

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, JUNE 14, 2016 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

RECOGNITION

CLOSED SESSION REPORT

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

PRESENTATIONS – None

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 city of residence 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.

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion. The public will also be provided an opportunity to comment on consent agenda items.

A-1 APPROVAL OF MINUTES FROM THE MAY 10, 2016 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FROM THE MAY 24, 2016 SPECIAL CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FROM THE MAY 24, 2016 CITY COUNCIL MEETING;
(ADMINISTRATIVE SERVICES)

RECOMMENDATION: Approve as submitted.

A-4 APPOINTMENT OF VOTING DELEGATE(S) TO THE CALIFORNIA JOINT POWER INSURANCE AUTHORITY; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 STATUS REPORT OF A MAJOR MAINTENANCE & REPAIR PLAN (MMRP) FOR THE EXISTING WASTEWATER TREATMENT PLANT; (PUBLIC WORKS)

RECOMMENDATION: Receive and file.

A-6 ADOPT RESOLUTION NO. 42-16 AUTHORIZING SAN LUIS OBISPO COUNTY ASSESSOR TO ASSESS AMOUNTS DUE ON DELINQUENT SOLID WASTE COLLECTION ACCOUNTS AS TAX LIENS AGAINST THE PROPERTIES; (PUBLIC WORKS)

RECOMMENDATION: Adopt Resolution No. 42-16.

A-7 ADOPT RESOLUTION NO. 43-16 CALLING A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016, AND REQUESTING THE BOARD OF SUPERVISORS OF SAN LUIS OBISPO COUNTY TO CONSOLIDATE THE ELECTION WITH THE STATEWIDE GENERAL ELECTION; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 43-16.

A-8 ADOPT RESOLUTION NO. 44-16 ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE, PERTAINING TO, AND COSTS OF, CANDIDATE STATEMENTS SUBMITTED TO THE VOTERS AT THE CONSOLIDATED GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 44-16

A-9 ADOPT RESOLUTION NO. 46-16 RESCINDING RESOLUTIONS NO. 04-03, 07-04 AND 27-12 REGARDING STREET WORK DURING SUMMER MONTHS AND HOLIDAYS; (PUBLIC WORKS)

RECOMMENDATION: Adopt Resolution No. 46-16.

A-10 AWARD OF CONTRACT TO PACIFIC BEACH TOWER INC., OF MORRO BAY, CA FOR PROJECT NO. MB2016-MA04: SOLAR PHOTOVOLTAIC INSTALLATION PROJECT; (PUBLIC WORKS)

RECOMMENDATION: Award the contract to Pacific Beach Tower Inc. and authorize the City Manager to approve said contract.

***SPECIAL NOTE:
BUSINESS ITEMS C-1, C-2 AND C-3
WILL BE HEARD BEFORE THE
PUBLIC HEARING ITEMS***

B. PUBLIC HEARINGS

B-1 ADOPT RESOLUTION NO. 45-16 APPROVING THE 2015 URBAN WATER MANAGEMENT PLAN; (PUBLIC WORKS)

RECOMMENDATION: Hold a public hearing and adopt Resolution No. 45-16 approving the 2015 Urban Water Management Plan.

B-2 ADOPTION OF URGENCY ORDINANCE NO. 604 APPROVING A 45-DAY MORATORIUM LIMITING THE NUMBER OF VACATION RENTALS IN THE CITY; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Adopt Urgency Ordinance No. 604, by number and title with further reading waived, approving a citywide 45-day moratorium where no permits, licenses, approvals may be issued or applications accepted for operation of more than 250 vacation rentals.

C. BUSINESS ITEMS

C-1 ADOPT RESOLUTION NO. 47-16 APPROVING THE FISCAL YEAR 2016/17 BUDGET; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 47-16.

C-2 ADOPT RESOLUTION NO. 49-16 REGARDING THE SAN LUIS OBISPO COUNTY SELF-HELP TRANSPORTATION INVESTMENT PLAN; (PUBLIC WORKS)

RECOMMENDATION: Receive report and adopt Resolution No. 49-16 approving the 2016 San Luis Obispo County Self-Help Transportation Investment Plan and request the San Luis Obispo County Board of Supervisors place a 9-Year Transportation Sales Tax Measure on the November 8, 2016 ballot.

C-3 SELECTION OF TRI-W (SOUTH BAY BOULEVARD) AS PREFERRED SITE FOR PLANNING AND PERMITTING OF NEW WRF AND AMENDMENT TO AGREEMENT WITH BLACK & VEATCH CORPORATION; (PUBLIC WORKS)

RECOMMENDATION: Direct staff to proceed with the Tri-W site as the preferred WRF site and approve Amendment 1 to the Agreement with Black & Veatch Corporation for development of the Facility Master Plan.

C-4 CONSIDERATION OF OPTIONS AND DIRECTION FOR NEW COAST GUARD STATION MORRO BAY BUILDING, HARBOR DEPARTMENT OFFICE BUILDING AND NORTH T-PIER PUBLIC RESTROOM BUILDING; (HARBOR DEPARTMENT)

RECOMMENDATION: Review alternatives and provide direction to staff.

C-5 ADOPTION OF ORDINANCE NO. 603 AMENDING CHAPTER 13.20 OF THE MORRO BAY MUNICIPAL CODE REGARDING BUILDING LIMITATIONS AND RESOLUTION NO. 48-16 ALLOCATING WATER EQUIVALENCY UNITS FOR FY 16/17; (PUBLIC WORKS)

RECOMMENDATION: Adopt Ordinance No. 603 by number and title only with further reading waived, and Resolution No. 48-16.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, June 28, 2016 at 6:00 pm** at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

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: June 14, 2016

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – MAY 10, 2016
VETERAN’S MEMORIAL HALL – 6:00 P.M.

PRESENT:	Jamie Irons	Mayor
	Matt Makowetski	Councilmember
	John Headding	Councilmember
	Christine Johnson	Councilmember
	Noah Smukler	Councilmember
STAFF:	Dave Buckingham	City Manager
	Joe Pannone	City Attorney
	Dana Swanson	City Clerk
	Susan Slayton	Administrative Services Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Manager
	Eric Endersby	Harbor Director
	Steve Knuckles	Fire Chief

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:00pm, with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT – Mayor Irons reported that with regard to the Closed Session Items, the Council did not take any reportable action pursuant to the Brown Act.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/I2NMy7nQTVU?t=2m39s>

As the staff member presenting Agenda Item C-3 was not present, there was Council consensus to continue Item C-3 to a future meeting. Mayor Irons invited members of the audience who wished to address Item C-3 to do so at this time; seeing none, the public comment period was closed.

PUBLIC PRESENTATIONS

<https://youtu.be/I2NMy7nQTVU?t=12m10s>

Peter Williamson, Employer Outreach Coordinator, SLOCOG, provided Rideshare’s Bike Month 2016 presentation.

PUBLIC COMMENT

<https://youtu.be/I2NMy7nQTVU?t=17m55s>

Carrie Aguirre from Summer Cottage provided the business spot. This unique gift shop is located at 863 Main Street and provides a treasure trove for all occasions. They are celebrating 10-year anniversary in Morro Bay and offering discounts this month if you mention this presentation.

Erica Crawford, Morro Bay Chamber of Commerce CEO, announced a Business Walk to be conducted on May 11 from 10:30-11:30am to survey local business owners in an effort to better understand their needs. A “Rock the Amgen” party will be held at Coleman Beach on Wednesday, May 18 from 9:00-11:00am.

Shawn Farmer, owner of Farmer’s Kites Surries & More, reported on the 10th annual Morro Bay Kite Festival held April 23-24, 2016, and thanked those who have sponsored and supported the event.

Susan Stewart, Morro Bay resident and business owner, thanked those who worked to put on the Morro Bay Car Show, including those who organized the treasure hunt. Also, she used the City’s notification system to advise staff of a broken water system lid and found it repaired the next morning.

Bob Keller, Morro Bay, appreciated Ken Vesterfelt, the Morro Bay Police Department, and all those who worked to put on the Morro Bay Car Show.

Beverly Ford, owner of Grandma’s Frozen Yogurt, provided a 2-year update on their business. Live music is available on Saturdays from 3-6pm in spring, summer and fall, and non-profit groups are using the space for meetings and other gatherings. On June 22, in collaboration with the Morro Bay Senior Center, Duncan Yoyos will provide children participating in the summer program free yoyos.

Barbara Doerr, Morro Bay, thanked staff for their response to community concerns. She also spoke regarding Item C-2 suggesting the City explore the possibility of a tandem water reclamation facility at the Chevron property.

The comment period was closed.

- A. CONSENT AGENDA
<https://youtu.be/I2NMy7nQTVU?t=32m27s>

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

- A-1 APPROVAL OF MINUTES FROM THE APRIL 26, 2016 SPECIAL CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 APPROVAL OF MINUTES FROM THE APRIL 26, 2016 CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-3 APPROVAL OF MINUTES FROM THE APRIL 28, 2016 SPECIAL CLOSED SESSION CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 STATUS REPORT OF A MAJOR MAINTENANCE & REPAIR PLAN (MMRP) FOR THE EXISTING WASTEWATER TREATMENT PLANT; (PUBLIC WORKS)

RECOMMENDATION: Receive and file.

A-5 APPROVAL OF COMMERCIAL LEASE WITH KEN AND MARK MCMILLAN, DBA DISTASIO'S ON THE BAY RESTAURANT, FOR CITY-OWNED PROPERTY AT 781 MARKET AVENUE; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Approve as submitted.

A-6 APPROVAL OF RADIO REPEATER USER AGREEMENT WITH DYNEGY MORRO BAY, LLC; (CITY ATTORNEY)

RECOMMENDATION: Approve as submitted.

A-7 APPROVAL OF PICKLEBALL PROGRAM MANAGEMENT AGREEMENT WITH MORRO BAY SENIOR CITIZENS, INC.; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-8 ADOPTION OF RESOLUTION NO. 30-16 AMENDING THE COUNCIL POLICIES AND PROCEDURES REGARDING MEETING GUIDELINES AND PROCEDURES, AND INCORPORATING RESOLUTION NO. 70-15 ADOPTED IN NOVEMBER 2015; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 30-16.

A-9 APPROVAL OF FY17 ADVISORY BODY WORK PLANS BASED ON COUNCIL-ADOPTED GOALS AND OBJECTIVES; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-10 ADOPT RESOLUTION NO. 35-16 AUTHORIZING STAFF TO SUBMIT A GRANT APPLICATION FOR COASTAL COMMISSION ROUND 3 GRANT FUNDING; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Adopt Resolution No. 35-16.

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

MOTION: Councilmember Heading moved for approval of all items on the Consent Agenda. The motion was seconded by Councilmember Makowetski and carried unanimously, 5-0.

By City Policy, Public Hearings cannot begin before 7:00pm, therefore the Council agreed to hear Agenda Item C-1 next.

C. BUSINESS ITEMS

C-1 STATE WATER HISTORY AND STATUS; (PUBLIC WORKS)
<https://youtu.be/I2NMy7nQTVU?t=33m25s>

Public Works Director Livick provided the staff report and responded to Council inquiries.

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

There was Council consensus for staff to prepare an RFP for a “OneWater” plan. Staff estimated a 6- to 9-month timeframe from RFP to the initial draft, and 12- to 18-months for the final document. There will be several opportunities for community and advisory board input throughout the process.

Staff reminded residents water conservation incentives are still available through the City and State, including “grass for cash”, rain barrels and irrigation controllers.

There was no formal action on this item.

B. PUBLIC HEARINGS

B-1 ADOPT RESOLUTION NO. 33-16 APPROVING THE ENGINEER’S REPORT; DECLARING THE INTENT TO LEVY THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT FOR FY 2016/17; AND SETTING A PUBLIC HEARING TO CONSIDER THAT LEVY; (PUBLIC WORKS)
<https://youtu.be/I2NMy7nQTVU?t=1h17m30s>

Public Works Director Livick provided the staff report and responded to Council inquiries.

The public comment period for Item B-1 was opened.

Dawn Beattie, Morro Bay, thanked staff for working with Cloisters residents to update the Engineer’s Report allowing the flexibility for janitorial tasks to be outsourced or kept in-house, leaving funds to spend on deferred maintenance.

The public comment period for Item B-1 was closed.

MOTION: Councilmember Smukler moved the Council adopt Resolution No. 33-16 approving the engineer’s report, declaring the intent to levy the annual assessment for Cloisters Landscaping and Lighting Maintenance Assessment District for FY 2016/17, and setting a public hearing to consider that levy. The motion was seconded by Councilmember Heading and carried unanimously, 5-0.

B-2 ADOPT RESOLUTION NO. 34-16 APPROVING THE ENGINEER'S REPORT; DECLARING THE INTENT TO LEVY THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT FOR FY 2016/17 AND SETTING A PUBLIC HEARING TO CONSIDER THAT LEVY; (PUBLIC WORKS)
<https://youtu.be/I2NMy7nQTVU?t=1h30m46s>

Public Works Director Livick provided the staff report.

The public comment period for Item B-2 was opened; seeing none, the public comment period was closed.

MOTION: Councilmember Johnson moved the Council adopt Resolution No. 34-16 approving the engineer's report, declaring the intent to levy the annual assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District for FY 2016/17 and setting a public hearing to consider that levy. The motion was seconded by Councilmember Makowetski and carried unanimously, 5-0.

The Council took a brief recess at 7:37pm; the meeting reconvened at 7:45pm, with all members present.

C. BUSINESS ITEMS

C-2 UPDATE ON POTENTIAL WATER RECLAMATION FACILITY SITES AND PUBLIC OUTREACH EFFORTS; (PUBLIC WORKS)
<https://youtu.be/I2NMy7nQTVU?t=1h38m2s>

Mike Nunley, WRF Program Manager, introduced John Rickenbach, WRF Deputy Program Manager, who presented the staff report and responded to Council inquiries.

The public comment period for Item C-2 was opened.

Karen Luhmann, Morro Bay, spoke in opposition to the Righetti site due to concerns about the sight and smell of a sewer treatment plant near a main entrance to the City.

Bob Keller, Morro Bay, commended Council and staff for their hard work and encouraged the City move forward to select a site.

James Pauly, Morro Bay, spoke in support of the Tri-W property.

Donna Burke, Morro Bay, strongly opposed the Righetti site.

Dawn Beattie, Morro Bay, shared concerns about paying higher rates for a different site and urged the Council to keep Righetti in the mix.

Ed Sylvester, Morro Bay, recommended the plant remain in its current location.

Tina Metzger, Morro Bay, urged the Council to remove the Righetti property from the list of potential sites.

Bart Beckman, Morro Bay, supported the Tri-W site and suggested the cost comparison will be more favorable than expected. He also stated the citizen advisory committee should advise Council directly, not through staff.

Bill Todd, Morro Bay, opposed the Righetti site due to its potential effect on property values.

Terry Simons, Morro Bay, supported the Tri-W site but is concerned the additional \$10 per month will be a hardship for many residents.

Lee Kleim, Morro Bay, spoke regarding weed abatement along the Nutmeg / Righetti property line.

Alice Kolb, Morro Bay, spoke in support of the Tri-W site, noting the project will be appealed at every regulatory agency should the Righetti site be pursued.

Mary Jo DeSio, Morro Bay, expressed concern the City's pristine beauty will be jeopardized if the City pursues the Righetti site.

Sheri Lebanoff, Morro Bay resident at Blue Heron Mobile Home Park, expressed concern about the Tri-W site.

Linda Warwick, Morro Bay, urged the City to remove Righetti from the list of potential sites.

Kris Kolb, Morro Bay, expressed support for the Tri-W site and encouraged further investigation and outreach to those neighbors.

The public comment period for Item C-2 was closed.

Staff responded to questions and concerns raised during public comment.

The Council supported staff recommendation to continue evaluating the Tri-W site, including continued outreach to adjacent and neighboring property owners, prepare a simple informational flyer with a brief overview of the primary sites currently under consideration, and bring back additional information on the Tri-W site to the June 14 City Council meeting for consideration and potential selection of a preferred site for planning and environmental review.

C-3 ADOPT RESOLUTION NO. 36-16 RESCINDING RESOLUTION NO. 18-14 AND UPDATING THE CITY OF MORRO BAY'S PARTNERSHIP POLICY AND PROVIDE DIRECTION REGARDING A CO-SPONSORSHIP POLICY; (ADMINISTRATION)
<https://youtu.be/I2NMy7nQTVU?t=4h9m2s>

This item was continued to a future meeting.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/I2NMy7nQTVU?t=4h9m58s>

None

E. ADJOURNMENT

The meeting adjourned at 10:18pm. The next Regular Meeting will be held on Tuesday, May 24, 2016 at 6:00 p.m. at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by:

Dana Swanson, City Clerk

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL MEETING – MAY 24, 2016
MORRO BAY VETERAN’S HALL
209 SURF STREET – 3:30 P.M.

PRESENT:	Jamie Irons	Mayor
	Matt Makowetski	Councilmember
	John Heading	Councilmember
	Christine Johnson	Councilmember
	Noah Smukler	Councilmember
STAFF:	Dave Buckingham	City Manager
	Joe Pannone	City Attorney
	Dana Swanson	City Clerk
	Susan Slayton	Administrative Services Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Manager
	Eric Endersby	Harbor Director
	Amy Christey	Police Chief
	Steve Knuckles	Fire Chief

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Irons established a quorum and called the meeting to order at 3:35pm, with all members present.

