in the number of public garbage and recycling containers collected, the impact would be a reduction in garbage collection costs for these areas (approximately \$9,000 per year).

## **BACKBACKGROUND & DISCUSSION**

Waste Connections is the parent company of MBGS (as well as others such as South County Sanitary and San Luis Garbage) and owns Cold Canyon Landfill. Their entire service area is from San Simeon to Nipomo.

With the closure of the green waste composting facility at Cold Canyon Landfill in late 2010, green waste has either been used as alternative daily cover at the landfill or transported to Engle and Gray in Santa Maria for composting.

Since 2010, there have been several new developments related to the management of organics.

- In 2014, AB 1826 and AB 1594 were enacted. AB 1826 established a mandatory organics management program which will require businesses to recycle all organics including food waste. This requirement phases in with the first deadline being April 2016 for businesses that generate 8 cubic yards or more per week of organics. AB 1594 eliminates the diversion credit for using green waste as alternative daily cover.
- CalRecycle and the State Water Resources Control Board both issued new compost regulations in August 2015.
- The Intergovernmental Panel on Climate Change now estimates the greenhouse gas potential of methane is 34 times greater than CO<sub>2</sub>.
- Governor Brown on April 29, 2015 set the goal of reducing greenhouse gas to 40% below 1990 levels by 2030.
- The Air Resources Board in a concept paper issued on May 7, 2015 set an initial goal of diverting 75% of organics from landfills by 2020 and diverting 90% of organics from landfills by 2025.

### **Organics Diversion Program**

In early spring 2015, IWMA staff presented to its Board a progress report on the management of organics in SLO county and identified 3 potential providers that could manage both green and food waste: Engle and Gray, Mid State Solid Waste and Hitachi Zosen Inova (HZI). Recognizing the need for a comprehensive long term organics management plan, Waste Connections issued a Request for Proposals (RFP) and requested the 3 potential providers submit proposals structured to reflect the tonnages and needs of the entire service area. Engle and Gray and HZI submitted responsive proposals, while Mid State Waste failed to provide a responsive proposal.

At the May 13, 2015 IWMA Board Meeting, Waste Connections presented their plan for the long term management of all organic waste, including food waste that included an interim and permanent phase. The plan would incorporate Waste Connections' entire service area from San Simeon to Nipomo and cover a 20 year period beginning with the operation of a long term collection and processing facility of all organic waste.

**Interim Phase.** In the fall of 2016, the City Council, after receiving input from the PWAB, addressed the interim phase by adopting Resolution No. 66-15 to increase solid waste rates, approve the implementation of an expanded organics diversion program that would include food waste in 2016, and end the use of green waste as alternative daily cover at Cold Canyon Landfill.

**Permanent Phase.** The permanent phase consists of the construction of an organics processing facility in San Luis Obispo. After evaluating proposals from the RFP put out in 2015, Waste Connections selected HZI to provide a Kompogas Anaerobic Digestion Plant. HZI is a world-wide leader in the production of energy from waste. The group has annual revenues of \$3 billion, 8,000 employees and 80 years of experience.

The first Kompogas Anaerobic Digestion Plant was built in 1991 in Switzerland and is still in operation. Currently there are 75 plants operating throughout the world. Anaerobic digestion is different than composting in that the process of decomposition occurs in an oxygen free environment. Unlike composting, this process produces energy in the form of biogas and minimizes the need for water. Among other things, the biogas can be used to generate electricity via a turbine or be processed as biogas fuel which is a clean energy source. In addition all activities are inside a vessel and/or building, thus minimizing odors, storm water runoff and litter.

The Kompogas Facility would be located at Waste Connection's existing yard on Old Santa Fe Road in San Luis Obispo. This industrial site is ideally located in that it is in the center of the service area, is the location where Waste Connections' trucks start and end each day and has an existing building that can be used for the organics receiving area.

Waste Connections will need to enter into a long-term agreement with HZI, where HZI will build a Kompogas plant at the Waste Connection's yard using the existing building and Waste Connections agrees to deliver organics to the plant for 20 years after the plant is operational. This guarantee is necessary for HZI to obtain the financing to build a plant that will cost more than \$12 million. In return, HZI would design, finance, build, own and operate a Kompogas plant for 20 years for a negotiated fee, subject to cost of living increases and adjustments for the sale price of electricity and/or compost/compost tea and other uncontrollable costs.

As such, Waste Connections has requested the City's Garbage, Recycling & Green Waste Agreement be extended an additional 17 years, through 2040, and is conditioned on a Kompogas plant being built (the current agreement runs through December 2023).

A similar commitment would be needed from the other cities in Waste Connection's service area. To date, the City of San Luis Obispo, Nipomo and Avila Beach have approved contract extensions and the cities of Pismo, Grover Beach, Arroyo Grande and Oceano will be considering contract extensions in the coming months.

If the plant is not built, then the City's franchise agreement term would not be extended, the current termination date through 2023 would remain, and the interim phase planned to transport organic waste to Santa Maria for processing would continue past until a new long term solution could be developed and implemented.

### **Agreement Amendment**

Attached for consideration is the Third Amendment to the Garbage, Recycling and Greenwaste Services Franchise Agreement between MBGS and the City. In addition to a 17 year extension of the term discussed above, there are changes to two other items included in the amendment: vehicle age and number of free public garbage and recycling containers collected.

**Vehicle Age.** The current agreement requires vehicles to be no more than 7 years old. The useful life for a collection vehicle like the ones used is almost double than what is required in the agreement. The impact is MBGS needing to replace vehicles more frequently, amortizing the cost of the vehicle over a shorter period of time, and needing to increase rates to the customers for this purchase more frequently. Changing the vehicle age to a more appropriate useful life that the cost would be amortized over, would reduce the amount needed in future rate increases from customers for this acquisition.