SPECIAL MEETING AGENDA ITEM:

I. FY 2016/17 BUDGET STUDY SESSION

<https://youtu.be/-3caim0r9A4?t=7s>

City Manager Buckingham presented an overview of the draft FY 2016/17 budget and responded to Council inquiries. (Click [here](#) to view the PowerPoint presentation.)

PUBLIC COMMENT RE: ITEMS ON THE AGENDA

<https://youtu.be/-3caim0r9A4?t=1h17m57s>

Anne Wyatt, Program Coordinator for Home Share SLO, shared information about the program, noting they will target the north coast communities from Los Osos to San Simeon in the first year of operation. The City and Morro Bay Senior Citizens Inc. will each be asked to contribute \$5,000 for a total of \$10,000 for Morro Bay, or 24% of the overall budget.

Homer Alexander, Morro Bay, expressed appreciation for the information provided in the preliminary budget report and suggested adding more detail regarding revenue projections. He asked that abbreviations be explained and opposed transferring \$60k to tourism marketing.

Joan Solu, Morro Bay resident and business owner, congratulated the TBID for growth to date. She noted the draft TBID budget includes a projected revenue increase of 5-6% in FY 15/16; the hoteliers are setting a revenue projection of 10-12% growth for that time period.

Sharon O'Leary, Director of Community Resource Connections office, provided an overview of their services and expressed appreciation for continued city support.

The public comment period was closed.

The Council expressed appreciation for the thorough budget report and encouraged residents to read the document if they had not yet done so. There was general support for the proposed organizational changes, a request to revisit the City's investment policy, support for proposed Council benevolence amounts with a request to revisit support for Community Resource Connections and homeless shelters during mid-year budget review. The Council requested a detailed reconciliation of parking-in-lieu transactions and also to focus on revenue projections during the second budget study session.

Staff responded to issues raised during public comment and Council discussion.

ADJOURNMENT

The meeting adjourned at 5:52p.m.

Recorded by:

Dana Swanson
City Clerk

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – MAY 24, 2016
VETERAN’S MEMORIAL HALL – 6:00 P.M.

PRESENT:	Jamie Irons	Mayor
	Matt Makowetski	Councilmember
	John Headding	Councilmember
	Christine Johnson	Councilmember
	Noah Smukler	Councilmember
STAFF:	Dave Buckingham	City Manager
	Joe Pannone	City Attorney
	Dana Swanson	City Clerk
	Sam Taylor	Deputy City Manager
	Rob Livick	Public Works Director
	Scot Graham	Community Development Manager
	Eric Endersby	Harbor Director
	Amy Christey	Police Chief
	Steve Knuckles	Fire Chief

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:04 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION - None

CLOSED SESSION REPORT - No Closed Session meeting was held.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

https://youtu.be/k942lwH_AdU?t=2m53s

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

https://youtu.be/k942lwH_AdU?t=8m21s

PRESENTATIONS

https://youtu.be/k942lwH_AdU?t=11m18s

Stacey Aragon, Sarrie Choy and Kristin Hardtke from Cal Poly presented findings from the Morro Bay Business Walk conducted on May 11, 2016.

PUBLIC COMMENT

https://youtu.be/k942lwH_AdU?t=21m43s

Rachel Sherfield of Skipper’s Brew located at 571 Embarcadero, provided the business spot. Skipper’s Brew serves high quality coffee drinks using local roasters.

Rigmor, Morro Bay, spoke in support of tourism and encouraged the use of an app to provide visitors with information on local restaurants and other businesses.

Susan Stewart, Morro Bay resident and business owner, announced a General Plan Update Community Workshop will be held on Thursday, June 16, both at the Business Forum at 7:30am, then at a Community Workshop from 5:30 to 8:00pm at the Veterans Hall. Regarding Item C-3, she noted the General Plan Advisory Committee has not yet addressed vacation rentals.

Meg Crockett, President of Pacific Wildlife Care, explained they are the only wildlife rehabilitation organization in San Luis Obispo County that accepts orphaned and injured land mammals, birds and reptiles. Visit www.pacificwildlifecare.org for information on how to support this organization.

Robert Davis, Morro Bay, spoke in support of the SLOCOG Self-Help sales tax initiative, and urged the Council and residents to support this initiative.

Tyler Conrad, Morro Bay, asked the City Council to consider a resolution supporting the National Revenue-Neutral Carbon Fee and Dividend Program aimed at protecting the economy and climate from the impacts of global warming.

Jane Heath, Morro Bay resident and business owner, announced the Central Coast Maritime Museum Association will hold an open house on June 4 and 5 from 11am to 3pm, to welcome the Historic ALMA tug. Tickets for a BBQ lunch to be held Sunday, June 5, are available at Coalesce Bookstore.

Walter Heath spoke on behalf of the Citizens Beautification and Heritage Committee, reminding the Council of their interest in adding a mural on the overpass as part of the Highway 41 / Main Street improvements. He also thanked Council and staff for their support of the Maritime Museum.

Erica Crawford, Morro Bay Chamber of Commerce, thanked the Cal Poly students for their work on the business walk, and also thanked those who participated and supported the Amgen event.

Bonnie Johnson, Morro Bay Bike Park, requested the Council move Agenda Item C-2 ahead in the agenda.

Betty Winholtz, Morro Bay, commented on Item C-3 encouraging the Council not to wait for General Plan discussion, but to forward the issue to Planning Commission now. She also expressed concern about the proposed roundabout at Highway 41 and Main Street.

Barbara Doerr, Morro Bay, spoke regarding Item C-3 raising concern about the land use issues related to vacation rentals.

KC Caldwell, Morro Bay, appreciated the business walk and was pleased to see the work being done to reach out to downtown businesses. She also encouraged the City to support Pacific Wildlife Care.

Victoria Schmidt, Morro Bay, spoke to Agenda Item C-3 and encouraged the Council to develop appropriate regulations for vacation rentals.

The comment period was closed.

Staff responded to questions raised during the public comment period.

A. CONSENT AGENDA
https://youtu.be/k942lwH_AdU?t=58m14s

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

A-1 APPROVAL OF MINUTES FROM THE MAY 10, 2016 SPECIAL CLOSED SESSION CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF CONTRACT WITH DIGITAL WEST NETWORKS, INC. FOR A FIBER OPTIC AND HIGH-SPEED INTERNET PROJECT; (ADMINISTRATION)

RECOMMENDATION: Approve the proposed consultant agreement.

A-3 ADOPT RESOLUTION NO. 41-16 APPROVING 3RD QUARTER BUDGET ADJUSTMENTS TO COMPLY WITH THE AUDIT FINDING IN THE 2014/15 CITY AUDIT, FINDING 2015-001, ISSUE #8; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 41-16 approving the 3rd Quarter Budget Adjustments.

A-4 ADOPT RESOLUTION NO. 37-16 APPROVING THE FISCAL YEAR 2016/17 MASTER FEE SCHEDULE; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 37-16 approving the FY 2016/17 Master Fee Schedule.

A-5 ADOPT RESOLUTION NO. 38-16 APPROVING THE FISCAL YEAR 2016/17 BUSINESS TAX SCHEDULE; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 38-16 approving the FY 2016/17 Business Tax Schedule.

The public comment period for the Consent Agenda was opened
https://youtu.be/k942lwH_AdU?t=58m15s

Susan Stewart, Morro Bay, spoke to Item A-2 asking about the expected cost of service and what would happen if not enough commercial customers sign up to reduce costs to the City.

Erica Crawford, Morro Bay Chamber of Commerce CEO, spoke to Item A-2 noting the service may not be appropriate for all businesses, but choice is the key. She suggested City savings be put toward infrastructure improvements. Regarding Item A-5, she expressed concern about the “per employee” cost being tied to CPI and the effect that has on businesses.

Betty Winholtz, Morro Bay, spoke to Item A-2 expressing concern about potential risk and suggested the City wait until the current contract with Charter expired before considering a change. Regarding Item A-4, she was unable to find the appeal fee in the document and requested that fee not be raised this year.

Walter Heath, Morro Bay, asked that Item A-2 be pulled for discussion to hear the City Attorney's concerns regarding the agreement.

The public comment period for the Consent Agenda was closed.

Mayor Irons pulled Agenda Item A-2 and A-4. Councilmember Johnson pulled Item A-5.

MOTION: Mayor Irons moved the Council approve Items A-1 and A-3 on the Consent Agenda. The motion was seconded by Councilmember Heading and carried unanimously, 5-0.

A-4 ADOPT RESOLUTION NO. 37-16 APPROVING THE FISCAL YEAR 2016/17 MASTER FEE SCHEDULE; (ADMINISTRATIVE SERVICES)
https://youtu.be/k942lwH_AdU?t=1h6m20s

Staff identified appeal fees in the document and explained those fees were raised based on "ENR", a construction cost index for development related fees. The Council requested redline tracking of cost increase be provided for ease of reference, and the desire for a full fee review in the future.

The public comment period for Item A-4 was opened.

Barry Branin, Morro Bay, suggested an option for permit application review to be outsourced with the direct cost passed on to the applicant or developer.

The public comment period for Item A-4 was closed.

MOTION: Mayor Irons moved for approval of Item A-4. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

A-5 ADOPT RESOLUTION NO. 38-16 APPROVING THE FISCAL YEAR 2016/17 BUSINESS TAX SCHEDULE; (ADMINISTRATIVE SERVICES)
https://youtu.be/k942lwH_AdU?t=1h18m45s

MOTION: Councilmember Johnson moved for approval of Item A-5. The motion was seconded by Councilmember Heading and carried unanimously, 5-0.

A-2 APPROVAL OF CONTRACT WITH DIGITAL WEST NETWORKS, INC. FOR A FIBER OPTIC AND HIGH-SPEED INTERNET PROJECT; (ADMINISTRATION)
https://youtu.be/k942lwH_AdU?t=1h20m46s

Mr. Taylor provided additional information regarding Item A-2, and responded to Council inquiries.

Mayor Irons disclosed his potential conflict of interest on this item since he owns property in the downtown area. The City Attorney explained the exemption for situations where the impact on that councilmember is no different than 25% of the affected properties, there is no conflict of interest. Based on that, he did not believe the Mayor had a conflict of interest; however, if the Mayor felt uncomfortable, then he should recuse himself.

Mayor Irons recused himself due to a conflict of interest based on his ownership of property in the downtown area. Councilmember Heading also recused himself due to his business ownership in the downtown area.

The public comment period for Item A-2 was opened.

Lynda Merrill, Morro Bay, requested the Council forward the item to the Public Works Advisory Board for further review and input.

Barry Branin, Morro Bay, suggested the project be reviewed by the Public Works Advisory Board.

Robert Davis, Morro Bay, spoke in support of the project to encourage economic development.

David Betonte, Morro Bay, expressed concern about the indemnification issue and potential misuse of computer files. He also asked why only two proposals were received and whether those who didn't respond were contacted.

The public comment period for Item A-2 was closed.

Staff responded to questions raised during the public comment period.

The Council discussed the opportunity to improve city operations and diversify the economy for the long-term benefit of the City. It was determined the potential risk in the current contract with Charter is no different than the proposed contract with Digital West, but does offer better service.

It was also suggested that in the future when very few responses are received to an RFP staff should include the type of outreach that was done in the staff report and, when possible, explain why firms chose not to respond.

MOTION: Councilmember Johnson moved for approval of Item A-2. The motion was seconded by Councilmember Smukler and carried 3-0-2, with Mayor Irons and Councilmember Heading abstaining due to a conflict of interest.

Mayor Irons and Councilmember Heading rejoined the meeting at 8:21pm.

There was Council consensus to move to Item C-2 next.

C. BUSINESS ITEMS

C-2 BIKE PARK UPDATE; (ADMINISTRATION)
https://youtu.be/k942lwH_AdU?t=2h17m24s

Mr. Taylor invited Bonnie Johnson of Morro Bay Bike Park Group to provide an update on the bike park.

The public comment period for Item C-2 was opened; seeing none, the public comment period was closed.

The Council supported providing a porta-potty at the bike park and expressed appreciation to the volunteers who have supported this wonderful addition to the community.

The Council took a brief recess at 8:30pm; the meeting reconvened at 8:35pm.

B. PUBLIC HEARINGS

B-1 ADOPT RESOLUTION NO. 39-16 CONTINUING THE PROGRAM AND LEVYING THE ASSESSMENTS FOR THE 2016/17 FISCAL YEAR FOR THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (MBTBID); (ADMINISTRATION)
<https://youtu.be/D9Z82cSWIcA?t=39s>

Deputy City Manager Taylor presented the staff report and responded to Council inquiries.

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

MOTION: Councilmember Makowetski moved for adoption of Resolution No. 39-16 continuing the program and levying the assessments for the 2016/17 Fiscal Year for the Morro Bay Tourism Business Improvement District. The motion was seconded by Councilmember Heading and carried unanimously, 5-0.

C. BUSINESS ITEMS

C-1 PRESENTATION OF FISCAL YEAR 2014/15 CITY AUDIT REPORTS; (ADMINISTRATIVE SERVICES)
<https://youtu.be/D9Z82cSWIcA?t=3m17s>

Administrative Services Director Slayton introduced Kenneth Pun of The Pun Group who presented the 2014/15 City audit reports and responded to Council inquiries.

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

The Council appreciated the report and looked forward to addressing organizational needs identified in the next year or two. The need for comprehensive budget and fiscal policies and procedures was discussed and the Council requested the City Manager report back with a plan to

address those deficiencies. Given the upcoming transition in the department, there was no date certain for that report.

No formal action was taken.

C-3 VACATION RENTAL DISCUSSION & NEXT STEPS; (COMMUNITY DEVELOPMENT)

<https://youtu.be/D9Z82cSWIcA?t=1h2m>

Community Services Manager Graham presented the staff report and responded to Council inquiries.

The public comment period for Item C-3 was opened.

Barbara Doerr, Morro Bay, re-stated commercial uses such as vacation rentals are not appropriate in residential areas, and encouraged strong outreach on the proposed moratorium.

The public comment period for Item C-3 was closed.

The Council agreed a full review of vacation rentals in order to develop a comprehensive policy should take place as part of the General Plan update and supported a moratorium that would limit the number of licensed vacation rentals until that process was complete.

MOTION: Mayor Irons directed staff to bring back an emergency ordinance at the next meeting capping the total allowed number of licensed vacation rentals at 250. The motion was seconded by Councilmember Headding and carried unanimously, 5-0.

MOTION: Councilmember Johnson moved the Council direct staff to incorporate the regulation of vacation rentals and Airbnb into the General Plan update. The motion was seconded by Councilmember Makowetski and carried unanimously, 5-0.

MOTION: Mayor Irons moved the meeting go past 11:00pm. The motion was seconded by Councilmember Headding and carried 4-1 with Councilmember Makowetski voting no.

The Council took a brief recess at 10:55pm; the meeting reconvened at 11:00pm with all members present.

There was Council consensus to hear Item C-5 next.

C-5 ADOPT RESOLUTION NO. 36-16 RESCINDING RESOLUTION NO. 18-14 AND UPDATING THE CITY OF MORRO BAY'S PARTNERSHIP POLICY AND PROVIDE DIRECTION REGARDING A CO-SPONSORSHIP POLICY; (ADMINISTRATION)

<https://youtu.be/D9Z82cSWIcA?t=2h20m9s>

Mr. Taylor presented the staff report and responded to Council inquiries.

The public comment period for Item C-5 was opened; seeing none, the public comment period was closed.

MOTION: Councilmember Johnson moved the Council adopt Resolution No. 36-16 rescinding Resolution No. 18-14 and updating the City's Partnership Policy. The motion was seconded by Councilmember Heading and carried unanimously, 5-0.

C-4 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 603 AMENDING MORRO BAY MUNICIPAL CODE (MBMC) CHAPTER 13.20 REGARDING BUILDING LIMITATIONS, AND ADOPT RESOLUTION NO. 40-16 RESCINDING RESOLUTION NO. 78-00 REGARDING GROWTH MANAGEMENT PROCEDURES FOR DISTRIBUTION OF WATER RESOURCES; (PUBLIC WORKS)
<https://youtu.be/D9Z82cSWIcA?t=2h26m51s>

Public Works Director Livick presented the staff report and responded to Council inquiries.

The public comment period for Item C-4 was opened; seeing none, the public comment period was closed.

MOTION: Councilmember Heading moved for introduction and first reading of Ordinance 603 amending Morro Bay Municipal Code (MBMC) Chapter 13.20 regarding building limitations, and adopt Resolution No. 40-16 rescinding Resolution No. 78-00 regarding growth management procedures for distribution of water resources. The motion was seconded by Mayor Irons and carried unanimously, 5-0.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/D9Z82cSWIcA?t=2h38m21s>

Councilmember Johnson requested discussion of a resolution supporting the National Revenue-Neutral Carbon Fee and Dividend Program requested during public comment. The Council supported this item.

E. ADJOURNMENT

The meeting adjourned at 11:19pm. The next Regular Meeting will be held on Tuesday, June 14, 2016 at 6:00 p.m. at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by:

Dana Swanson,
City Clerk



AGENDA NO: A-4

MEETING DATE: June 14, 2016

Staff Report

TO: Honorable Mayor and City Council

DATE: June 2, 2016

FROM: David Buckingham, City Manager

SUBJECT: Appointment of Voting Delegate(s) to the California Joint Powers Insurance Authority

RECOMMENDATION

Staff recommends the City Council appoint Mayor Irons as the official representative of the City of Morro Bay on the California Joint Powers Insurance Authority (CJPIA) Board of Directors. It is also recommended City Manager, David Buckingham be appointed as the first alternate and City Clerk/Risk Manager, Dana Swanson as second alternate.

ALTERNATIVES

1. The City Council can appoint a Councilmember or other staff member(s) to serve as the City's representative or alternate(s) to the CJPIA Board of Directors.

FISCAL IMPACT

There is no fiscal impact to this decision.

DISCUSSION

On June 23, 2003, the City Council adopted Resolution 38-03 approving the City's membership in CJPIA. The rules of CJPIA require each member agency to appoint a member of its governing board to serve as a representative to the CJPIA Board of Directors. The CJPIA also allows for member agency staff to serve as alternates. The full Board of Directors meets once a year in July, to elect officers and review claims history; this year the meeting is being held on Wednesday, July 20th at the CJPIA office in La Palma. Historically, the City has appointed the Mayor to fulfill the duties as the official representative on the CJPIA Board of Directors.

CONCLUSION

It is staff's recommendation the Council appoint Mayor Irons as the official representative to the CJPIA Board of Directors, as well as City Manager, David Buckingham, as the first alternate and City Clerk/Risk Manager, Dana Swanson, as second alternate.

Prepared By: DS

Dept Review: _____

City Manager Review: DWB

City Attorney Review: JWP



AGENDA NO: A-5

MEETING DATE: June 14, 2016

Staff Report

TO: Honorable Mayor and City Council

DATE: May 31, 2016

FROM: Rob Livick, PE/PLS - Public Works 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

The City and District approved a FY 15/16 MMRP budget of \$465,000 which includes \$200,000 in funding for new MMRP projects, and carrying over \$265,000 to complete projects funded but not completed in FY 14/15, for a grand total of \$465,000.

Below is a table that provides the MMRP budget and actual expenditures for fiscal years 13/14, 14/15, and 15/16. Expenditures for MMRP projects to date have totaled \$1.287 Million. The difference between fiscal year MMRP project budgets and expenditures is related to projects carrying over multiple fiscal years and budget being carried over from fiscal year to fiscal year, as well as project budgets being reduced (chlorine contact improvement project) and projects being completed for less than estimated costs, in which case the difference stays in the sewer reserve. For example, the MMRP budget for FY 13/14 contained \$500k for the purchase and installation of influent screens; the screening project was not completed until FY14/15, and the budget from FY13/14 was carried over to FY14/15 to cover project expenses.

Prepared By: BK

Dept Review: RL

City Manager Review: DWB

City Attorney Review: _____

Adopted MMRP Projects by Fiscal Year	Adopted Budget	Actual Cost	Project Status
<u>FY13/14</u>			
Influent Screening Project	500,000	0	Carried Over to FY14/15
Clean, Coat, and Repair Digester #2	250,000	253,312	Completed July 2014
Chlorine Contact Tank Improvements	200,000	0	Carried Over to FY 14/15
Interstage Pump and Valve Project	50,000	46,759	Completed April 2014
Reconditioning of the Chlorine Building	40,000	28,459	Completed June 2014
Total for FY 13/14	1,040,000	328,530	
<u>FY 14/15</u>			
Influent Screening Project Carryover from FY13/14	550,000	502,106	Completed October 2014
Clean, Coat, and Repair Digester #1	331,000	301,946	Completed July 2015
Primary Clarifier Rehabilitation	50,000	35,551	Completed June 2015
Biofilter Arms and Biofilter Improvements	215,000	0	Carried Over to FY 15/16
Chlorine Contact Tank Improvements – scope reduced from FY13/14	75,000	57,144	Completed April 2015
Total for FY14/15	1,221,000	896,747	
<u>FY 15/16</u>			
Clean, Coat, and Repair Digester #1 Carryover	50,000	18,797	
Metering Vault and Valve Replacement	125,000	91,464	Planning Process
Secondary Clarifier Rehabilitation	75,000	4502	Planning process
Biofilter Arms and Biofilter Improvements			Completed/Planning
Carryover	215,000	39,109	process
Total for FY 15/16	465,000	153,872	
Total MMRP Project Expenses		1,379,149	

This staff report is intended to provide an update on the development, implementation and status of the MMRP for the WWTP since the May 10, 2016, City Council meeting.

Development of the MMRP has assisted the City and District in projecting the budgeting of expenditures required to keep the current plant operational and in compliance with regulatory requirements.

Staff's focus has been on developing and implementing work plans for the MMRP projects approved for the FY15/16 budget. The FY 15/16 budget for MMRP projects was adopted by the City and District at their regular meetings on June 9 and 18, 2015, respectively.

At the January 26 City Council meeting, the Council approved staff's recommendation to discontinue the MMRP as of the beginning of FY16/17 and continue a proactive Operations and Maintenance (O&M) program funded through the O&M portion of the WWTP budget. That recommendation was based on the successful completion of MMRP projects to date, condition assessments of the plant, and the current schedule for completion of new WRF(s). It is important to note, the O&M budget will be brought to the Council and District Board during budget deliberations for discussion and approval. That will ensure the recommended O&M funding needs are brought forward each year. If the five-year schedule is delayed for whatever reason, then City and District staff would make the requisite recommendations necessary for O&M or MMRP projects during the annual budget approval process.

A similar recommendation and staff report will be included on the next Joint Meeting between the Morro Bay City Council and the Cayucos Sanitary District Board agenda for consideration, discussion, and action by the Council and District Board.

DISCUSSION

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

City and District staff, in coordination with Michael Nunley & Associates (MKN), finalized and publicly noticed an Invitation to Bid for the replacement of four valves on September 20 and 27, 2015; bids were due by October 6, 2015. Pacific Coast Excavators (PCE), Inc. was the lowest responsive bidder at \$90,238 and was given the Notice to Proceed on April 18, 2016. The Project was completed on April 29, 2016, and Notice of Substantial Completion was delivered to PCE on May 26, 2016. PCE completed the project for a total of \$89,808, including three Contract Change Orders. The June 28, 2016 City Council agenda contains an agenda item for the City Council to authorize staff to file the Notice of Completion of the MMRP: Blending Valves Replacement Project.

City staff decided not to complete the fourth phase of the contract (the replacement of the 24-inch blending valve), eliminating this phase of the work in its entirety in accordance to the Public Contract Code, due to concerns about the ability of the contractor to complete that project in the allotted four-hour time window. Plant and Engineering staff are currently developing strategies for replacement of the blending valve in September or October, following peak summer flows. Staff will recommend \$10,000 of the project budget be rolled over into the FY16/17 WWTP budget to cover contractor costs for excavation, removal, and installation of a new 24" blending valve.

During all phases of this project, WWTP staff had to stop flow to and drain the pipelines feeding the various valves being replaced. This involved complex operational strategies to hold flow either in tanks that had been drained prior to starting the job or stacking water in the thirty-inch trunk line that feeds the WWTP. Staff was able to provide four-hour windows where flow could be stopped and managed while the first three phases of the project were completed.

Rehabilitation of the Secondary Clarifier #2

Plant staff has continued with the repair process for the catwalk as time allows. They anticipate

completing the repairs and having a painting contractor on-site to complete the coating of the catwalk by the end of June. The anticipated 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.

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. City engineering staff will request quotes on the project once they complete the project specifications. 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. City staff anticipates the work will be performed during late September or early October, following peak summer flows.

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.

CONCLUSION

This will be the last monthly update for the MMRP on the City Council agenda due to the fact the Council approved staff's recommendation to discontinue the MMRP as of the beginning of the FY16/17 budget and to continue with a proactive Operations and Maintenance (O&M) program funded through the O&M portion of the WWTP budget. Staff will continue to provide regular updates to the Council on plant operations through the Monthly Operations Summary agenda items on JPA meeting agendas as well as through the budget review and approval process. Staff recommends this report be received and filed.



City of Morro Bay

City Hall
595 Harbor Street
Morro Bay, CA 93442
805-772-6201

MEMORANDUM

To: Honorable Mayor and City Council
From: Janeen Burlingame, Management Analyst
Date: June 14, 2016
Subject: **Addendum to Agenda Item A-6** – Adopt Resolution No. 42-16 Authorizing San Luis Obispo County Assessor to Assess Amounts due on Delinquent Solid Waste Collections Accounts as Tax Liens Against the Properties

Meeting Date: June 14, 2016

Mayor & Council,

On June 13, 2016, staff received confirmation from Morro Bay Garbage Service that one of the two who were on the delinquent lien list has paid their account in full and can be removed from that list.

The revised Resolution No. 42-16 is attached.

RESOLUTION NO. 42-16

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AUTHORIZING THE SAN LUIS OBISPO COUNTY ASSESSOR
TO ASSESS AMOUNTS DUE ON DELINQUENT
SOLID WASTE COLLECTION AND DISPOSAL ACCOUNTS AS
TAX LIENS AGAINST THE PROPERTIES**

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

WHEREAS, Sections 8.16.170 and 8.16.375 of the Morro Bay Municipal Code (MBMC) establish all places and premises in the City in or on which solid waste is created, accumulated or produced must use the solid waste collection and disposal service provided by the City's franchisee and the franchisee is responsible for collecting fees for the service; and

WHEREAS, Subsections 8.16.170 C. and D. of the MBMC states, for the purposes of establishing responsibility for the payment of fees and charges, the customer, who has applied for water service within the City and the owner of the property, which is furnished solid waste service, if different from that customer, shall jointly be responsible for the payment of all rates, charges and fees including penalties and unpaid obligations shall run with the land and shall lead to delinquency for the property involved; and

WHEREAS, Section 8.16.385 of the MBMC further provides a method by which the franchisee may take actions to collect fees from the owners of properties involved in delinquent solid waste collection and disposal accounts which includes requesting the City to file a tax lien; and

WHEREAS, the franchisee, Morro Bay Garbage Service, has taken the actions required within the MBMC to collect fees from delinquent accounts as certified by franchisee and incorporated herein, and has provided the required list of debtors whose account is still delinquent.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, pursuant to MBMC section 8.16.385, the San Luis Obispo County Assessor is hereby authorized to assess the amounts due on delinquent accounts, as established and certified by the franchisee Morro Bay Garbage Service as liens against the properties listed below:

Parcel Number	Total Amount
065-053-013	\$253.41

REVISED JUNE 14, 2016

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of June 2016 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk



AGENDA NO: A-6

MEETING DATE: June 14, 2016

Staff Report

TO: Honorable Mayor and City Council

DATE: May 10, 2016

FROM: Janeen Burlingame – Management Analyst

SUBJECT: Adopt Resolution No. 42-16 Authorizing San Luis Obispo County Assessor to Assess Amounts Due on Delinquent Solid Waste Collection Accounts as Tax Liens Against the Properties

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 42-16.

ALTERNATIVES

No alternatives are recommended as this is a requirement of Morro Bay Municipal Code (MBMC) §8.16.385.

FISCAL IMPACT

The City will receive the 10% franchise fee on all liens paid in addition to a 2% administrative fee for costs associated with the processing of the liens with the San Luis Obispo County Assessor. Total revenue to be received will be \$54.00.

SUMMARY

MBMC Chapter 8.16 addresses delinquent solid waste accounts held by the City's franchisee, and the methodology related to collecting those debts. Morro Bay Garbage Service has followed the appropriate steps per the MBMC, and staff is requesting permission to file tax liens on the remaining delinquent debtors.

BACKGROUND

MBMC §8.16.170 and §8.16.375 establish all places and premises in the City in or on which solid waste is created, accumulated or produced must use the solid waste collection and disposal service provided by the City's franchisee and the franchisee is responsible for collecting fees for the service.

MBMC §8.16.170 also states, for the purposes of establishing responsibility for the payment of fees

Prepared By: JB Dept Review: RL

City Manager Review: DWB

City Attorney Review: JWP

and charges, the person who has applied for water service within the City is responsible for paying for the solid waste service. In addition, the owner of the property, which is furnished solid waste service, if different from that water customer, is jointly responsible for the payment of all solid waste rates, charges and fees, including penalties. Any unpaid obligations shall run with the land and lead to delinquency for the property involved.

DISCUSSION

Morro Bay Garbage Services has taken the actions prescribed within the MBMC §8.16.385 to collect delinquent solid waste collection and disposal accounts, which are:

- 1) Present to the City a list of property owners whose accounts are more than 120 days past due,
- 2) Send certified letters to those property owners requesting payment within 45 calendar days, and
- 3) Present to the City a list of property owners that have failed to make the requested payment.

CONCLUSION

Morro Bay Garbage Service has gone through the process outlined in the MBMC and submitted the final list of property owners that failed to make the requested payment by the due date. The next step is for the City to authorize the County to process liens against those delinquent accounts. Staff recommends adopting Resolution No. 42-16 to accomplish the task.

RESOLUTION NO. 42-16

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AUTHORIZING THE SAN LUIS OBISPO COUNTY ASSESSOR
TO ASSESS AMOUNTS DUE ON DELINQUENT
SOLID WASTE COLLECTION AND DISPOSAL ACCOUNTS AS
TAX LIENS AGAINST THE PROPERTIES**

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

WHEREAS, Sections 8.16.170 and 8.16.375 of the Morro Bay Municipal Code (MBMC) establish all places and premises in the City in or on which solid waste is created, accumulated or produced must use the solid waste collection and disposal service provided by the City's franchisee and the franchisee is responsible for collecting fees for the service; and

WHEREAS, Subsections 8.16.170 C. and D. of the MBMC states, for the purposes of establishing responsibility for the payment of fees and charges, the customer, who has applied for water service within the City and the owner of the property, which is furnished solid waste service, if different from that customer, shall jointly be responsible for the payment of all rates, charges and fees including penalties and unpaid obligations shall run with the land and shall lead to delinquency for the property involved; and

WHEREAS, Section 8.16.385 of the MBMC further provides a method by which the franchisee may take actions to collect fees from the owners of properties involved in delinquent solid waste collection and disposal accounts which includes requesting the City to file a tax lien; and

WHEREAS, the franchisee, Morro Bay Garbage Service, has taken the actions required within the MBMC to collect fees from delinquent accounts as certified by franchisee and incorporated herein, and has provided the required list of debtors whose account is still delinquent.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, pursuant to MBMC section 8.16.385, the San Luis Obispo County Assessor is hereby authorized to assess the amounts due on delinquent accounts, as established and certified by the franchisee Morro Bay Garbage Service as liens against the properties listed below:

Parcel Number	Total Amount
065-053-013	\$253.41
068-225-002	\$250.63

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of June 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

RESOLUTION NO. 43-16

**RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF MORRO BAY, CALIFORNIA
CALLING A GENERAL MUNICIPAL ELECTION TO BE HELD ON
TUESDAY, NOVEMBER 8, 2016 FOR THE PURPOSE OF ELECTING
CERTAIN OFFICERS OF SAID CITY; AND REQUESTING THE BOARD OF
SUPERVISORS OF SAN LUIS OBISPO COUNTY TO CONSOLIDATE SAID
ELECTION WITH THE STATEWIDE GENERAL ELECTION
TO BE HELD IN THE COUNTY ON TUESDAY, NOVEMBER 8, 2016;
AND OTHER ELECTION MATTERS AS REQUIRED BY LAW**

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

WHEREAS, Measure “J-14” was passed by the citizens of Morro Bay at the election held in November 2014 and codified as Resolution No. 78-14, amending Morro Bay Municipal Code Section 2.09.010 to have the General Municipal Election held at the time of the Statewide General Election; and

WHEREAS, the City Council of the City of Morro Bay called a General Municipal Election to be held on Tuesday, November 8, 2016 for the purpose of the election of two (2) members of the City Council of said City for the full term of four (4) years, and for the election of one (1) Mayor of the City Council of said City for the full term of two (2) years; and

WHEREAS, it is desirable that the General Municipal Election be consolidated with the Statewide General Election to be held on the same date and that within the City the precincts, polling places and election officers of the two elections be the same, and that the County Election Department of the County of San Luis Obispo canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election.

NOW, THEREFORE, the City Council of the City of Morro Bay, California, does resolve, declare, determine and order as follows:

SECTION 1. That pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of San Luis Obispo is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide General Election on Tuesday, November 8, 2016, for the purpose of the election of one (1) Mayor, and two (2) Members of the City Council.

SECTION 2. That the County Election Department is authorized to canvass the returns of the General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

SECTION 3. That the Board of Supervisors is requested to issue instructions to the County Election Department to take any and all steps necessary for the holding of the consolidated election.

SECTION 4. That the City of Morro Bay recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

SECTION 5. That the City Clerk is hereby directed to file a certified copy of this Resolution with the Board of Supervisors and the County Election Department of the County of San Luis Obispo.

SECTION 6. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of June, 2016 following vote:

AYES:

NOES:

ABSENT:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

RESOLUTION NO. 44-16

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE,
PERTAINING TO, AND COSTS OF, CANDIDATE STATEMENTS SUBMITTED
TO THE VOTERS AT THE CONSOLIDATED GENERAL MUNICIPAL ELECTION
TO BE HELD ON TUESDAY, NOVEMBER 8, 2016**

WHEREAS, California Elections Code section 13307 provides the governing body of any local agency shall adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs of each candidate statement.

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

SECTION 1. General Provisions. Pursuant to California Elections Code section 13307, each candidate for elective office to be voted for at the Consolidated General Municipal Election to be held in the City of Morro Bay on November 8, 2016, may prepare a candidate's statement on an appropriate form provided by the City Clerk. Such statement may include the name, age, and occupation of the candidate and a brief description, not exceeding 200 words, of the candidate's education and qualifications expressed by the candidate himself/herself. Such statement shall not include party affiliation of the candidate, nor membership or activity in partisan political organizations. The statement shall be filed in the City Clerk's Office at the time the candidate's nomination papers are filed. The statement may be withdrawn, but not changed, during the period for filing nomination papers and until 5:00 p.m. of the next working day after the close of the nomination period.