**Public Garbage & Recycling Containers.** The current agreement requires the free collection of 30 garbage and 30 recycling containers in the public areas. During discussions about the extension of the agreement term, MBGS agreed to increase the number of free public containers collected to 40 each. The impact would be a reduction in garbage collection costs for the public areas (approximately \$9,000 per year).

### **CONCLUSION**

Staff is supportive of the comprehensive organics diversion program plan developed by Waste Connections in response to changes in composting regulations, the Governor's goals for reducing greenhouse gas, and new State legislation enacted in 2014 related to organics management.

Staff recommends the PWAB recommend the City Council adopt a resolution approving the third amendment to the Garbage, Recycling and Greenwaste Services Agreement with Morro Bay Garbage Service (MBGS) to do the following:

1. Add Section 3.5 to the Agreement extending the term by 17 years related to the long-term solution of constructing an organics processing facility in San Luis Obispo;
2. Change Section 5.6.2A to state no vehicle shall be more than 12 years old; and
3. Increase in Section 5.10 the number of free public area garbage and recycling containers collected to 40 each.

### **ATTACHMENTS**

1. Third Amendment to Garbage, Recycling and Greenwaste Services Franchise Agreement between the City of Morro Bay and Morro Bay Garbage Service

**THIRD AMENDMENT TO  
GARBAGE, RECYCLING AND GREENWASTE SERVICES FRANCHISE AGREEMENT  
BETWEEN  
THE CITY OF MORRO BAY  
AND  
MORRO BAY GARBAGE SERVICE**

THIS THIRD AMENDMENT TO GARBAGE, RECYCLING AND GREENWASTE SERVICES FRANCHISE AGREEMENT (this "Amendment") is made and entered into this \_\_ day of \_\_\_\_\_, 2016, in the State of California, and shall modify that certain Garbage, Recycling and Greenwaste Services Franchise Agreement, dated August 1, 2001, including the extension thereof pursuant to the City Council's adoption of Resolution 24-08 on or about May 21, 2008 (the "Agreement"), by and between the CITY OF MORRO BAY, a municipal corporation and charter city of the State of California ("City"), and MORRO BAY GARBAGE SERVICE, a California corporation ("Contractor"). City and Contractor may be collectively referred to herein as the "Parties" and individually as a "Party", unless specifically identified otherwise.

**RECITALS**

WHEREAS, capitalized terms used herein, unless otherwise defined shall have the respective meanings ascribed to them in the Agreement, unless the context requires otherwise; and

WHEREAS, the Parties now wish to amend the Agreement to extend the Term of the Agreement conditioned upon Contractor's meeting the criteria set forth herein.

**AGREEMENT**

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES AGREE TO AMEND THE AGREEMENT, AS FOLLOWS:

1. New Section 3.5. Article 3 of the Agreement is hereby amended to add the following new Section 3.5:

"3.5 Additional Technology Extension.

(a) Subject to the conditions set forth in Section 3.5(b) below, the Term of this Agreement shall be extended such that the Term of this Agreement shall expire at midnight on the seventeenth (17<sup>th</sup>) annual anniversary of the earlier of the Green and Food Waste Facility Operation Date (as defined below) or January 1, 2020, subject to further extension as provided in Section 3.3 (Option to Extend).

(b) Contractor and City acknowledge the foregoing seventeen-year (17-year) extension of the Term is expressly contingent upon:

(i) By no later than January 1, 2018, Contractor executing a definitive long-term agreement with Hitachi Zosen Inova U.S.A. LLC (or other company approved by City and the City of San Luis Obispo) for the development, construction and operation of a Green and Food Waste Facility (as defined below) (or other similar technology reasonably acceptable to City) capable of processing City's Green Waste and Food Waste; and

(ii) By no later than January 1, 2020, completion of the Green and Food Waste Facility (or other similar technology reasonably acceptable to City) capable of processing City's Green Waste and Food Waste; provided, however, that in the event the Green and Food Waste Facility has not been completed by January 1, 2020, due to reasons beyond the reasonable control of, and not due to the fault, action, inaction or negligence of Contractor, such completion date shall be extended by the number of days reasonably required to complete the Green and Food Waste Facility, but only to the extent Contractor uses (and continues to use) due diligence to pursue completion of the Green and Food Waste Facility.

(c) In the event Contractor does not enter into such definitive agreement or the Green and Food Waste Facility is not constructed and operational within either of the time frames set forth in Section 3.5(b), Contractor and City agree the Term of this Agreement shall be remain December 31, 2023.

(d) For purposes of the Agreement, the following capitalized terms shall have the definitions set forth below:

(iii) "Green and Food Waste Facility" means any plant or site utilized by Contractor (or a subcontractor of Contractor) for the purposes of performing the duties to fulfill this Agreement, including, without limitation, processing City's Green Waste and Food Waste in accordance with all applicable laws and regulations. For purposes of Section 3.5, "Facility" means a Kompogas facility (or other similar technology as reasonably approved by City) capable of processing City's Green Waste and Food Waste.

(iv) "Green and Food Waste Facility Operation Date" means the date on which, following its start-up, testing and commissioning, the Green and Food Waste Facility consistently and compliantly processes commercial quantities of Food Waste and Green Waste.