SECTION 2. Foreign Language Policy. Candidates have the option to have their statement translated into Spanish at an additional cost. Spanish translation will be performed by the County of San Luis Obispo prior to publication.

SECTION 3. Payment.

- a. Each candidate is required to pay for the cost of printing his/her candidate statement in English and Spanish in the voters' pamphlet.
- b. The City Clerk shall estimate the total cost of printing, handling, translating, and mailing each candidate statement filed pursuant to this section, including costs incurred as a result of a candidate choosing to translate a statement into Spanish, and require each candidate filing a statement to pay in advance to the City of Morro Bay his/her estimated pro rata share as a condition of having his/her statement included in the voters' pamphlet. The estimate is an approximation of the actual cost that varies from one election to another and the actual cost may be

significantly more or less than the estimate, depending upon the actual number of candidates filing statements. Accordingly, the City Clerk is not bound by the estimate and may, on a pro rata basis, bill each candidate for additional actual expense, or refund any excess paid, depending upon the final actual cost. In the event of underpayment, the City Clerk shall require the candidate to pay the balance of the cost incurred. In the event of overpayment, within 30 days after the election, the City Clerk shall pro-rate the excess amount among the candidates and refund to each candidate his/her share of the excess amount.

SECTION 4. Additional Materials. No candidate is permitted to include additional materials in the sample ballot package.

SECTION 5. The City Clerk shall provide each candidate, or his/her representative, a copy of this resolution at the time nominating petitions are issued.

SECTION 6. All previous resolutions establishing City Council policy on payment for candidate statements are hereby rescinded.

SECTION 7. This resolution applies only to the election to be held on November 8, 2016, and shall then be rescinded.

SECTION 8. Effective Date. This Resolution is effective on the day of its adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of June, 2016 by the following vote:

AYES:

NOES:

ABSENT:

Jamie L. Irons, Mayor

ATTEST:

Dana Swanson, City Clerk



AGENDA NO: A-9

MEETING DATE: June 14, 2016

Staff Report

TO: Honorable Mayor and City Council

DATE: June 2, 2016

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

**SUBJECT: Adopt Resolution No. 46-16 Rescinding Resolutions No. 04-03, 07-04 and 27-12
Regarding Street Work during Summer Months and Holidays**

RECOMMENDATION

Staff recommends the Council adopt the proposed Resolution 46-16 modifying the Public Works work schedule allowing for major maintenance work within the public rights-of-way and public parking lots during the period from Memorial Day through Labor Day.

ALTERNATIVES

The Council may choose not to adopt the Resolution and keep the restrictions in place prohibiting Public Works projects during the period between Memorial Day and Labor Day.

FISCAL IMPACT

The timing restriction on when major street work can occur requires major street work be performed at times that are less than optimal. That can result in higher construction costs and less work being performed.

DISCUSSION

In 2003, 2004 and 2012 the City Council passed Resolutions 04-03, 07-04 and 27-12 that limited Street Work during Summer Months & Holidays.

It is current City policy all street and public parking lot work in the commercial areas including striping, trenching, re-paving, sealing, tree trimming, and any other street maintenance or improvements that may cause traffic congestion or loss of parking spaces, be undertaken only during the nine months from Labor Day to Memorial Day.

That policy was based on the belief any "street" work would be a disruption to the tourism economy of Morro Bay. Staff is of the opinion it can coordinate with the business community and minimize the impact of construction work. For example, providing advance notification to the community through the various media outlets or performing work during mid-week when the impact would be less.

Prepared By: <u>RL</u>	Dept Review: <u>RL</u>
City Manager Review: <u>DWB</u>	
City Attorney Review: <u>JWP</u>	

CONCLUSION

By making this accommodation, staff opines more striping, trenching, re-paving, sealing, tree trimming, and other street maintenance can be performed at a lower cost while still maintaining a community friendly relationship.

ATTACHMENT

Proposed Resolution No. 46-16

Resolutions No. 04-03, 07-04 and 27-12

RESOLUTION NO. 46-16

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
RESCINDING RESOLUTIONS 04-03, 07-04 AND 27-12 WHICH DISCOURAGE OR
PROHIBIT STREET WORK DURING CERTAIN TIMES OF THE YEAR**

**T H E C I T Y C O U N C I L
City of Morro Bay, California**

WHEREAS, the City Council of Morro Bay has previously resolved to limit the times during which street maintenance work may be performed; and

WHEREAS, the limits to the times during which street maintenance work may be performed has caused delays in projects and increased the cost of street maintenance work; and

WHEREAS, the City understands Street Maintenance work can be disruptive to the public.

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

1. Resolutions No. 04-03, 07-04 and 27-12 are hereby rescinded.
2. Public Works staff is directed to work with the affected parties to schedule street maintenance work to minimize any adverse impact on the public.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of June 2016 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

RESOLUTION NO. 04-03

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
DISCOURAGING STREET WORK
BETWEEN MEMORIAL DAY AND LABOR DAY**

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

WHEREAS, the City of Morro Bay is host to over one-million visitors every year, the vast majority of whom visit during the summer months; and

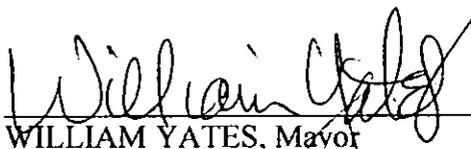
WHEREAS, the City acknowledges the existence of increased traffic and a parking shortage during the summer months; and

WHEREAS, when street work is undertaken during the summer months, traffic congestion often occurs and valuable parking spaces are lost.

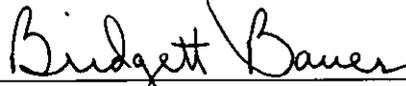
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that it is the City's goal - letting common sense prevail - that all street work, including striping, trenching, re-paving, sealing, tree trimming, and any other street maintenance or improvements that may cause traffic congestion or loss of parking spaces, be undertaken during the nine months from Labor day to Memorial Day.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 13th day of January, 2003 on the following vote:

AYES: Elliott, Peirce, Peters, Winholtz, Yates
NOES: None
ABSENT: None


WILLIAM YATES, Mayor

ATTEST:


BRIDGETT BAUER, City Clerk

RESOLUTION NO. 07-04

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
DISCOURAGING STREET WORK
BETWEEN MEMORIAL DAY AND LABOR DAY,
THE TEN DAYS PRIOR TO CHRISTMAS,
AND MAJOR HOLIDAY WEEKENDS**

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

WHEREAS, the City of Morro Bay is host to over one-million visitors every year, the vast majority of whom visit during the summer months and major holidays; and

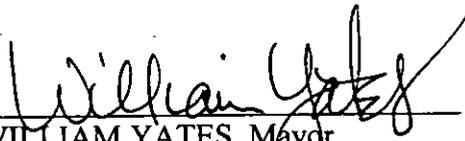
WHEREAS, the City acknowledges the existence of increased traffic and a parking shortage during the summer months and during major holidays; and

WHEREAS, when street work is undertaken during the summer months and major holidays, traffic congestion often occurs and valuable parking spaces are lost.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that it is the City's goal - letting common sense prevail - that all street work, including striping, trenching, re-paving, sealing, tree trimming, and any other street maintenance or improvements that may cause traffic congestion or loss of parking spaces, be undertaken during the nine months from Labor day to Memorial Day, excluding the ten days before Christmas and during major holiday weekends.

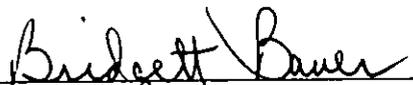
PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 9th day of February 2004 on the following vote:

AYES: Elliott, Peirce, Peters, Winholtz, Yates
NOES: None
ABSENT: None



WILLIAM YATES, Mayor

ATTEST:



BRIDGETT BAUER, City Clerk

RESOLUTION NO. 27-12

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
PROHIBITING STREET WORK IN COMMERCIAL AREAS
BETWEEN MEMORIAL DAY AND LABOR DAY

THE CITY COUNCIL
City of Morro Bay, California

WHEREAS, the City of Morro Bay is host to over one-million visitors every year, the vast majority of whom visit during the summer months; and

WHEREAS, the City acknowledges the existence of increased traffic and a parking shortage during the summer months; and

WHEREAS, when street work is undertaken during the summer months, traffic congestion often occurs and valuable parking spaces are lost.

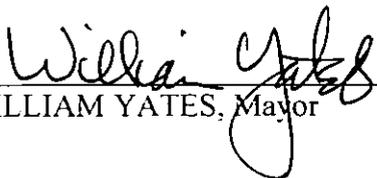
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that it is the City's policy that all street and public parking lot work in the commercial areas including striping, trenching, re-paving, sealing, tree trimming, and any other street maintenance or improvements that may cause traffic congestion or loss of parking spaces, be undertaken only during the nine months from Labor Day to Memorial Day.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 26th day of June, 2012 on the following vote:

AYES: Borchard, Johnson, Leage, Smukler, Yates

NOES: None

ABSENT: None


WILLIAM YATES, Mayor

ATTEST:


JAMIE BOUCHER, City Clerk



AGENDA NO: A-10

MEETING DATE: June 14, 2016

Staff Report

TO: Honorable Mayor and City Council

DATE: June 6, 2016

FROM: Richard Sauerwein, Capital Projects Manager
Jarrod Whelan, Associate Civil Engineer

SUBJECT: Award of Contract to Pacific Beach Tower Inc., of Morro Bay, CA for Project No. MB2016-MA04: Solar Photovoltaic Installation Project

RECOMMENDATION

Staff recommends the City Council award the project contract to Pacific Beach Tower Inc., of Morro Bay, CA in the amount of \$379,161, and approve a contract for such work to be signed by the City Manager, subject to approval as to form by the City Attorney.

ALTERNATIVES

Reject all of the bids and re-bid the project, thereby delaying solar panel installation until Fall 2016.

FISCAL IMPACT

The project is funded from the California Energy Commission loan of \$379,161.

BACKGROUND and DISCUSSION

This project entails the installation of new solar photovoltaic (PV) systems to several City-owned and maintained properties such as the Community Center, Police Department, Public Works/Community Development Department, City Hall, City Hall Annex, and the Veterans' Hall.

The anticipated start date is August 2016. Delivery of the newly purchased solar equipment will take approximately three weeks, with installation and commissioning activity lasting approximately four weeks. The new solar photovoltaic systems will reduce current electricity costs and protect against future rising energy costs. Using solar power will significantly reduce the City's carbon emissions and help promote sustainability throughout the county.

Solar photovoltaic installation project solicited bids through the formal bidding procedures, inviting bids from the City bidder's list and select plan rooms. Project bids were opened on June 2, 2016, with two bids received. Pacific Beach Tower Inc., of Morro Bay, CA submitted the lowest

Prepared By: JSW/PM

Dept Review: RL

City Manager Review: DWB

City Attorney Review: JWP

responsive bid in the amount of \$379,161. See the attached bid analysis for additional information.

CONCLUSION

Staff recommends the City Council award the Project contract to Pacific Beach Tower Inc. in the total bid amount of \$379,161.

ATTACHMENTS

- 1) Resolution 19-16
- 2) Bid Analysis

RESOLUTION NO. 19-16

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AUTHORIZING THE PUBLIC WORKS DIRECTOR, OR DESIGNATED APPOINTEE,
TO EXECUTE ALL NECESSARY DOCUMENTS TO CONTINUE THE CALIFORNIA
ENERGY COMMISSION LOAN FOR ENERGY EFFICIENCY PROJECTS**

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

WHEREAS, the California Energy Commission provides loans to school, hospitals, local governments, special districts, and public care institutions to finance energy efficiency improvements; and

WHEREAS, Resolution 37-14 authorized the Recreation and Parks Director to apply for an energy efficient loan from the California Energy Commission for up to \$562,000 to implement energy efficient measures and authorize all necessary documents to implement the loan; and

WHEREAS, the City no longer has a Recreation and Parks Director and Facility Maintenance Services were transferred to the Public Works Director.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay that: the Public Works Director, or his/her designated appointee, is hereby authorized and directed to execute all necessary documents to implement and carry out the terms of the loan and to undertake all actions necessary to undertake and complete the energy efficiency projects.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 22nd day of March, 2016 by the following vote:

AYES: Irons, Headding, Johnson, Makowetski, Smukler
NOES: None
ABSENT: None



JAMIE L. IRONS, Mayor

ATTEST:



DANA SWANSON, City Clerk

City of Morro Bay
Solar Installation MB2016-MA04: Bid Summary

CONTRACTOR	Total Bid Amount
Pacific Beach Tower Inc. 461 Orcas Street Morro Bay, CA 93442 B, C10 831865	\$379,161.00

CONTRACTOR	Total Bid Amount
Bright Future Solar Energy 3523 S. Higuera Street, Ste. A San Luis Obispo, CA 93401 B, C-10 996617	\$458,725*

*Bid form stated \$451,725; addition
error in the amount of \$7,000



AGENDA NO: B-1

MEETING DATE: June 14, 2016

Staff Report

TO: Honorable Mayor and City Council

DATE: May 31, 2016

FROM: Damaris Hanson, Engineering Technician IV

SUBJECT: Adopt Resolution No. 45-16 Approving the 2015 Urban Water Management Plan

RECOMMENDATION

Review the 2015 Urban Water Management Plan (UWMP), propose any necessary amendments, and approve the UWMP through adoption of City Council Resolution No. 45-16.

FISCAL IMPACT

Failure to adopt the 2015 UWMP will preclude the City from being eligible for some pools of grant funding as well as for the State Revolving Fund loan anticipated for the Water Reclamation Facility.

BACKGROUND

UWMPs are prepared by California's urban water suppliers to support their long-term resource planning, and ensure adequate water supplies are available to meet existing and future water demands.

Every urban water supplier that either provides over 3,000 acre-feet of water annually, or serves more than 3,000 urban connections is required to assess the reliability of its water sources over a 20-year planning horizon and must also report on progress towards 20% reduction in per-capita urban water consumption by the year 2020, as required in the Water Conservation Bill of 2009 SBX7-7.

The plans must be prepared every five years and submitted to the Department of Water Resources (DWR). DWR staff then reviews the submitted plans to make sure they have completed the requirements identified in the Water Code, sections 10608-10656, then submits a report to the Legislature summarizing the status of the plans.

UWMPs are required to be developed in years ending in 5 and 0. However, because of recent changes in UWMP requirements, State law has extended the deadline for the 2015 plans to July 1, 2016. The Act describes in detail the content of the plans to be submitted to the DWR.

The DWR created a guidebook that contains a template for the plan and standardized tables. That format and the standardized tables provides DWR with the ability to consolidate all the data from each UWMP so the State can compile all the data received and get a better picture of water supply and demand for the

Prepared By: DH

Dept Review: RL

City Manager Review: DWB

City Attorney Review: JWP

entire state.

DISCUSSION

California Water Code sections 10610-10610.4, also known as the Urban Water Management Planning Act of 1983, requires the development of UWMPs. UWMPs provide the framework for long-term water planning and inform the public of the supplier's plans for long-term resource planning that ensures adequate water supplies for existing and future demands. Urban water supplies are required to report, describe and evaluate:

- Water deliveries and uses,
- Water supply sources,
- Efficient water uses,
- Demand management measures, and
- Water shortage contingency planning.

The City of Morro Bay has embarked on the process of developing a UWMP three times previously (2002, 2005, and 2010). While the 2002 plan was never submitted to DWR for review, it served as the foundational document for the 2005 update. In 2005, the City updated the 2002 version of the UWMP. That effort led to the adoption of the plan by the City Council and was submitted to DWR for review. While DWR never accepted the City's plan as being complete, the 2005 plan became the basis for the 2010 update. The 2010 UWMP update was accepted by DWR and the 2015 plan builds on and updates the 2010 UWMP, according to the changes in the California Water Code and local water management efforts. Also DWR developed a 2015 Urban Water Management Plan Guidebook that was used for developing the 2015 UWMP, consequently the UWMP presents all the required retail water supplier tables even if they are not applicable to the City.

The UWMP reviews the reliability of water supplies over a 20-year planning horizon and also reports on the progress towards the goal of achieving a 20 percent reduction statewide in per capita urban water use by the year 2020 per SB X7-7. The 2015 UWMP updates the SB X7-7 gallons per capita daily (GPCD) for 2015. The City has achieved the 2015 interim goal. The interim goal is 122 GPCD and Morro Bay's actual GPCD for 2015 was 95 GPCD. The City is also on track to achieve the 2020 target of 116 GPCD.

Highlights from the 2015 update include:

1. The City has adequate supplies to meet its projected demands now and into the future.
2. Morro Bay's 2015 GPCD was 95, exceeding the SB X7-7 2015 target of 122 GPCD, and on our way to meeting the 2020 goal of 117 GPCD.
3. Recycled water will become an important part of the City's water supply and planned studies will assist in quantifying this impact.

The City will be developing an "OneWater" plan later this summer, which will address potable water, wastewater, reclaimed water and stormwater. The UWMP will be revised once the "OneWater" plan is complete to update any supply or demand differences in the City water portfolio.

The Public Works Advisory Board (PWAB) reviewed the UWMP on May 18, 2016. PWAB recommended approval of the 2015 UWMP with the suggestions to incorporate an acronyms page and to

also include a few notes and units on specific tables for further clarification. These changes have been incorporated into the 2015 UWMP.

CONCLUSION

Staff recommends the City Council adopt Resolution No. 45-16 approving the 2015 UWMP.

RESOLUTION NO. 45-16

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING AND ADOPTING THE 2015 URBAN WATER MANAGEMENT PLAN**

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

WHEREAS, the California Urban Water Management Planning Act (the “Act”) (California Water Code sections 10620 *et seq.*) requires every urban water supplier providing municipal water directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually to develop an Urban Water Management Plan; and

WHEREAS, the Act requires an Urban Water Management Plan be updated every five years; and

WHEREAS, a public draft 2015 Urban Water Management Plan has been circulated for public review and all comments received have been reviewed and considered; and a properly noticed public hearing was held by the City Council on June 14, 2016, prior to adoption of a Final Urban Water Management Plan, all in compliance with the requirements of the Act.

NOW, THEREFORE, BE IT RESOLVED

1. The City Council finds the City is in compliance with all applicable requirements on the Act.
2. The Urban Water Management Plan is hereby adopted and ordered filed with the City Clerk.
3. The Public Works Director is hereby authorized and directed to file this Plan with the California Department of Water Resources.

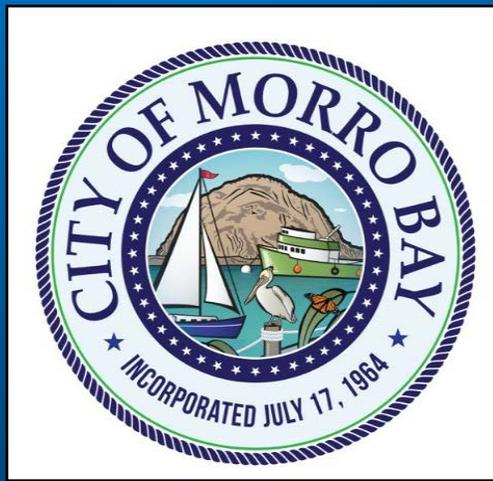
PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of June 2016 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

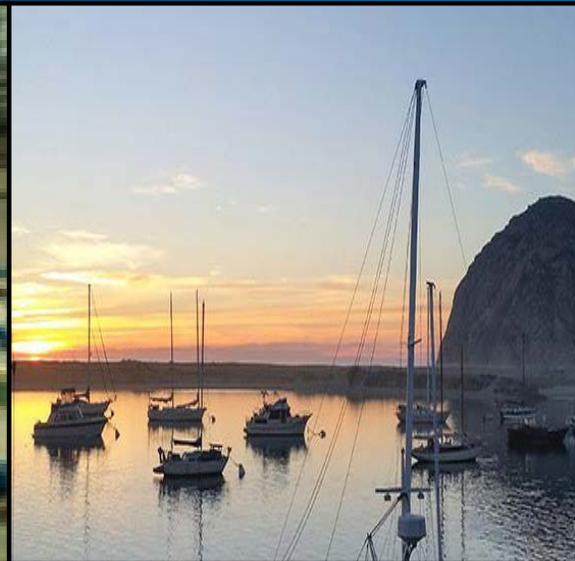
JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk



City of Morro Bay 2015 Urban Water Management Plan



Prepared by:
MNS Engineers
811 El Capitan Way, Suite 130
San Luis Obispo CA 93401

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LIST OF ABBREVIATIONS AND ACRONYMS

AF	Acre-feet	Morro Bay	City of Morro Bay Public Works Department
AFY	Acre-feet per Year	MWR	Master Water Report
BMP	Best Management Practice	NOAA	National Oceanic and Atmospheric Administration
BWRO	Brackish Water Reverse Osmosis	NPDES	National Pollutant Discharge Elimination System
cfs	Cubic Feet per Second	PPWTP	Polonio Pass Water Treatment Plant
CCC	California Coastal Commission	RUWMP	Regional Urban Water Management Plan
CCWA	Central Coast Water Authority	RWQCB	Regional Water Quality Control Board
CDCR	California Department of Corrections and Rehabilitation	SBCFCWCD	Santa Barbara County Flood Control and Water Conservation District
CMC	California Men's Colony	SBR	Sequencing Batch Reactor
CSD	Community Services District or Cayucos Sanitary District	SBX 7-7	Senate Bill
CSIP	Catastrophic Supply Interruption Plan	SCADA	Supervisory Control and Data Acquisition
CUWCC	California Urban Water Conservation Council	SLO	San Luis Obispo
CWC	California Water Code	SLOCOG	San Luis Obispo Council of Governments
DDW	Division of Drinking Water	SLOCFCWCD	San Luis Obispo County Flood Control and Water Conservation District
DMM	Demand Management Measure	SWP	State Water Project
DOF	Department of Finance	SWRCB	State Water Resources Control Board
DWR	Department of Water Resources	TDS	Total Dissolved Solids
GPCD	Gallons per Capita per Day	UWMP	Urban Water Management Plan
GRRP	Groundwater Recharge Reuse Project	WPA	Water planning areas
hcf	Hundred cubic feet	WRF	Water Reclamation Facility
JPA	Joint Powers Authority	WSCP	Water Shortage Contingency Plan
MBR	Membrane Bio-reactor	WWTP	Wastewater Treatment Plant
MGD	Million gallons per day		
mg/L	Milligrams per liter		



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Section 1. Introduction and Overview

1.1. Background and Purpose

The mission of the City of Morro Bay Public Works Department is to enhance the quality of life for its residents by developing and maintaining the City's infrastructure in a safe and environmentally sensitive manner. To that end, the City of Morro Bay Public Works Department (Morro Bay) operates a retail water distribution system to provide the citizens with a source of safe and reliable drinking water. The operational area and key facilities associated with the Morro Bay System are illustrated in Figure 1-1. Maintaining a reliable and safe drinking water supply is a significant effort for Morro Bay which requires continual planning and upkeep as the resources and technologies available to Morro Bay change.

The purpose of this Urban Water Management Plan (UWMP) is to provide the public, stakeholders, and Morro Bay with an updated status and plan for the Morro Bay Water System including:

- Water deliveries and uses
- Water supply sources
- Efficient water uses
- Demand management measures
- Water shortage contingency planning

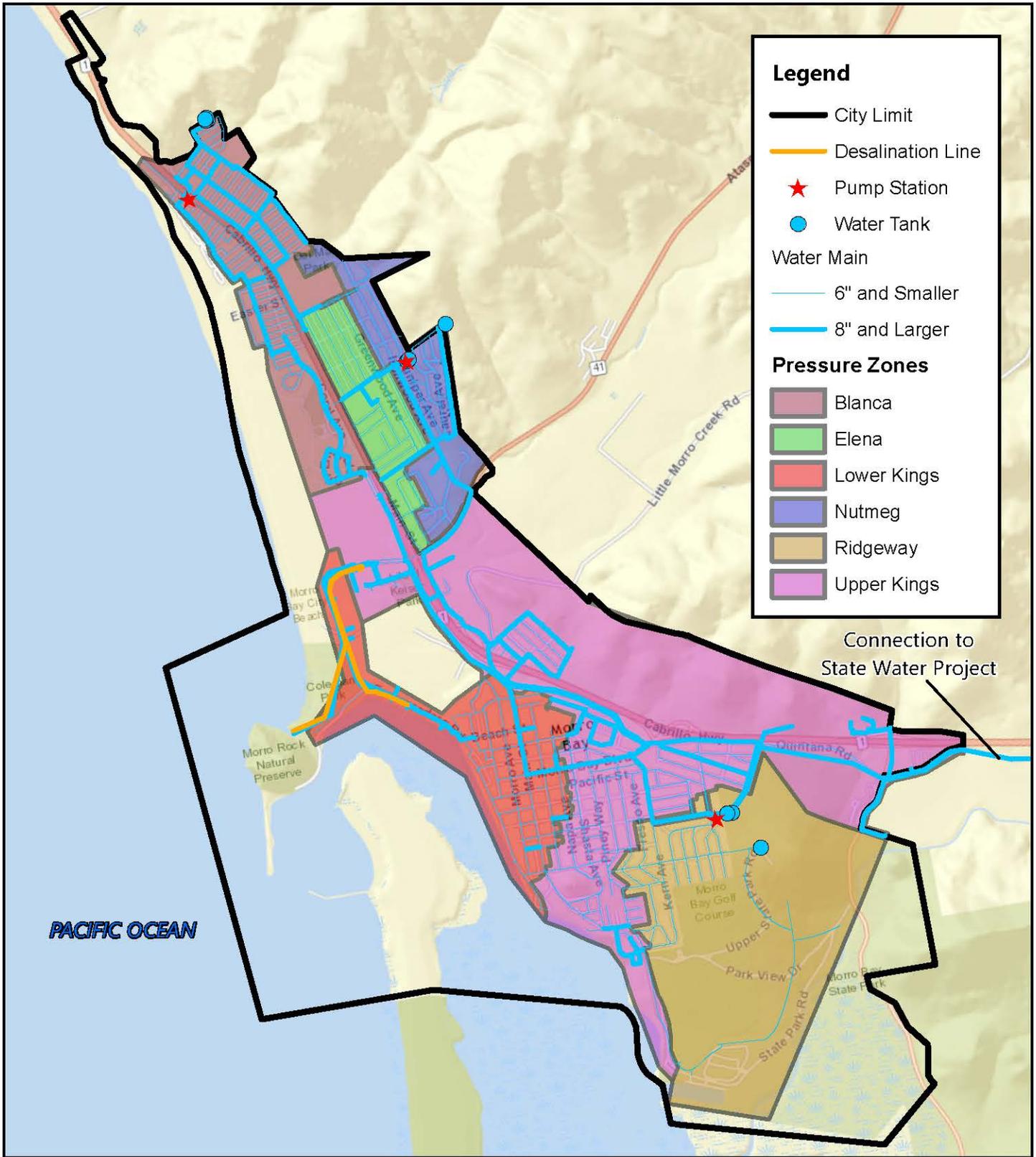
This UWMP was prepared in compliance with the Water Conservation Act of 2009, also known as SBX 7-7, under the authorization of Morro Bay. Morro Bay has undertaken several planning efforts since the 2010 UWMP as documented in the *2012 Recycled Water Feasibility Study*, the *New Water Reclamation Facility Technical Memorandum* by Michael K. Nunley and Associates, and the *2015 City of Morro Bay Water & Sewer Rate Study*. The information presented in this 2015 UWMP was prepared to reflect the City's latest planning efforts.

Notification letters sent to agencies are provided in Appendix A.

Public notice for the 2015 UWMP public hearing is provided in Appendix B.

The Adopting Resolution passed by the City Council on June 14, 2016 is provided in Appendix C.





Legend

- City Limit
- Desalination Line
- ★ Pump Station
- Water Tank

Water Main

- 6" and Smaller
- 8" and Larger

Pressure Zones

- Blanca
- Elena
- Lower Kings
- Nutmeg
- Ridgeway
- Upper Kings

Connection to State Water Project

PACIFIC OCEAN

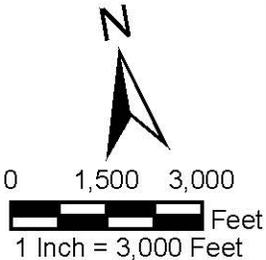


Figure 1-1
City of Morro Bay Water Service
Operational Facilities

Section 2. Plan Preparation

2.1. Basis for Preparing a Plan

Urban water suppliers with 3,000 or more service connections or supplying more than 3,000 acre-feet of water per year (AFY) are required to prepare an UWMP every five years to be in compliance with the California Water Code (CWC). The Morro Bay system exceeds the 3,000 service connections threshold requirements for an UWMP.

2.1.1. Public Water Systems

The number of connections and total supplied volume for the Morro Bay system is summarized in Table 2-1.

Table 2-1 Retail Only: Public Water Systems			
Public Water System Number	Public Water System Name	Number of Municipal Connections 2015	Volume of Water Supplied 2015 (AF)
CA4010011	City of Morro Bay	5,474	1,074
TOTAL		5,474	1,074
NOTES:			

2.1.2. Agencies Serving Multiple Service Areas/Public Water Systems

This section is not applicable to the City of Morro Bay, which operates as a single public water system.

2.2. Regional Planning

This document was not prepared as part of a Regional UWMP. Coordination of this UWMP with other water agencies is described in Section 2.5 of this document.

2.3. Individual or Regional Planning and Compliance

As shown in Table 2-2, this document was prepared as an Individual UWMP.

2.3.1. Regional UWMP

This document was not prepared as a Regional UWMP. Coordination of this UWMP with other water agencies is described in Section 2.5 of this document.

2.3.2. Regional Alliance

This document was not prepared as part of a Regional Alliance. Coordination of this UWMP with other water agencies is described in Section 2.5 of this document.



Table 2-2: Plan Identification (Select One)	
<input checked="" type="checkbox"/>	Individual UWMP
<input type="checkbox"/>	Regional UWMP (RUWMP)
	Select One:
<input type="checkbox"/>	RUWMP includes a Regional Alliance
<input type="checkbox"/>	RUWMP does not include a Regional Alliance
NOTES:	

2.4. Fiscal or Calendar Year and Units of Measure

2.4.1. Fiscal or Calendar Year

The 2015 UWMP for the Morro Bay system has been prepared on a calendar year basis as indicated in Table 2-3.

2.4.2. Units of Measure

Volumes reported in this UWMP are in acre-feet (AF).

Table 2-3: Agency Identification	
Type of Agency (select one or both)	
<input type="checkbox"/>	Agency is a wholesaler
<input checked="" type="checkbox"/>	Agency is a retailer
Fiscal or Calendar Year (select one)	
<input checked="" type="checkbox"/>	UWMP Tables Are in Calendar Years
<input type="checkbox"/>	UWMP Tables Are in Fiscal Years
If Using Fiscal Years Provide Month and Day that the Fiscal Year Begins (dd/mm)	
<i>dd/mm</i>	
Units of Measure Used in UWMP (select from Drop down)	
Unit	AF
NOTES:	



2.5. Coordination and Outreach

This section summarizes coordination and outreach efforts related to the development of this UWMP.

2.5.1. Wholesale and Retail Coordination

Table 2-4 summarizes organizations contacted in the development of this UWMP and their associated level of participation.

Table 2-4 Retail: Water Supplier Information Exchange
The retail supplier has informed the following wholesale supplier(s) of projected water use in accordance with CWC 10631.
Wholesale Water Supplier Name
County of San Luis Obispo, Flood Control and Water Conservation District
NOTES:

2.5.2. Coordination with Other Agencies and the Community

Morro Bay has actively sought participation from:

- Central Coast Water Authority (CCWA)

2.5.3. Notice to Cities and Counties

A notice of preparation of the 2015 UWMP was distributed to:

- County of San Luis Obispo
- San Luis Obispo Council of Governments (SLOCOG)



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Section 3. System Description

3.1. General Description

Morro Bay was incorporated in 1964 and is governed by a five-member City Council. The Public Works Department manages the potable water and wastewater systems. The water system primarily includes a mix of residential and commercial customers with only a small portion of industrial customers.

The service area of the Morro Bay Water System generally corresponds to the City boundary and is approximately four square miles. The City currently serves about ten residences outside the City limits in the Chorro Valley. Coastal mountain ranges limit the development extents of the City. A graphical illustration of the Morro Bay service area and associated service area regions is provided in Section 3.2. The wastewater service area is discussed in Section 6.5.2.

3.2. Service Area Boundary Maps

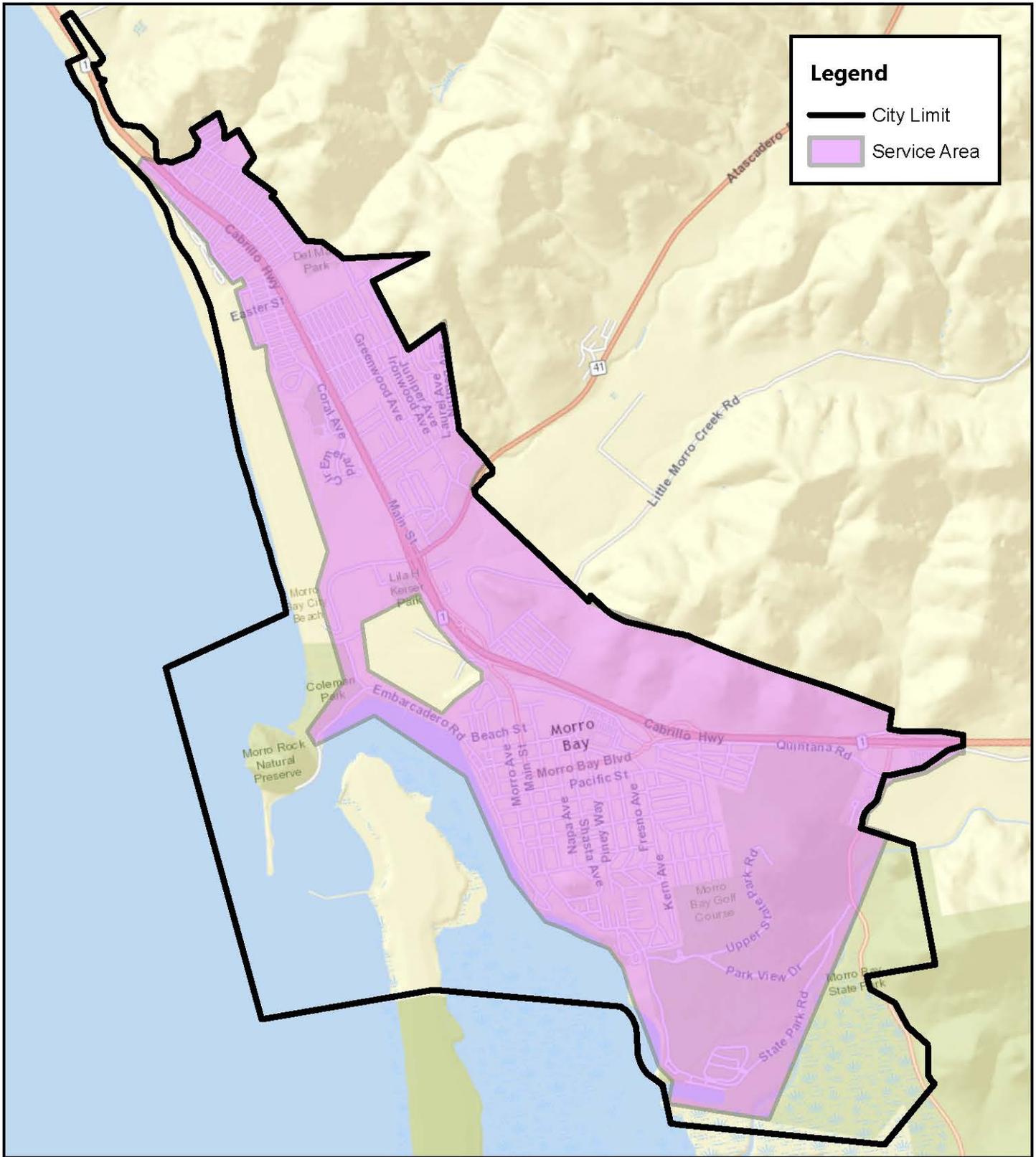
A graphical illustration of the service area is provided as Figure 3-1. There have been no changes to Morro Bay's service area since the 2010 UWMP.