(v) "Food Waste" means a waste material of plant or animal origin that results from the preparation or processing of food for animal or human consumption and that is separated from the municipal solid waste stream. Food waste includes, but is not limited to, food waste from food facilities as defined in Health and Safety Code section 113789 (such as

restaurants), food processing establishments as defined in Health and Safety Code section 111955, grocery stores, institutional cafeterias (such as prisons, schools and hospitals), and residential food scrap collection. Food waste does not include any material that is required to be handled only pursuant to the California Food and Agricultural Code and regulations adopted pursuant thereto.

(vi) "Green Waste" means tree trimmings, grass cuttings, dead plants, leaves, branches, dead trees and scrap wood (not more than six (6) inches in diameter) and similar materials generated at the premises."

2. Amendment to Subsection 5.6.2 A. The third sentence of Subsection 5.6.2 A. of the Agreement is hereby amended in its entirety to read as follows:

No vehicle shall be more than 12 years old.

3. Amendment to Section 5.10. Section 5.10 of the Agreement is hereby amended in its entirety to read as follow:

5.10 Free Garbage and Recycling Services. Contractor shall provide free collection of at least 40 Garbage bins and at least 40 Recyclable Material bins located in public areas, as determined by City's Public Works Director, or his/her designee. In addition, Contractor will provide and service a dumpster for Garbage generated at the Morro Bay Household Hazardous Waste Facility.

4. Counterparts. This Amendment may be executed in one or more facsimile or original counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

5. Ratification. All terms and provisions of the Agreement not amended hereby, either expressly or by necessary implication, shall remain in full force and effect. From and after the date of this Amendment, all references to the term "Agreement" in this Amendment and in the original Agreement shall include the terms contained in this Amendment.

6. Conflicting Provisions. In the event of any conflict between the original terms of the Agreement and this Amendment, the terms of this Amendment shall prevail.

7. Authorization. Each Party executing this Amendment represents and warrants that it is duly authorized to cause this Amendment to be executed and delivered.

***[Remainder of Page Intentionally Left Blank;  
Signature Page Follows.]***

IN WITNESS WHEREOF, City and Contractor have executed this Third Amendment to the Agreement and it shall be effective on the day and year first hereinabove set forth.

**CITY:**

**CONTRACTOR:**

CITY OF MORRO BAY

MORRO BAY GARBAGE SERVICE

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

Name: Jamie L. Irons

Title: Mayor

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

Name: Mike Dean

Title: Division Vice President

Attest:

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Dana Swanson  
City Clerk

Approved as to Form:

\_\_\_\_\_  
Joseph W. Pannone  
City Attorney

**TO: Public Works Advisory Board**

**DATE: April 13, 2016**

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

**SUBJECT: Review and Comments for San Luis Obispo Council of Government’s (SLOCOG) Self-Help Transportation Funding Initiative**

**RECOMMENDATION**

1. Review and provide comments to staff regarding the draft Transportation Investment Plan categories and distributions, including: 9-year duration, formula distribution for Local Road Repairs and Transportation Improvements, and Safeguards.
2. Review Key Projects for local funding allocation and provide any comments.

**FISCAL IMPACT**

A successful initiative has the potential to generate \$225 Million for San Luis Obispo County over the nine-year life of the proposed initiative. Of that \$225 Million, 50 percent is proposed to be used by local communities for Local Street Repairs and Transportation projects. That 50 percent includes a 10-percent set-aside for local “community enhancements” and a 4-percent set-aside for local “Safe Routes to Schools” projects. For Morro Bay the formula results the following distribution:

<b>Item</b>	<b>Annual</b>	<b>Total over 9 Years</b>
Local Choice (36%)	\$413,041	\$3,717,369
Community Enhancements (10%)	\$114,174	\$1,032,603
SRTS (4%)	\$46,453	\$413,041
Total (50%)	\$573,668	\$5,163,013

**SUMMARY**

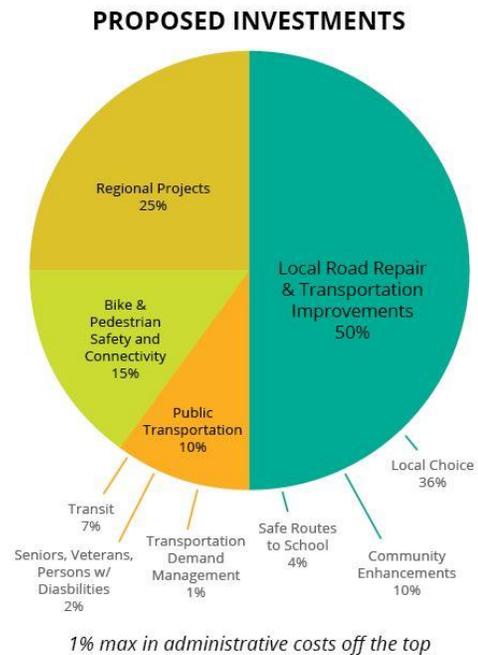
State funds for transportation infrastructure have dropped and continue to decrease. SLOCOG saw this first hand with the loss of State Transportation Improvement Program (STIP) funds (approximately \$15M less in the 15/16 programming cycle). Without new funding for transportation investments, our cities and county may lose job opportunities, experience increased traffic on degraded streets and highways, suffer potential service cuts on buses, and see more costly transportation services for youth, seniors, and people with disabilities.

At the December 2015 SLOCOG Board meeting, SLOCOG staff was directed to investigate Self-Help County status for the region. Throughout California twenty local county transportation agencies, like SLOCOG, have a super-majority, voter-approved, transportation sales tax measure. Through outreach, focus groups, and polling conducted between December 2015 and March 2016, SLOCOG’s staff and consultant reached out and launched an effort to identify the public’s transportation priorities and their level of support for transportation repairs and improvements.