3.3. Service Area Climate

The Morro Bay service area has a dry, sub-tropical, climate that is heavily influenced by its proximity to the Pacific Ocean. Ocean breezes keep temperatures cool in the summer and warmer in the winter. The total yearly average rainfall is 16.74 inches.¹ The majority of the rainfall occurs in the winter months, with January and February having the highest average rainfall.

¹ Data from NOAA, Morro Bay Fire Dept. Station, 02/01/1959 to 01/01/2015, <http://www.wrcc.dri.edu/cgi-bin/cliMAIN.pl?ca5866>





Legend

-  City Limit
-  Service Area

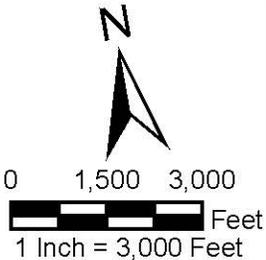


Figure 3-1
City of Morro Bay Water Service
Service Area

3.4. Service Area Population and Demographics

The Department of Water Resources (DWR) Population tool was used to estimate the 2015 population. Current and estimated population projections for the service area through the year 2040 are provided in Table 3-1. Population projections were obtained from the San Luis Obispo Council of Governments (SLOCOG) *2040 Population, Housing & Employment Forecast*, dated August 11, 2011. The “Mid” population projection was selected for use, which is consistent with the *City of Morro Bay 2014-2019 Housing Element Update*.

Table 3-1 Retail: Population - Current and Projected						
Population Served	2015	2020	2025	2030	2035	2040(opt)
	10,224	10,244	10,482	10,778	11,078	11,381
NOTES: Population projections obtained from SLOCOG 2011 mid-range population estimate. 2015 Population obtained from U.S. Census Blocks using the DWR population tool and service connection data.						

3.4.1. Other Demographic Factors

Tourism is a key economic factor for Morro Bay and the City does experience increased water demand during the main tourism season, primarily in the months of July, August and September. Population changes associated with tourism are temporary and vary from year to year. As such, population changes due to tourism are not captured in census data and populations used in this UWMP. Increased water demands associated with tourism are accounted for in the yearly water demands described in Section 4.0.



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Section 4. System Water Use

4.1. Recycled versus Potable and Raw Water Demand

To provide clarity between potable and recycled water sources, these water sources have been discussed in separate sections of this document. A detailed description of recycled water is provided in Section 6.5. A summary of both potable and recycled water demands has been provided in Table 4-3 of Section 4.2.

4.2. Water Uses By Sector

Current system demands are summarized, by sector, in Table 4-1. Projected demands are based on the population growth and expected development of the service area and future demand reduction targets.

4.2.1. Demand Sectors Listed in Water Code

A breakdown of potable and raw water demands is provided in Table 4-1.

Table 4-1 Retail: Demands for Potable and Raw Water - Actual			
Use Type	2015 Actual		
	Additional Description	Level of Treatment When Delivered	Volume
Single Family		Drinking Water	562
Multi-Family		Drinking Water	128
Commercial		Drinking Water	250
Institutional/Governmental		Drinking Water	97
Losses		Drinking Water	37
TOTAL			1,074
NOTES: Other uses included "Vacant Land", "Industrial" and "Hydrant Flushing and Testing" were less than 1 AF.			



Table 4-2 Retail: Demands for Potable and Raw Water - Projected						
Use Type	Additional Description (as needed)	Projected Water Use Report To the Extent that Records are Available				
		2020	2025	2030	2035	2040- opt
Single Family		683	699	718	738	759
Multi-Family		156	159	164	168	173
Commercial		304	311	320	328	337
Institutional/Governmental		118	121	124	127	131
Losses		37	37	37	37	37
TOTAL		1,298	1,327	1,363	1,398	1,437
NOTES: Projected water use was scaled from 2013 demands based on future population projections relative to 2015 population.						

Table 4-3 Retail: Total Water Demands						
	2015	2020	2025	2030	2035	2040 (opt)
Potable and Raw Water From Tables 4-1 and 4-2	1,074	1,298	1,327	1,363	1,398	1,437
Recycled Water Demand From Table 6-4	0	0	650	650	650	650
TOTAL WATER DEMAND	1,074	1,298	1,977	2,013	2,048	2,087
NOTES:						

4.2.2. Demand Sectors in Addition to Those Listed in Water Code

4.2.2.1. Exchanges

In the past, the City has utilized emergency supply agreements with the California Department of Corrections and Rehabilitation (CDCR) California Men's Colony (CMC) Water Treatment Plant and Whale Rock Reservoir. These agreements require that borrowed water be returned after the emergency has ended. The Whale Rock Reservoir agreement is not active, so emergency exchange with the CMC would be utilized. The City is currently working with CDCR to update and formalize the exchange agreement with CMC.

The 2010 UWMP included an optional emergency exchange with the Dynegy Power Plant, an agreement which was not formalized. The closure of the plant in February of 2014 makes an emergency exchange with the plant less likely.

4.2.2.2. Surface Water Augmentation

Morro Bay does not use recycled water to augment stored surface water at this time.



4.2.2.3. Transfers

The City of Morro Bay does not temporarily sell or lease water rights to other agencies. Water sent to other agencies is not done on a wholesale basis but on an emergency exchange basis, as described in Section 4.2.2.1.

4.2.2.4. Wetlands or Wildlife Habitat

The City of Morro Bay includes essential coastal habitat, including California's first State Estuary. The marine resources do not require a City-provided potable or raw water demand.

4.2.2.5. Other

There are no other water use categories to report.

4.3. Distribution System Water Losses

System water losses occur as a result of leaks and ruptures in the existing distribution network, system flushing and cleaning, and pump pressure relief at wells. Total system losses for 2015 are provided in Tables 4-1 and 4-4.

Table 4-4 Retail: Water Loss Summary Most Recent 12 Month Period Available <i>(as calculated in Appendix D worksheet)</i>	
Reporting Period Start Date (Month/Year)	Loss
January 2015	37
NOTES: Does not include seal losses nor pressure relief losses.	

4.4. Estimating Future Water Savings

The current demand projections are conservative in that they do not account for reductions in demand due to public outreach efforts, codes and ordinances limiting water use during periods of drought, or other “passive” water savings gained through public policy. Morro Bay has several ordinance, codes, and outreach efforts tailored for water conservation. A detailed description of these policies is described in Sections 8.3 and 8.4.

4.5. Water Use For Lower Income Households

Morro Bay does not actively monitor demand for lower income households for billing purposes. Current and projected water demands for low income households are included in Tables 4-1 and 4-2, respectively.

Table 4-5 Retail Only: Inclusion in Water Use Projections	
Future Water Savings Included Y/N	No
If "Yes" to above, state the section or page number where citations of the codes, ordinances, etc.... utilized in demand projections are found.	Location in UWMP _____
Lower Income Residential Demands Included	Yes
NOTES:	



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Section 5. Baselines and Targets

SB X7-7 mandates a 20 percent reduction in urban water use in the State of California by the year 2020. To achieve this goal, each retail urban water supplier is required to establish a baseline water use, set target water use goals for 2015 and 2020, and demonstrate the 2015 target is achieved based on actual water use.

The process for establishing baseline, target, and actual water use has been standardized by the DWR in the SB X7-7 Verification Form. Water use measurements and targets are reviewed and reported based on a gallons per capita day (GPCD) basis. This chapter of the UWMP documents the data and methods used to establish baseline, target, and actual GPCD use within the framework of the SB X7-7 Verification Form.

5.1. Guidance for Wholesale Agencies

This section is not applicable to the City of Morro Bay, which is a retail agency.

5.2. Updating Calculations from 2010 UWMP

5.2.1. Update of Target Method

Since the 2010 UWMP, the methods for selecting water use targets have been revised. Additional data has also become available for estimating population since the development of the 2010 UWMP. This 2015 UWMP updates SB X7-7 calculations based on the availability of new data and additional guidance from DWR.

5.2.2. Required Use of 2010 U.S. Census Data

Due to significant discrepancies between reported Department of Finance (DOF) population estimates and 2010 Census population estimates, all population estimates used to determine GPCD must be based on U.S. Census data. Population estimates and projections listed in the 2010 UWMP from 2001 to 2035 were based on 2000 U.S. Census Data and DOF population estimates because the completed 2010 U.S. Census Data was not available.

5.2.3. SBX7-7 Verification Form

A copy of the completed standard SBX7-7 Forms is included in Appendix E and was uploaded to the DWR site.

5.3. Baseline Periods

Two historic water use periods, a 10-15 year baseline and a 5-year baseline, were used as the basis for establishing the 2015 compliance GPCD and the 2020 target GPCD. The 10-15 year baseline period is used to compute the “Baseline” GPCD and the 5-year baseline is used to determine the “Target Confirmation” GPCD.

5.3.1. Determination of the 10 – 15 Year Baseline Period (Baseline GPCD)

A 10-year baseline is mandated for retail water suppliers with less than 10 percent of the 2008 demand met by recycled water. In 2008, the City of Morro Bay did not produce nor import recycled water. For the 2015 UWMP a 10-year baseline from 1995 to 2004 was selected to establish the “Baseline” GPCD. This baseline period is consistent with the 2010 UWMP for the City of Morro Bay.

5.3.2. Determination of the 5-Year Baseline Period (Target Confirmation)

A 5-year baseline from 2003 to 2007 was selected to establish the “Target Confirmation” GPCD for the 2015 UWMP. The selected 5-year baseline period does not differ from that used in the 2010 UWMP for the City of Morro Bay.

5.4. Service Area Population

Population data is required to establish a GPCD for each year in both the 10-year and the 5-year baselines.



5.4.1. Population Methodologies

For this 2015 UWMP, population estimates through 2015 have been revised based on U.S. Census Data in accordance with guidance by the DWR.

5.5. Gross Water Use

Gross water use includes all treated or untreated water entering the distribution system of a water supplier. Historic gross water use was utilized to compute the GPCD for each year of the 10-year and the 5-year baselines. Except for the addition of 2015 actual gross water use, historic gross water use data has not changed from that used in the 2010 UWMP. The 2015 actual gross water use was used to determine the actual 2015 GPCD.

5.5.1. Gross Water Tables

5.5.1.1. Indirect Recycled Water Use Deduction

In 2015 recycled water was not used by the City of Morro Bay for groundwater recharge nor surface water augmentation. No deductions to historic and 2015 gross water use could be made based on indirect recycled water use.

5.5.1.2. Process Water Use Deduction

Deductions to historic and 2015 gross water were not made based on industrial process water use.

5.6. Baseline Daily Per Capita Water Use

Baseline GPCD was determined as the average GPCD computed from the 10-year baseline.

5.7. 2015 and 2020 Targets

GPCD Targets for 2015 and 2020 are provided in Table 5-1. The targets differ from those listed in the 2010 UWMP due to changes in the population numbers used to compute GPCD.

5.7.1. Select and Apply a Target Method

Method 3, reduction to 95 percent of the applicable State Hydrologic Region Target, was selected for use. This methodology was selected based on the data available as well as the ability of the City to meet the resultant GPCD target. The 2010 UWMP also used Method 3 to establish the GPCD targets. The service area of the City is located entirely in the South Coast Hydrologic Region. The 2020 target using Method 3 for the Central Coast Hydrologic Region is 117 GPCD.

5.7.2. 5-Year Baseline – 2020 Target Confirmation

The 5-year baseline, described in Section 5.3.2, is used to establish a minimum 2020 GPCD target that must be achieved regardless of the selected target method. This minimum 2020 GPCD is referred to as the 2020 Target Confirmation and is computed as 95 percent of the 5-year baseline GPCD and applies to retail agencies with a baseline GPCD greater than 100. The 2020 Target Confirmation, based on the 5-year baseline, is 116 GPCD.

5.7.3. Calculate the 2015 Interim Urban Water Use Target

Since the 5-year 2020 Target Confirmation of 116 GPCD is lower than the Method 3 Target of 117 GPCD, the 5-year 2020 Target Confirmation of 116 GPCD governs. Using this “Confirmed” 2020 Target, the 2015 Interim Target is 122 GPCD.

5.7.4. Baselines and Targets Summary

GPCD Targets for 2015 and 2020 are provided in Table 5-1. The targets differ from those listed in the 2010 UWMP due to changes in the population numbers used to compute GPCD.



Table 5-1 Baselines and Targets Summary					
Baseline Period	Start Year	End Year	Average Baseline GPCD*	2015 Interim Target *	Confirmed 2020 Target*
10-15 year	1995	2004	128	122	116
5 Year	2003	2007	122		
*All values are in Gallons per Capita per Day (GPCD)					
NOTES:					

5.8. 2015 Compliance Daily per Capita Water Usage (GPCD)

The City of Morro Bay’s actual 2015 GPCD is 95 GPCD. The actual 2015 GPCD and 2015 Interim Target GPCD are included in Table 5-2.

5.8.1. Meeting the 2015 Target

The results of the SB X7-7 GPCD calculations, summarized in Table 5-2, indicate the City of Morro Bay has achieved the 2015 Interim Target GPCD and is on track to meet the 2020 GPCD Target.

5.8.2. 2015 Adjustments to 2015 Gross Water Use

Retail suppliers have the option to correct the compliance 2015 GPCD using DWR Methodology 8 to account for extraneous circumstances that may have occurred in 2015. Since the City of Morro Bay is meeting its 2015 Interim Target, optional adjustments were not applied to the 2015 GPCD calculation.

5.9. Regional Alliance

The GPCD values listed in Table 5-2 apply only to the City of Morro Bay and were not prepared as part of a Regional Alliance.

Table 5-2: 2015 Compliance								
<i>Retail Agency or Regional Alliance Only*</i>								
Actual 2015 GPCD	2015 Interim Target GPCD	Optional Adjustments to 2015 GPCD adjustments not used					2015 GPCD (Adjusted if applicable)	Did Supplier Achieve Targeted Reduction for 2015? Y/N
		Extraordinary Events	Economic Adjustment	Weather Normalization	TOTAL Adjustments	Adjusted 2015 GPCD		
95	122				0	95	95	Yes
*All values are in Gallons per Capita per Day (GPCD)								
NOTES:								



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Section 6. System Supplies

Morro Bay relies upon three sources of water supply: groundwater from Chorro Basin and Morro Valley, imported water from State Water Project (SWP) via contract with County of San Luis Obispo, and the Morro Bay desalination facility. Morro Bay does not currently utilize supplier produced surface water, stormwater, or recycled water. However, Morro Bay's Water Reclamation Facility is currently under development. Morro Bay's existing and future system supplies are summarized in Tables 6-8 and 6-9. The Consumer Confidence Report for Morro Bay's water supplies can be found at the following web address: <http://www.morro-bay.ca.us/CCR2015>

6.1. Purchased or Imported Water

Morro Bay purchases imported water from the SWP via contract with the County of San Luis Obispo. By contract, Morro Bay is limited to 1,313 AFY of SWP water. Morro Bay has two existing contracts with the San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD), both executed in 1992, to receive SWP water.

The Morro Bay water supply relies on imported water from the SWP and local groundwater. Morro Bay's desalination plant supplements the water supply at times during SWP shutdowns and emergencies. The groundwater basins are in overdraft due to the extended drought. Therefore, Morro Bay's existing water supplies currently consist primarily of SWP water. Contractually, Morro Bay is entitled to 1,313 AFY of SWP water, plus an additional 174 percent "drought buffer" to ensure reliability when the SWP reduces deliveries during dry years. The "drought buffer", detailed in the Drought Buffer Water Agreement for 2,290 AFY, allows Morro Bay to receive its full 1,313 AFY allocation when the SWP can deliver at least 36.44 percent of contracted allocations.

California Department of Water Resources (DWR) - DWR owns and operates the SWP, which is the largest state-built water and power project in the United States. The SWP first started delivering water to Californians in the 1960s. In 1963, the SLOCFCWCD contracted with DWR for 25,000 AFY of SWP water. However, the Central Coast was not served State Water until 1997 when the Coastal Branch conveyance and treatment facilities serving Santa Barbara and San Luis Obispo counties were completed.