Per the results of the public engagement effort, SLOCOG staff is recommending a ½-cent regional sales tax that will generate \$25M/year solely for transportation purposes (\$225M over the 9-year period), as outlined in a specific voter-approved Transportation Investment Plan (see pie chart to the right), which would also include many voter safeguards. SLOCOG staff presented a summary of outreach, the suggested strategy for moving towards a November 2016 ballot measure, and solicited feedback on the proposed investments at the April 6, 2016 SLOCOG Board meeting. The SLOCOG Board has directed SLOCOG staff to present to all city councils and the Board of Supervisors for conceptual support of the Proposed Investments. A detailed description of the pie chart and recommendations is outlined in the attached SLOCOG-prepared “Information for Member Jurisdictions” and 2-page overview.

City staff has recommended to SLOCOG staff, other than the repair and reconstruction of local streets, the following projects be included in the investment plan:

1. SR1/SR41/Main Street Intersection Improvements – Regional Projects
2. MB / Cayucos Connector – Bike and Pedestrian Safety and Connectivity
3. MBB/Embarcadero Connection/Enhancements – Community Enhancements
4. San Jacinto/Main/Greenwood Avenue Pedestrian Access Improvements – Safe Routes to Schools



The City Council has directed that the PWAB seek additional community input, prior to providing a list of “Key Projects” for local funding allocation, at their April 20, 2016 meeting.

**ATTACHMENTS**

1. SLOCOG’s Self-Help County Efforts, April 2, 2016
2. SLOCOG – Update of Public Engagement Efforts (2015/16)
3. Draft SLO County Transportation Investment Plan 2016 - Fact Sheet

**ATTACHMENT 1**

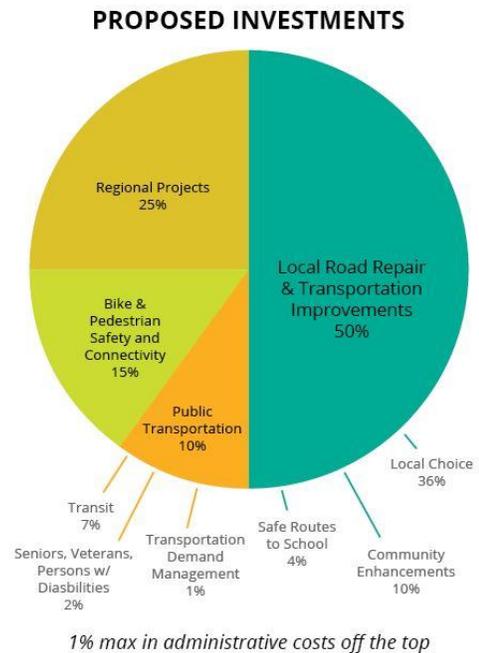
**SLOCOG’s Self-Help County Efforts**  
**April 2, 2016 (rev 4-4-2016)**  
(Information for Member Jurisdictions)

**SUMMARY:**

State funds for transportation infrastructure have dropped and continue to decrease. SLOCOG saw this first hand with the loss of State Transportation Improvement Program (STIP) funds (approximately \$15M less in the 15/16 programming cycle). Without new funding for transportation investments, our cities and county may lose job opportunities, experience increased traffic on degraded streets and highways, suffer potential service cuts on buses, and see more costly transportation services for youth, seniors, and people with disabilities.

At the December 2015 board meeting, staff was directed to investigate Self-Help County status for the region. Throughout California twenty local county transportation agencies, like SLOCOG, have a super-majority, voter-approved, transportation sales tax measure. Through outreach, focus groups, and polling conducted between December 2015 and March 2016, SLOCOG’s staff and consultant reached out and launched an effort to identify the public’s transportation priorities and their level of support for transportation repairs and improvements.

Per the results of this public engagement effort, SLOCOG staff is recommending a ½-cent regional sales tax that will generate \$25M/year solely for transportation purposes (\$225M over the 9-year period), as outlined in a specific voter-approved Transportation Investment Plan (see pie chart to the right), which would also include many voter safeguards. SLOCOG staff presented a summary of outreach, the suggested strategy for moving towards a November 2016 ballot measure, and solicited feedback on the proposed investments at the April 6, 2016 SLOCOG Board meeting. The SLOCOG Board directed staff to present to all City Councils and the Board of Supervisors for conceptual support of the Proposed Investments.



A detailed description of this pie chart and recommendations is outlined below in the Discussion section of this staff report and a 2-page overview is attached.

**RECOMMENDATIONS:**

- A.) Review and Comment on: draft Transportation Investment Plan categories and distributions, including: 9-year duration, formula distribution for Local Road Repairs and Transportation Improvements, and Safeguards.
- B.) Identify *Key Projects* for local funding allocation.

- C.) Direct staff to work with SLOCOG to develop a Final Transportation Investment Plan, Ordinance, and Safeguards for City and County evaluation to place on the November 2016 ballot for voter consideration.

**DISCUSSION:**

**About SLOCOG:** SLOCOG is an association of local governments, which is made up of the seven cities and the county. It has a 12-member Board, including, one member from each City Council and all of the County Board of Supervisors. SLOCOG's prime responsibilities include transportation planning and funding for the region, while serving as a forum for the study and resolution of regional issues. SLOCOG is responsible for coordinating, planning, and programming transportation programs and projects countywide, including: Highways, interchanges, streets, public transit, biking, walking, safe routes to school, and ridesharing. SLOCOG develops the 20+ year Regional Transportation Plan (RTP) to identify fundable, needed transportation projects of every mode.