The SWP water originates within the Feather River watershed, is captured in Lake Oroville, and flows via the Sacramento-San Joaquin Delta, the California Aqueduct, and the Coastal Branch Extension into Central Coast Water Authority (CCWA) Polonio Pass Water Treatment Plant (PPWTP). Morro Bay receives SWP water from PPWTP via the Chorro Valley Pipeline.

To deliver SWP water through the Coastal Branch, DWR has contracts with two of the 29 SWP Contractors, SLOCFCWCD and Santa Barbara County Flood Control and Water Conservation District (SBCFCWCD) via CCWA. The SWP Contractors then have water supply agreements with individual subcontractors to deliver SWP water to users.

Central Coast Water Authority (CCWA) - In 1991, CCWA formed as a joint powers agency (JPA) among nine public agencies in Santa Barbara County to construct the facilities needed to deliver SWP water. In addition to supplying water to its participants, CCWA has operational relationships and agreements with the DWR and SLOCFCWCD. CCWA operates and maintains DWR's pipeline from the PPWTP outlet to Tank 5. CCWA treats and conveys water for SLOCFCWCD.

San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD) – SLOCFCWCD was established in 1945 to provide flood control for the County and expanded to perform water resources management. In addition to supplying water to its eleven purveyors, SLOCFCWCD has operational relationships and agreements with the DWR and CCWA. SLOCFCWCD obtains its water supply and conveyance capacity from DWR. Since CCWA operates and maintains the conveyance system for DWR from the PPWTP to Tank 5, SLOCFCWCD interacts with CCWA for water delivery requests. In addition, CCWA provides water treatment services to SLOCFCWCD at PPWTP.



Morro Bay Contracts - Maintenance schedules and repair requirements can cause reduced SWP deliveries or a complete shutdown of the delivery system. Since delivery to the Central Coast began, the SWP has provided between 50 and 100 percent of the contracted allocations, but recently, drought conditions coupled with pumping restrictions in consideration of endangered species habitat, lowered that amount to 35 percent in 2008, 40 percent in 2009, and 0 percent at the start of 2014. To supplement their contracted amount during these shortages, most agencies have entered into Drought Buffer Water Agreements. For example, when the SWP can only deliver 50 percent of contracted allocations, an agency with 100 AFY contract allocation and 100 AFY drought buffer allocation can still receive 100 AFY. (Fifty percent of 100 AFY contract allocation plus 50 percent of 100 AFY drought buffer allocation equals 100 AFY.)

Morro Bay executed two contracts in 1992 with SLOFCWCD for receipt of the SWP water. The first contract, the Water Treatment and Local Facility Agreement, involves the CCWA PPWTP and local facilities such as the Chorro Valley Pipeline. The second contract, Water Supply Agreement, covers receipt of SWP water and payment for State facilities.

Morro Bay's SWP entitlement is 1,313 AFY. Morro Bay also has entitlement to an additional drought buffer of 174 percent which allows the City to receive deliveries up to its full allocation of 1,313 AFY when SWP water deliveries are reduced due to drought conditions. When the SWP shuts down for annual maintenance activities each fall/winter, Morro Bay uses alternative water supplies, including untreated groundwater, treated groundwater using the brackish water reverse osmosis trains (BWRO), and water transfers.

6.2. Groundwater

Morro Bay's groundwater sources include the Chorro and Morro Bay groundwater basins, from which they have been assigned 1,142.5 AFY and 581 AFY, respectively, in their groundwater permits. The Groundwater Permits from the California State Water Resources Control Board (SWRCB) Division of Water Rights are provided in Appendix F.

Morro Bay produces groundwater from the Chorro Basin² and the Morro Valley Basin³. Prior to the SWP water deliveries, Morro Bay relied solely on groundwater from these basins as its primary source of water. The Chorro and Morro Valley Basins are shallow alluvial basins which behave similar to an underground stream. Rainfall in the watershed percolates into the ground and flows underground to the ocean. If the groundwater is determined as riparian underflow, the use of such water resources is controlled by the SWRCB. In 1972, Morro Bay applied for permits to appropriate water from the Chorro and Morro Valley Basins. In 1982, SWRCB issued findings stating the Chorro Basin is supplied by riparian underflow. In 1994, Morro Bay reapplied for appropriative water rights. In 1995, SWRCB approved water right permits for up to 1.2 cubic feet per second (cfs) and 581 AFY from the Morro Valley Basin and up to 3.171 cfs and 1,142.5 AFY of Chorro Creek underflow⁴. In accordance with water right permits, Morro Bay may pump up to 1,723.5 AFY of groundwater in normal years, but only 1,150 AFY in severe drought years.

6.2.1. Basin Description

The Chorro and Morro Basins are described in the following subsections.

CHORRO BASIN

Chorro Basin encompasses approximately 3,200 acres (five square miles), although the effective extent of saturated basin deposits covers an estimated 1,900 acres (approximately three square miles). The basin is bounded by the Morro Bay estuary and elsewhere by impermeable rock units. Most of the basin area is within unincorporated San Luis Obispo County, with the Morro Bay overlying the basin area near the Morro Bay estuary. Recharge to the basin comes primarily from seepage of surface flows in Chorro Creek and tributaries (including the California Men's Colony wastewater treatment plant discharges and releases from Chorro Reservoir), deep percolation of precipitation, and residential/agricultural return flows. The water supply aquifers are alluvial deposits drained by Chorro Creek, which are comprised of gravel, sand, silt, and clay. These alluvial deposits are 50 to 70 feet thick downstream of Canet Road.

² Chorro Basin is Chorro Groundwater Basin No. 3-42 in the DWR Bulletin 118.

³ Morro Valley Basin is Morro Valley Groundwater Basin No. 3-41 in the DWR Bulletin 118.

⁴ Analysis indicates the 3.171 cfs requirement will limit extractions to 569 AFY in severe drought conditions.



Chorro Basin groundwater pumpers include Morro Bay, San Luis Obispo County, California State Parks, California Polytechnic State University, California National Guard, California Men's Colony, and residential and agricultural overlying users.

The perennial yield of Chorro Valley basin is estimated for planning purposes at 2,210 AFY. Safe yield under drought conditions is estimated at 566 AFY through the SWRCB. Nitrate concentrations are a concern for water quality in the lower portion of this basin. Sea water intrusion has been documented historically and is a potential future concern in the Chorro Flats area, should pumping patterns change significantly. In 2008, total dissolved solids (TDS) concentrations were measured typically between 500 and 700 milligrams per liter (mg/L).

Constraints on groundwater availability in this basin include physical limitations, water quality issues, environmental demand, and water rights. In the Chorro Valley upstream of the Chorro Creek discharge point for the California Men's Colony wastewater treatment plant (WWTP), water level and well capacity declines during drought continue to limit the availability of the resource. The WWTP discharges enter the basin as imported water sources, and therefore provide additional available water for basin wells and environmental demand below the discharge point. In the lower valley area, seawater intrusion is the primary constraint, especially during drought conditions. The elevated nitrates are a constraint for drinking water availability at Morro Bay's well field where production is also limited by permitted appropriative water right. Morro Bay's underflow production permits are also limited to minimum surface flows in Chorro Creek for Steelhead habitat protection.

MORRO VALLEY BASIN

Morro Valley Basin encompasses approximately 1,200 acres (1.9 square miles). The basin is bounded by the Pacific Ocean, the Morro Bay estuary, and by impermeable rock units. Most of the basin area is within unincorporated San Luis Obispo County, with Morro Bay overlying the basin area southwest of the narrows near Highway 1. Recharge to the basin comes primarily from seepage of surface flows in Morro Creek and Little Morro Creek, deep percolation of precipitation, and residential/agricultural return flows. The water supply aquifers are predominantly within alluvial deposits drained by Morro Creek, which are comprised of gravel, sand, silt and clay. The alluvial deposits are typically up to 80 feet thick.

Morro Valley Basin groundwater pumpers include Morro Bay, Morro Bay Mutual Water Company, a cement plant, a small public water system (mobile home park), and residential and agricultural overlying users. Morro Bay pumps seawater and Morro Creek underflow from the basin, the latter with a permitted allocation of 581 AFY from the SWRCB.

The perennial yield of Morro Valley Basin is estimated at 1,500 AFY. Analysis indicates during drought conditions, concurrent operation of Morro Bay's seawater and fresh water supply wells could subject fresh water wells to seawater intrusion. Seawater intrusion and nitrates are the predominant concerns for water quality in this basin. In the mid-1980's, TDS concentrations in groundwater downstream of the narrows near Highway 1 began to exceed 1,000 mg/L seasonally due to seawater intrusion and tidal influences. In 2007, basin TDS concentrations were typically between 400 and 800 mg/L and increasing toward the coast, except for an area beneath agricultural fields in the lower valley where TDS concentrations reached 1,000 mg/L, and nitrate concentrations reached 220 mg/L as nitrate.

Constraints on water availability in this basin include physical limitations, water quality issues, and water rights. Shallow alluvial deposits are typically more susceptible to drought impacts. For the upper Morro Valley, water level and well capacity declines during drought would limit the availability of the resource; while in the lower valley area, seawater intrusion is the primary constraint. Elevated nitrates are a constraint for drinking water availability at Morro Bay's well field where production is also limited by permitted appropriative water right.

6.2.2. Groundwater Management

The SWRCB issues permits for the Chorro and Morro Basins as they are considered riparian underflow.

Groundwater management of Chorro and Morro Valley Basins is not judicially designated as with the Los Osos Basin adjudication. However, since both basins are supplied by riparian underflow, SWRCB issues water right permits for groundwater extraction, thus effectively managing groundwater resources.



Additionally, the water agencies in the region manage the groundwater resources through cooperative planning, with SLOFCWCD as the lead agency. With input from water agencies, SLOFCWCD updated the county's Master Water Report (MWR) in 2012 to detail a regional water resources plan. The analysis was divided by water planning areas (WPAs), which recognize jurisdictions that overlie groundwater basins and interconnected watersheds in order to assess their relationship. The MWR water management strategies are consistent with local purveyor water demand projections and planned water supply projects. The MWR was developed with input from all interested parties including the county's seven cities, eight community service districts (CSDs), agricultural, developer and environmental organizations, institutions (California Men's Colony, Cuesta College, etc.), and a member from each supervisorial district.

The Morro Bay WPA includes Morro Bay, the Chorro Valley Water System (California Men's Colony, Cuesta College, Camp San Luis Obispo (National Guard), County Operations Center/Office of Education), and agricultural and other rural overlying users. The only groundwater supplies within the WPA are Chorro and Morro Valley Basins. (Other major supply sources include the State Water Project, desalination (City of Morro Bay), Whale Rock Reservoir, Chorro Reservoir, and recycled water.) The issues in this WPA include drought impacts to groundwater supplies and groundwater quality, plus the availability/reliability of SWP Water from year to year.

6.2.3. Overdraft Conditions

The Chorro and Morro Basins are not listed as critically overdrafted basins by the California Department of Water Resources (DWR) as of January 2016.

6.2.4. Historical Groundwater Pumping

Morro Bay's pumped groundwater volume for the period 2011 to 2015 is shown in Table 6-1.

Table 6-1 Retail: Groundwater Volume Pumped						
Groundwater Type	Location or Basin Name	2011	2012	2013	2014	2015
Alluvial Basins	Chorro/Morro Valley	119	110	152	61	168
TOTAL		119	110	152	61	168
NOTES: Total extractions listed include water that does not enter the distribution system, such as for testing purposes. For groundwater system supply volumes, see Table 6-8 and Table 6-9.						

6.3. Surface Water

Morro Bay does not use water directly from any surface water source. Indirectly, Morro Bay uses surface water via SWP as detailed in Section 6.1 and via groundwater riparian underflow as defined by RWQCB and detailed in Section 6.2.

6.4. Stormwater

Morro Bay does not currently have any stormwater recovery systems as a water supply source.

6.5. Wastewater and Recycled Water

Morro Bay, in conjunction with Cayucos Sanitary District (CSD), operates a wastewater treatment plant (WWTP) under National Pollutant Discharge Elimination System (NPDES) Permit No.R3-2008-0065. An application to renew the NPDES was submitted to the SWRCB in August 2013, which would permit the WWTP as a full secondary treatment facility with interim effluent limits. The WWTP discharges, on average, 1.10 million gallons per day (MGD) (3.4 AFY) with a design capacity of 2.06 MGD. The WWTP discharges via an outfall to Estero Bay and thence to the Pacific Ocean.



The California Coastal Commission (CCC) has denied a Coastal Development Permit for an upgraded WWTP at the existing location and therefore, Morro Bay and CSD are individually pursuing the planning, design, and construction of separate WWTPs at different location(s).

Morro Bay's planning efforts include maximizing the beneficial use of recycled water produced from a new Water Reclamation Facility (WRF).

6.5.1. Recycled Water Coordination

Morro Bay will coordinate with other agencies, community groups, and other stakeholders throughout the planning process for a new recycled water system.

Recycled water has been used since 2006 in the region for non-potable demands including irrigation and groundwater recharge. Several water retailers in San Luis Obispo County recycle municipal wastewater, including the City of San Luis Obispo, Nipomo CSD, California Men's Colony, Templeton CSD, City of Atascadero, Rural Water Company, and Woodlands Mutual Water Company. Additionally, a number of agencies have undertaken recycled water feasibility studies to determine the viability of developing recycled water projects. Such agencies include San Simeon CSD, Cambria CSD, City of Paso Robles, City of Pismo Beach, City of Arroyo Grande, and Los Osos CSD.

Morro Bay and Cayucos Sanitary District investigated upgrading their jointly operated Morro Bay - Cayucos Sanitary District WWTP to produce tertiary effluent thereby increasing the possibility for a future water recycling program. However, in 2013, the California Coastal Commission denied Morro Bay's Coastal Development Permit to construct a new wastewater treatment facility adjacent to its existing facility for a number of reasons, including lack of a major recycled water component and site suitability. Based on the California Coastal Commission's direction and community input, Morro Bay and the Cayucos Sanitary District have separately embarked on planning a new WRF to treat wastewater and serve recycled water to its customers, to augment groundwater supplies if feasible, and to supply agricultural users in the Morro Valley. Cayucos Sanitary District has chosen to pursue a project independently.

Morro Bay is currently developing a WRF Master Reclamation Plan to identify improvements to meet future flows and loads, and provide tertiary treatment with disinfection. The Master Reclamation Plan will build upon work developed in the market surveys and will result in more detailed project alternatives, including consideration of treatment options, alternative alignments for distribution pipelines, and siting of pump stations. This plan is expected to be completed in late 2016.

6.5.2. Wastewater Collection, Treatment, and Disposal

6.5.2.1. Wastewater Collected Within Service Area

In 2012, Morro Bay and Cayucos Sanitary District investigated upgrading their jointly operated Morro Bay - Cayucos Sanitary District WWTP. The analysis indicated the influent average daily flow was 1.25 MGD; average daily maximum month flow was 2.66 MGD; and peak season dry weather flow was 2.49 MGD. The WWTP received over 80 percent return flow from the potable water system. This represents influent from both Morro Bay and Cayucos Sanitary District.

Morro Bay's recent Technical Memorandum prepared by Black & Veatch calculates flows from Morro Bay alone as average annual daily flows of 81 gallons per capita per day with an average max month flow factor of peaking factor of 1.19 and a peak seasonal dry weather flow peaking factor of 1.05.

Data on wastewater collected within Morro Bay's service area is shown in Table 6-2.



Table 6-2 Retail: Wastewater Collected Within Service Area in 2015

<input type="checkbox"/>	There is no wastewater collection system. The supplier will not complete the table below.					
	Percentage of 2015 service area covered by wastewater collection system <i>(optional)</i>					
	Percentage of 2015 service area population covered by wastewater collection system <i>(optional)</i>					
Wastewater Collection			Recipient of Collected Wastewater			
Name of Wastewater Collection Agency	Wastewater Volume Metered or Estimated?	Volume of Wastewater Collected in 2015	Name of Wastewater Treatment Agency Receiving Collected Wastewater	Treatment Plant Name	Is WWTP Located Within UWMP Area?	Is WWTP Operation Contracted to a Third Party? <i>(optional)</i>
City of Morro Bay/Cayucos	Metered	835	City of Morro Bay and Cayucos Sanitary District	Morro Bay/Cayucos WWTP	Yes	No
Total Wastewater Collected from Service Area in 2015:		835				
NOTES: The volume of wastewater is only Morro Bay's volume.						

6.5.2.2. Wastewater Treatment and Discharge Within Service Area

The WWTP employs a centralized wastewater treatment strategy in which wastewater is collected from residences and industries throughout the Morro Bay and Cayucos Sanitary District service areas and conveyed via a wastewater collection system to the WWTP. The WWTP serves Morro Bay and the community of Cayucos located in unincorporated San Luis Obispo County. The WWTP is currently designed for an average annual daily flow of 1.5 MGD, average daily maximum month flow of 2.9 MGD, and peak season dry weather flow of 2.7 MGD. Flows from the WWTP are discharged through a 27-inch diameter pipeline that extends 2,900 feet offshore into the Pacific Ocean. Table 6-3 provides WWTP treatment and discharge volumes in units of acre-feet.