**Transportation Funding Problem:** State and Federal revenues provided to our local transportation systems have been in decline for over a decade. More critically, since the release of the 2014 Regional Transportation Plan, the State funding estimates have dropped significantly. This drop is attributable to the fact that transportation revenues are based on Gas Taxes, and due to both low fuel prices (which decreases the amount of Gas Tax) and more electric and hybrid vehicles (which decreases overall consumption). In the FY15/16 programming cycle there was ZERO State gas tax dollars for SLOCOG to program. These funds typically cover a significant share of the cost of highway improvements like local interchanges (LOVR, Brisco). Recently, SLOCOG shifted funds that are typically used for local downtown enhancements, bike and pedestrian projects, etc. to keep some of the big highway projects moving forward. This includes project development for congestion relief on 101 South in the Shell Beach/Pismo Beach area.

Over the next 20 years, San Luis Obispo County's population is expected to grow by another 44,000 people. This will result in more demand on our streets, highways, and transit. Also worth consideration, our local economy is bolstered with tourists and visitors (using our transportation systems) from around our State which will grow by another seven million people. With the current inadequate funding, our transportation systems will fall further behind.

**SLOCOG Public Engagement:** In the past 6 months, SLOCOG staff and consultants engaged the public to garner information, feedback, and level of support at over 75 meetings with stakeholders, organizations, and clubs (see Attachment A). Over 700 meeting participants provided immediate feedback on problems and priorities through interactive clicker technology. An additional 143 people responded using a survey on SLOCOG's website. Consultant efforts also included four Focus Group meetings and a 600 likely-voter (landline, cellular, e-mail), statistically valid poll.

**A Self-Help Measure for SLO County:** Based upon public outreach, SLOCOG is considering a ½ cent regional sales tax that will generate \$25M/year solely for transportation purposes, as outlined in a specific voter-approved Transportation Investment Plan requiring a 2/3 majority vote. Over half of the revenue would come from non-residents who visit our county. Self-Help funds improve local chances to leverage State/Federal grant funds. Each city in the county and the unincorporated portions of the county would receive direct annual allocations to use for their transportation priorities – whether for potholes, street maintenance, bicycle improvements, transit, safe routes to school, and other transportation improvements.

**Proposed Transportation Investment Plan Distribution:**

Based on the extensive outreach, SLOCOG is recommending a ½ cent increase in sales tax for a 9-year duration contained within a Transportation Investment Plan for:

9-YEAR PLAN TOTALING \$225 MILLION		Percent of Funds	Fund Allocation (\$ millions)
<b>Local Road Repairs and Transportation Improvements</b>	Funds controlled by local jurisdictions with at least 10% Community Enhancements and 4% Safe Routes to School	<b>50%</b>	<b>\$112.5</b>
<i>Local Road Repairs and Transportation Improvement funds distributed by formula of \$150k base per jurisdiction, plus share of regional population</i>	<i>Arroyo Grande</i>	(6.9%)	(\$7,811,804)
	<i>Atascadero</i>	(10.8%)	(\$12,165,031)
	<i>Grover Beach</i>	(5.5%)	(\$6,223,419)
	<i>Morro Bay</i>	(4.6%)	(\$5,163,013)
	<i>Paso Robles</i>	(11.3%)	(\$12,666,685)
	<i>Pismo Beach</i>	(3.7%)	(\$4,209,018)
	<i>San Luis Obispo</i>	(16.3%)	(\$18,332,072)
	<i>SLO County</i>	(40.8%)	(\$45,928,958)
<b>Regional Projects</b>	Shell Beach/Pismo Beach congestion relief on US 101 South, plus North County 101 congestion relief, North Coast Highway 1 improvements and safety and congestion relief in south SLO City	<b>25%</b>	<b>\$56.2</b>
<b>Bike &amp; Pedestrian Safety and Connectivity</b>	Regional connectors including City-to-the-Sea/Bob Jones, Atascadero/Templeton Connector and Morro Bay/Cayucos Connector, plus local bike/ped improvement program	<b>15%</b>	<b>\$33.8</b>
<b>Public Transportation</b>	Transit (7%); Senior, Veterans, Persons w/ Disabilities (2%); Transportation Demand Management (1%)	<b>10%</b>	<b>\$22.5</b>
<b>TOTAL</b>		<b>100%</b>	<b>\$225</b>

*Note: Dollar amounts shown in millions reflect amount from a ½ cent sales tax generating \$25M/year for 9 years; while percent per category would not change, actual amount generated by a local sales tax per year would fluctuate based on local retail sales.*

- **Local Road Repair & Transportation Improvements (50%)**
  - This money is allocated directly to local jurisdictions under the following formula:
    - Local Choice: 36% (for any transportation purpose)
    - Community Enhancements: 10% spent on things such as downtown enhancements, major roadway improvements, etc.
    - Safe Routes to School: 4% dedicated to capital improvements around county schools
- **Public Transportation (10%)**
  - This money is allocated as follows:
    - Transit: 7% allocated to capital improvements and operational improvements meant to increase frequency of current service (Transit Operators will further define regional and local allocation distribution)
    - Seniors, Veterans, Persons w/ Disabilities: 2% for point-to-point service increases
    - Transportation Demand Management: 1% dedicated to education and outreach meant to get people out of single occupant vehicles, thereby providing congestion relief during peak commute hours.

- **Bike & Pedestrian Safety and Connectivity (15%)**
  - This money is meant to fund three specific regional bikeway improvements, including: City-to-the-Sea/Bob Jones Trail, Atascadero-Templeton Connector and Morro Bay-Cayucos Connector. It will also provide funds for a competitive bike and pedestrian grant program.
- **Regional Projects (25%)**
  - This money will allow the region to implement operational improvements that provide funding to four critical areas: Shell Beach/Pismo Beach congestion relief on US 101; North County US 101 congestion relief; North Coast Highway 1 improvements; and Safety and congestion relief in the south SLO city area.

**Local Road Repairs and Transportation Improvements Allocations – In more depth:**

This category is distributed by formula to the local jurisdictions based upon \$150k/jurisdiction as a base with the remaining funds distributed based upon share of population (Source: Department of Finance Population Estimates 1/1/15, Table E-5), modified by new population percentages in the fifth year.

The following table depicts the recommended distribution of \$12.5M for Local Road Repairs and Transportation Improvements. Each jurisdiction will determine its priority(s) for their local Community Enhancements and Safe Routes to School set asides (identified below).

**Table 2 – Local Road Repairs and Transportation Improvements**

Jurisdiction	\$ Base	% Share	\$ Share	Annual Total	%	9 Year Total	Local Road Repair & Imp.s (36%)	Community Enhancements (10%)	SRTS (4%)
Arroyo Grande	\$ 150,000	6.35%	\$ 717,978	\$ 867,978	6.9%	\$ 7,811,804	\$ 5,624,499	\$ 1,562,361	\$ 624,944
Atascadero	\$ 150,000	10.63%	\$ 1,201,670	\$ 1,351,670	10.8%	\$ 12,165,031	\$ 8,758,822	\$ 2,433,006	\$ 973,202
Grover Beach	\$ 150,000	4.79%	\$ 541,491	\$ 691,491	5.5%	\$ 6,223,419	\$ 4,480,862	\$ 1,244,684	\$ 497,874
Morro Bay	\$ 150,000	3.75%	\$ 423,668	\$ 573,668	4.6%	\$ 5,163,013	\$ 3,717,369	\$ 1,032,603	\$ 413,041
Paso Robles	\$ 150,000	11.13%	\$ 1,257,409	\$ 1,407,409	11.3%	\$ 12,666,685	\$ 9,120,013	\$ 2,533,337	\$ 1,013,335
Pismo Beach	\$ 150,000	2.81%	\$ 317,669	\$ 467,669	3.7%	\$ 4,209,018	\$ 3,030,493	\$ 841,804	\$ 336,721
San Luis Obispo	\$ 150,000	16.70%	\$ 1,886,897	\$ 2,036,897	16.3%	\$ 18,332,072	\$ 13,199,092	\$ 3,666,414	\$ 1,466,566
SLO County	\$ 150,000	43.83%	\$ 4,953,218	\$ 5,103,218	40.8%	\$ 45,928,958	\$ 33,068,850	\$ 9,185,792	\$ 3,674,317
<b>Total</b>	<b>\$ 1,200,000</b>	<b>100%</b>	<b>\$ 11,300,000</b>	<b>\$ 12,500,000</b>	<b>100%</b>	<b>\$ 112,500,000</b>	<b>\$ 81,000,000</b>	<b>\$ 22,500,000</b>	<b>\$ 9,000,000</b>

**Self Help Measure Required Safeguards:**

- a. Independent Taxpayer Oversight Committee will oversee how funds are spent.
- b. Administrative Costs are set at a maximum of 1%.
- c. Maintenance of Effort provision will require that these new funds augment existing transportation funding, not supplant them.
- d. Annual Audits and Annual Reporting of how funds were spent.
- e. Sunset date.
- f. Development must pay its fair share.

**Other Provisions:**

- a. Biennial Strategic Plan development.
  - o Efficient use funds by advancing ready-to-go projects when high-cost project(s) are in project development phase.
- b. Strict Plan amendment process.
- c. Implementation Guidelines.

**Next Steps:**

The SLOCOG Board has approved staff to distribute the draft Transportation Investment Plan breakdown (See Attachment B) to receive comments and feedback from local jurisdictions. The timeline for those meetings is as follows:

*County Board and City Councils review materials and provide feedback/comments:*

- Apr. 12: Morro Bay City Council
- Apr. 18: Grover Beach City Council
- Apr. 19: Board of Supervisors; Designation of SLOCOG as Local Transportation Authority;
- Apr. 19: Paso Robles City Council
- Apr. 19: Pismo Beach City Council
- Apr. 26: Atascadero City Council
- Apr. 26: Arroyo Grande City Council
- May 3: San Luis Obispo City Council
- May 4: Special SLOCOG Board meeting to review / address comments, and staff will finalize Ballot Materials (Ballot Label, Transportation Investment Plan, Ordinance, and Safeguards).

*County Board and City Councils meetings for Approvals*

- June 1: SLOCOG Board: Review comments, Approves Final Investment Plan, Ordinance, and Safeguards; Send for jurisdiction approvals.
- June/July: All City Councils and BOS: Plan Approvals.
- Aug 3: (SLOCOG) Local Transportation Authority Adopts Plan (2/3rds), and calls for election.
- Aug 9: BOS: Place materials on November 2016 Ballot.
- Nov. 8: Election Day

ATTACHMENT 2

SLOCOG - UPDATE OF PUBLIC ENGAGEMENT EFFORTS (2015/16)

2015	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
<p><b>AUGUST</b></p> <p><b>Board of Directors</b> Support Staff Reco:  <ul style="list-style-type: none"> <li>• Provide information and tools to sharpen the message/focus on transportation funding shortfalls.</li> <li>• Partner with non-governmental and civic organizations to educate the region on transportation funding issues.</li> <li>• Partner with non-governmental and civic organizations to educate the region on transportation funding issues.</li> </ul> </p>	<p><b>Staff</b>  <ul style="list-style-type: none"> <li>• Develops presentations for public</li> <li>• Continues to meet with stakeholders</li> <li>• Responds to media requests for more information</li> </ul> </p>	<p><b>Board of Directors</b> Support Staff Reco:  <ul style="list-style-type: none"> <li>• Engage the public and stakeholders</li> <li>• Hold focus groups</li> <li>• Garner public feedback and complete a telephone survey to ascertain investment priorities and levels of support.</li> </ul> </p>	<p><b>Staff/Consultant</b>  <ul style="list-style-type: none"> <li>• Contract signed for public engagement/outreach, focus groups, polling</li> <li>• Materials created for public engagement, including interactive clicker technology presentation</li> <li>• Begin scheduling additional meetings/outreach</li> </ul> </p>	<p><b>Staff/Consultant</b>  <ul style="list-style-type: none"> <li>• Begin presentations with clicker technology</li> </ul> </p>
<p><b>Outreach &amp; Meetings</b></p> <p>KCBX Central Coast Voices</p> <p>Assembly Member Achadjian</p> <p>Senator Monning Staff</p> <p>Farm Bureau Staff</p> <p>SLO Chamber</p>	<p>Morro Bay Rotary</p> <p>Farm Bureau &amp; East Airport Commerce Park</p> <p>SLO Noontime Kiwanis</p> <p>Homebuilders Govt Affairs Comm.</p> <p>Bob Jones Trail Comm.</p> <p>A/G/GB Chamber: Legis. Comm.</p> <p>City Managers</p> <p>Atascadero City Council</p> <p>Economic Vitality Comm. staff</p> <p>Atascadero Chamber of Commerce</p>	<p>Santa Margarita Area Council</p> <p>City Managers</p> <p>Atascadero Rotary</p> <p>EVC Board</p>	<p>COLAB Board</p> <p>Heal-SLO</p> <p>SLO Land Conservancy staff</p> <p>Sierra Club Board</p> <p>SLO Democratic Party</p> <p>KCBX: Issues and Ideas</p> <p>SLO Republican Party</p>	<p>CC American Public Works Assoc.</p> <p>Avila Advisory Council</p>

2016	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
	<b>Staff/Consultant</b> • Continue presentations with clicker technology	<b>Staff/Consultant</b> • Continue presentations with clicker technology • Focus Groups: 4 based on geography (North Coast, North County, South County, Central County)	<b>Staff/Consultant</b> • Continue presentations with clicker technology • Polling: 600 person sample, land/cell/internet, "likely" voter profile, 19min	<b>Board of Directors</b> • Polling results presented • Rough Expenditure Plan presented • Approve SLOCOC as region's Local Transportation Authority	<b>Board of Directors</b> • Provide feedback on Expenditure Plan	<b>Board of Directors</b> • Approve Expenditure Plan for ballot
	<b>Outreach</b>					
	<b>Meetings</b>					
	North Coast Advisory Traffic Comm	Santa Margarita Advisory Council	SLO Talk Soiree	Review Materials/Provide Feedback: City Managers	Review Materials/Provide Feedback: 5/3: SLO City Council	Approve Expenditure Plan for ballot TBD: Morro Bay City Council
	Cayucos Citizens Advisory Council	Shandon Advisory Council	Area Council on Aging	City Managers	5/3: SLO City Council	TBD: Morro Bay City Council
	SLO Chamber: Econ/Dev/Hous. Pismo Realtors Assoc.	Four Focus Group meetings	N. Coast Advisory Committee	Technical/Citizens TAC	City Managers	TBD: Grover Beach City Council
	League of Women Voters Board	SLO Downtown Business Assoc.	MB Chamber: Business Forum	4/12: Morro Bay City Council	TBD: Board of Supervisors	TBD: Board of Supervisors
	SLO County Health Comm.	Bicycle Advisory Committee	Paso Robles Chamber of Comm	4/18: Grover Beach City Council	TBD: Paso Robles City Council	TBD: Paso Robles City Council
	SLO County Trail Comm.	S. Co. Adv. Council: Circ. Comm.	County Clerks/Counsel	4/19: Board of Supervisors	TBD: Pismo Beach City Council	TBD: Pismo Beach City Council
	SLO County Democrats	Sierra Club: Conservation Comm	City Managers	4/19: Paso Robles City Council	TBD: Arroyo Grande City Council	TBD: Arroyo Grande City Council
	Land Conservancy	Technical/Citizens/Social TACs	Technical/Citizens TAC	4/19: Pismo Beach City Council	TBD: Atascadero City Council	TBD: Atascadero City Council
	City Managers	Action for Healthy Communities	SLO Rotary	4/26: Arroyo Grande City Council	TBD: SLO City Council	TBD: SLO City Council
	RTA/SLO-Transit/Ride-On	Creston Advisory Body		4/26: Atascadero City Council		
	Morro Bay Rotary	Commission on Aging				
	SLO Employer Advisory Council	Oceano Advisory Board				
	EVC: Build'g Design Const. Cluster	SLO Association of Realtors				
	Action for Healthy Communities	EVC: Board				
	Templeton Area Advisory Group	SRTS Working Group				
	Bike SLO County Advocacy Team	Paso Robles Rotary				
	San Miguel Advisory Council	Atascadero Kiwanis				
	Rotary Club of Grover Beach	City Managers				
	Atascadero Chamber of Commerce	Technical/Citizens/Social TACs				
	Los Osos Comm. Advisory Council					
	Parks & Rec. Commission					

## ATTACHMENT 3



**CONNECTING COMMUNITIES**  
 ARROYO GRANDE | ATASCADERO | GROVER BEACH  
 MORRO BAY | PASO ROBLES | PISMO BEACH  
 SAN LUIS OBISPO | SAN LUIS OBISPO COUNTY

# SLO COUNTY TRANSPORTATION INVESTMENT PLAN 2016

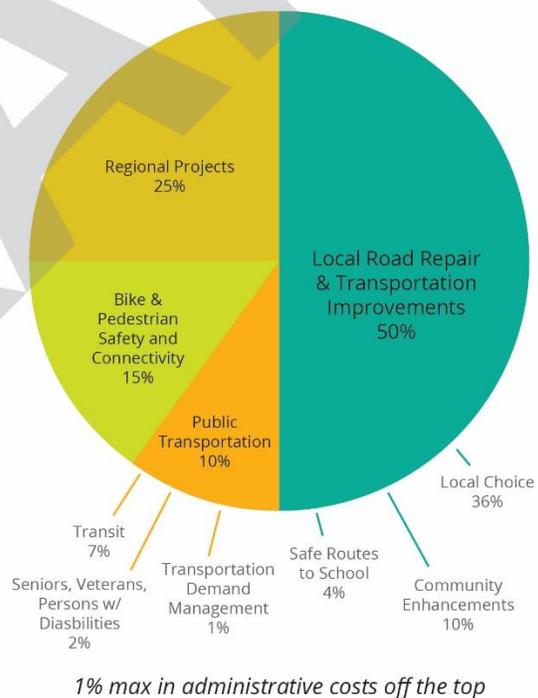
**New transportation investments are needed throughout San Luis Obispo County.** Revenues available to operate, maintain and improve our transportation system have not kept up with the needs of our community. State and federal funding has dropped severely in recent years and those funds are increasingly unreliable. Over the term of this Plan, SLO County's population will grow and the senior population will almost triple. This means more demand on our streets, highways and transit. Without new funding, SLO County will lose job opportunities, experience increased traffic on degraded streets and highways, suffer service cuts on buses and see more costly transportation services for youth, seniors and people with disabilities.

**In November 2016, voters will be asked to approve a ½ cent sales tax to address these needs.** Communities that have local transportation funds are able to do more themselves and are more successful in competing for funding, leveraging a larger share of state and federal dollars.

### This plan will:

- **Preserve existing infrastructure and improve neighborhoods**, including funds to every city and the County to repave streets, fill potholes, and upgrade local transportation infrastructure.
- **Provide transit system preservation and improvements**, by making capital and operational investments.
- **Keep fares affordable for seniors and people with disabilities**, including reliable and inexpensive transportation, as well as affordable senior shuttles, vans and services that help maintain independence.
- **Reduce traffic congestion** by eliminating bottlenecks and improving commute reliability.
- **Improve safety** for motorists, bicyclists and pedestrians.
- **Support driving alternatives** that improve air quality.
- **Create good jobs** that support residents and businesses in SLO County.

### PROPOSED INVESTMENTS



## TRANSPORTATION INVESTMENT PLAN: SUMMARY OF PROPOSED INVESTMENTS

9-YEAR PLAN TOTALING \$225 MILLION		Percent of Funds	Fund Allocation (\$ millions)
<b>Local Road Repairs and Transportation Improvements</b>	Funds controlled by local jurisdictions with at least 10% Community Enhancements and 4% Safe Routes to School	<b>50%</b>	<b>\$112.5</b>
<i>Local Road Repairs and Transportation Improvement funds distributed by formula of \$150k base per jurisdiction, plus share of regional population</i>		<i>Arroyo Grande</i>	(6.9%) (\$7,811,804)
		<i>Atascadero</i>	(10.8%) (\$12,165,031)
		<i>Grover Beach</i>	(5.5%) (\$6,223,419)
		<i>Morro Bay</i>	(4.6%) (\$5,163,013)
		<i>Paso Robles</i>	(11.3%) (\$12,666,685)
		<i>Pismo Beach</i>	(3.7%) (\$4,209,018)
		<i>San Luis Obispo</i>	(16.3%) (\$18,332,072)
<i>SLO County</i>	(40.8%) (\$45,928,958)		
<b>Regional Projects</b>	Shell Beach/Pismo Beach congestion relief on US 101 South, plus North County 101 congestion relief, North Coast Highway 1 improvements and safety and congestion relief in south SLO City	<b>25%</b>	<b>\$56.2</b>
<b>Bike &amp; Pedestrian Safety and Connectivity</b>	Regional connectors including City-to-the-Sea/Bob Jones, Atascadero/Templeton Connector and Morro Bay/Cayucos Connector, plus local bike/ped improvement program	<b>15%</b>	<b>\$33.8</b>
<b>Public Transportation</b>	Transit (7%); Senior, Veterans, Persons w/ Disabilities (2%); Transportation Demand Management (1%)	<b>10%</b>	<b>\$22.5</b>
<b>TOTAL</b>		<b>100%</b>	<b>\$225</b>

*Note: Dollar amounts shown in millions reflect amount from a ½ cent sales tax generating \$25M/year for 9 years; while percent per category would not change, actual amount generated by a local sales tax per year would fluctuate based on local retail sales.*

**Strict accountability and performance measures ensure delivery.** The 9-year Plan will include strict accountability measures to ensure the funds are spent as directed by voters. It requires open and transparent public processes to allocate funds, including:

- Annual independent audits and compliance reports
- Citizen Oversight Committee
- Provisions for Maintenance of Effort
- Administrative costs maximum of 1%
- Sunset date