The WWTP has a secondary treatment⁵ design capacity of 0.97 MGD. Flows in excess of 0.97 MGD receive primary treatment only before blending with secondary effluent, disinfection, and discharge to the Pacific Ocean. With an average annual daily flow at the existing facility of 1.25 MGD, the majority of WWTP effluent currently receives secondary treatment during most of the year. The existing treatment processes include:

Liquid treatment processes:

- Primary sedimentation
- Trickling filters
- Secondary clarifiers
- Disinfection (sodium hypochlorite)

Solids treatment processes:

- Anaerobic digestion
- Drying beds

⁵ Morro Bay and Cayucos Sanitary District had reached a settlement agreement with the Regional Water Quality Control Board (RWQCB) to upgrade the WWTP to full secondary treatment in anticipation of losing the 301(h) waiver for ocean discharge. However, the California Coastal Commission denied the Coastal Development Permit needed to upgrade the facility. Therefore, the WWTP is unable to provide tertiary treatment that would meet recycled water standards as defined in the Code of Regulations under Title 22.



Table 6-3 Retail: Wastewater Treatment and Discharge Within Service Area in 2015

<input type="checkbox"/> No wastewater is treated or disposed of within the UWMP service area. The supplier will not complete the table below.										
Wastewater Treatment Plant Name	Discharge Location Name or Identifier	Discharge Location Description	Wastewater Discharge ID Number <i>(optional)</i>	Method of Disposal	Does This Plant Treat Wastewater Generated Outside the Service Area?	Treatment Level	2015 volumes			
							Wastewater Treated	Discharged Treated Wastewater	Recycled Within Service Area	Recycled Outside of Service Area
Morro Bay/Cayucos WWTP	1	Lat 35, 23',11" N; Long 120, 52', 29" W	NPDES No. CA0047881	Ocean outfall	Yes	Secondary, Disinfected - 23	835	835	0	0
Total							835	835	0	0

NOTES: Morro Bay currently has a 301H waiver, which allows for less than secondary

6.5.3. Recycled Water System

Morro Bay does not currently have a recycled water system. Section 6.5.4.1 describes the planned recycled water system.

6.5.4. Recycled Water Beneficial Uses

6.5.4.1. Current and Planned Uses of Recycled Water

Morro Bay's development of a recycled water system began with the very long process of replacing its existing WWTP. In 2006, Morro Bay started to consider renovating the existing plant. By 2010, it focused on rebuilding the plant on the existing oceanfront site. That effort was halted in 2013 when the Coastal Commission denied a permit to rebuild on the existing site. As such, Morro Bay began to determine the best location and technology for a new plant. Both the California Coastal Commission and Morro Bay's General Plan require the new WWTP to produce recycled water. The new WRF is projected to produce 1.0 MGD of recycled water. Based upon the current analysis, the plant is anticipated to use either a Membrane Bio-Reactor (MBR) or Sequencing Batch Reactor (SBR), with microfiltration and ultraviolet disinfection for water reclamation. Continuing with project planning and permitting, Morro Bay is preparing its WRF Master Plan while pursuing acquisition of a new site for the plant.

To utilize a WRF, the existing WWTP will be decommissioned and the influent wastewater will be distributed to the newly constructed WRF. The WRF will treat the influent to meet Title 22 regulations and produce recycled water for distribution.

The WRF Master Plan will include development of the conceptual project and will examine advanced treatment requirements. Pipeline alternatives such as pipeline networks or storage facilities will also be examined. Morro Bay will develop a recycled water market survey as an initial step to identify the potential regional market for recycled water and investigate project alternatives.

A recycled water market assessment will be completed to assess potential to utilize recycled water in-lieu of imported water for irrigation and/or industrial processes. Also, the market assessment will evaluate environmental uses for recycled water (e.g. to improve fresh water available for wetlands in the service area.) The strategy for developing market assurances will be investigated and a customer connection schedule will be developed.

Previous analysis provided a preliminary market assessment with the following conclusions:

- The potential to offset potable water used for irrigation within the service area is low since less than 20 percent of the potable supply is used for irrigation purposes. Also, the potential irrigation use is predominantly residential landscape irrigation which is expensive to serve with recycled water.
- Any inland discharge to groundwater basins will require the development of a Salt and Nutrient Management Plan. Considering the historic groundwater characteristics, low salt and nitrogen limits should be expected, indicating the need for advanced water treatment.
- Agricultural irrigation offers the largest potential use at an estimated 1,000 AFY. However, requirements for high quality water results in high production costs. Highly treated recycled water is much more expensive than privately produced groundwater. Additionally, there are potential legal and regulatory issues for Morro Bay to serve recycled water to irrigated lands outside its service area.
- The feasibility of implementing a Groundwater Recharge Reuse Project (GRRP) may be limited due to the physical constraints of the groundwater basins which consist of thin alluvial aquifers offering only seasonal storage capacity during drier periods. Additionally, the required California Division of Drinking Water (DDW) well spacing between injection wells and potable wells may preclude siting GRRP wells. The cost of advanced water treatment required for GRRP programs may prohibit such a project.
- A stream enhancement project at Chorro Creek could be implemented to maintain a baseline creek discharge of 1.4 cfs, allowing withdrawal of Morro Bay's full allocation even during dry seasons. However, as with GRRP, the cost of advanced water treatment required may prohibit such a project.



Despite the cost of recycled water exceeding the cost of groundwater, the reliability of recycled water deliveries coupled with the rising costs of SWP water and desalination water ensure that Morro Bay's WRF will provide a new necessary and dependable water supply.

Table 6-4 shows the current and projected recycled water direct beneficial uses within the service area for Morro Bay.



Table 6-4 Retail: Current and Projected Recycled Water Direct Beneficial Uses Within Service Area

<input type="checkbox"/>	Recycled water is not used and is not planned for use within the service area of the supplier. The supplier will not complete the table below.							
Name of Agency Producing (Treating) the Recycled Water:								
Name of Agency Operating the Recycled Water Distribution System:								
Supplemental Water Added in 2015								
Source of 2015 Supplemental Water								
Beneficial Use Type	General Description of 2015 Uses	Level of Treatment	2015	2020	2025	2030	2035	2040 (opt)
Agricultural irrigation								
Landscape irrigation (excludes golf courses)								
Golf course irrigation								
Commercial use								
Industrial use		0						
Geothermal and other energy production								
Seawater intrusion barrier								
Recreational impoundment								
Wetlands or wildlife habitat								
Groundwater recharge (IPR)		Advanced			650	650	650	650
Surface water augmentation (IPR)								
Direct potable reuse								
Other	Type of Use							
			Total:	0	0	650	650	650
<i>IPR - Indirect Potable Reuse</i>								
NOTES:								

6.5.4.2. Planned versus Actual Use of Recycled Water

The 2010 UWMP did not project any recycled water use for Morro Bay, as indicated by the checkbox in Table 6-5.

Table 6-5 Retail: 2010 UWMP Recycled Water Use Projection Compared to 2015 Actual		
<input checked="" type="checkbox"/>	Recycled water was not used in 2010 nor projected for use in 2015. The supplier will not complete the table below.	
Use Type	2010 Projection for 2015	2015 actual use
Agricultural irrigation		
Landscape irrigation (excludes golf courses)		
Golf course irrigation		
Commercial use		
Industrial use		
Geothermal and other energy production		
Seawater intrusion barrier		
Recreational impoundment		
Wetlands or wildlife habitat		
Groundwater recharge (IPR)		
Surface water augmentation (IPR)		
Direct potable reuse		
Other	Required for this use	
Total:	0	0
NOTES:		

6.5.5. Actions to Encourage and Optimize Future Recycled Water Use

Morro Bay is currently developing a market analysis of potential uses and customers for recycled water as part of the Master Plan, which is expected to be complete at the end of 2016. Additionally, Morro Bay is planning to investigate the potential for groundwater recharge for a potential indirect potable reuse project. Table 6-6 summarizes the City's immediate planning efforts to encourage and optimize recycled water use.



Table 6-6 Retail: Methods to Expand Future Recycled Water Use			
<input type="checkbox"/>	Supplier does not plan to expand recycled water use in the future. Supplier will not complete the table below but will provide narrative explanation.		
	Provide page location of narrative in UWMP		
Name of Action	Description	Planned Implementation Year	Expected Increase in Recycled Water Use
Market Survey	Identify recycled water customers and demands	2016	unknown
Hydrogeological study	Evaluate groundwater recharge potential	2017	unknown
Total			unknown
NOTES:			

6.6. Desalinated Water Opportunities

Morro Bay's desalination plant was originally permitted and constructed in 1992 to provide seawater desalination during a drought emergency. In 2009, it was expanded to treat brackish groundwater. The two treatment trains, seawater reverse osmosis and brackish water reverse osmosis, can produce 645 AFY and 581 AFY, respectively. The latter treatment train is capable of treating the entire 581 AFY of Morro Basin groundwater that the Morro Bay can extract by permit.

The desalination plant served as Morro Bay's primary source of water supply for a few months of 2010 due to an extended State Water shutdown and is currently used on a very limited basis to treat high-nitrate groundwater from the Morro Valley Basin, in order to supplement SWP supply. The plant provides a source of backup and emergency water supply in case of future SWP supply reductions or service outages. Once the City has gone through the permitting process with California Coastal Commission and the Water Board, the plant could potentially serve as a primary source of supply, replacing the SWP water. The City has recently submitted an application to re-permit the desalination plant for permanent use of saltwater wells, outfall line, and appurtenant piping previously authorized for temporary use by the California Coastal Commission. With the treatment upgrade in 2009, the desalination plant can serve as a reliable source of water for Morro Bay in emergencies and perhaps as a regular source of supply.

As part of the City's strategic planning, Morro Bay is initiating a supply diversification study entitled "One Water". As part of this planning effort, Morro Bay will complete Master Plans for stormwater, wastewater collection, water system, and water supply. These activities, in conjunction with re-permitting the desalination plant and evaluation options to relocate the desalination plant, are part of the City's overall goal to improve water supply diversification.

6.7. Exchanges or Transfers

If Morro Bay's standard water sources become unavailable, Morro Bay has had agreements to transfer/exchange water with adjacent water purveyors. In 2008, the SWP shutdown took place when groundwater quality issues were limiting Morro Bay's use of groundwater. The shortfall was made up for through an agreement with the California Men's Colony to provide the City with water during that period.



Available on an as-needed basis, Morro Bay has water transfer/exchange opportunities with adjacent purveyors as discussed below.

- **California Men’s Colony (CMC):** The CMC has a water filtration plant with a rated capacity of 3.0 MGD that operates approximately eight hours per day to treat water from the Whale Rock, Chorro and Salinas Reservoirs and other water sources. By operating the plant on a 24-hour basis, the CMC plant could provide up to 1.7 MGD to Morro Bay. In the past, Morro Bay and CMC have signed a mutual aid agreement that allows the two water purveyors to provide water to each other during water shortages. The mutual aid agreement calls for each purveyor to repay the borrowed water at a later, mutually agreeable time. Morro Bay has received water from this agreement in the past during SWP system shutdowns. City is currently working with CDCR to update and formalize the exchange agreement with CMC.
- **Whale Rock:** In the past, Morro Bay entered into an emergency supply agreement with the purveyors of the Whale Rock system. Because the water from Whale Rock is raw water requiring surface water treatment, and the connection to the Whale Rock system is with a potable pipeline, this was an emergency only agreement. The Whale Rock Reservoir agreement is not currently active.
- **Morro Bay Power Plant:** Morro Bay has previously had and may have the opportunity in an emergency to receive water from the Morro Bay Power Plant. There is no formal agreement with this agency at this time but in a short-term emergency, water may be available for Morro Bay to exchange.

6.8. Future Water Projects

While Morro Bay constructs capital improvement projects, as needed, as part of its maintenance of existing water supply, these projects do not increase Morro Bay’s water supply and therefore are not included here. However, Morro Bay plans to construct a water recycling treatment plant and distribution system as described in Sections 6.5.3 through 6.5.5. The proposed water reclamation facility is listed in Table 6-7, which summarizes future water supply projects.

Table 6-7 Retail: Expected Future Water Supply Projects or Programs

<input type="checkbox"/>	No expected future water supply projects or programs that provide a quantifiable increase to the agency's water supply. Supplier will not complete the table below.					
<input type="checkbox"/>	Some or all of the supplier's future water supply projects or programs are not compatible with this table and are described in a narrative format. LOCATION OF THE NARRATIVE _____					
Name of Future Projects or Programs	Joint Project with other agencies?		Description (if needed)	Planned Implementation Year	Planned for Use in Year Type	Expected Increase in Water Supply to Agency
	Yes/No	If Yes, Agency Name				
Water Reclamation Facility	No			2020	Average Year, Single Dry Year, Multiple Dry Year	650
NOTES: The recycled water market assessment survey has not been completed.						



6.9. Summary of Existing and Planned Sources of Water

The actual water supplied to Morro Bay in 2015 is summarized in Table 6-8 and is lower than average primarily due to statewide mandatory conservation. Table 6-9 summarizes Morro Bay's water supply projected available through 2040.

Water Supply	Additional Detail on Water Supply	2015		
		Actual Volume	Water Quality	Total Right or Safe Yield (optional)
Purchased or Imported Water		952	Drinking Water	
Groundwater	Treated brackish groundwater	138	Drinking Water	
Desalinated Water		0		
Transfers		0		
Exchanges		0		
Surface water		0		
Other		0		
Total		1,090		0

NOTES: Morro Basin groundwater treated at RO plant.



Table 6-9 Retail: Water Supplies — Projected

Water Supply	Additional Detail on Water Supply	Projected Water Supply Report To the Extent Practicable									
		2020		2025		2030		2035		2040 (opt)	
		Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)
Groundwater		1,724		2,374		2,374		2,374		2,374	
Surface water		1,313		1,313		1,313		1,313		1,313	
Transfers		0		0		0		0		0	
Exchanges		0		0		0		0		0	
Recycled Water		0		650		650		650		650	
Desalinated Water		645		645		645		645		645	
Other		0		0		0		0		0	
Total		3,682	-	4,982	-	4,982	-	4,982	-	4,982	-

NOTES: Groundwater sources include 1,724 AFY from well extraction and starting in 2025, 650 AFY recycled water supply from groundwater recharge. Surface water based on the SWP contractual entitlement and drought buffer of 1,313 AFY. Desalinated water includes 645 AFY of treated seawater.

Section 7. Water Supply Reliability Assessment

The CWC requires urban water suppliers to assess water supply reliability that compares total projected water used with the expected water supply over the next twenty years in five-year increments. The CWC also requires an assessment for a single dry year and multiple dry years. This chapter presents the reliability assessment for Morro Bay's service area.

It is the stated goal of Morro Bay to deliver a reliable and high quality water supply for its customers, even during dry periods. Based on conservative water supply and demand assumptions over the next 25 years, in combination with conservation of non-essential demand during certain dry years, the Plan successfully achieves this goal.

7.1. Constraints on Water Sources

Morro Bay has various water supply sources available (groundwater, SWP water, and desalination water) to meet demands during normal, single-dry, and multiple-dry years. In the future, recycled water will also become part of Morro Bay's water supply portfolio. The reliability of these sources is discussed below.

Groundwater: The Chorro Basin and the Morro Valley Basin are intended as the primary sources of water supplying Morro Bay's service area in the years to come. Both basins are managed through permitted allocations and they should continue to be utilized to their fullest extent as a source of water.

SWP Water: Morro Bay should continue to purchase its full SWP allotment by utilizing its contractual entitlement and drought buffer until a viable alternative source of supply has been established.

Desalination Water: While desalination water is expensive to produce, it is a highly reliable water source. With the treatment upgrade in 2009 and the water rate surcharge implemented in 2015, the desalination plant will serve as a reliable source of water for Morro Bay.

Recycled Water: Once Morro Bay's WRF is constructed and delivering recycled water, this recycled water supply may not be affected by drought conditions because irrigation demand does not contribute to wastewater flows. For this reason drought does not influence flows from the wastewater system, and therefore does not affect the availability of recycled water. Recycled water is commonly viewed as a drought proof supply and is assumed to be 100 percent reliable within the limits of water conservation.

7.2. Reliability by Type of Year

In order to determine Morro Bay's water supply reliability, an assessment was developed that includes a comparison of total projected water demand with the supply available on a "type of year" basis. The results for the assessment are described in the following sections.

7.2.1. Type of Years

The reliability assessment was developed for the following conditions: (1) normal/average water year, (2) single-dry water year, and (3) three-year dry period. The basis of the water supply and demand assessment are summarized in Table 7-1.



Table 7-1 Retail: Basis of Water Year Data			
Year Type	Base Year	Available Supplies if Year Type Repeats	
		Agency may provide volume only, percent only, or both	
		Volume Available	% of Average Supply
Average Year	2010	3,682	100%
Single-Dry Year	2015	3,682	100%
Multiple-Dry Years 1st Year	2015	3,682	100%
Multiple-Dry Years 2nd Year	2015	3,198	87%
Multiple-Dry Years 3rd Year	2015	1,622	44%

NOTES: Multiple Dry Year 2nd Year is based on 23% SWP water and Multiple Dry Year 3rd Year is based on 11% of SWP water and no water from Chorro Basin.

7.2.2. Agencies with Multiple Sources of Water

The terms of single-dry year and multiple-dry years refer to years when water supplies are the lowest. This occurs primarily when precipitation is lower than the long-term average precipitation. The impact of low precipitation in a given year on a particular supply may differ based on how low the precipitation is, or whether the year follows a high-precipitation year or another low-precipitation year. For example, with imported supplies, a low precipitation year may or may not affect supplies, depending on how much SWP water has been stored at the beginning of the year. However, the continuing drought conditions and statewide mandated water conservation have established 2015 as a dry year for all of Morro Bay's water supply sources.

7.3. Supply and Demand Assessment

As shown in Tables 7-2 through 7-4, Morro Bay will have sufficient water supply to meet its demands for normal, single-dry, and multiple-dry years through 2035.

Table 7-2 Retail: Normal Year Supply and Demand Comparison					
	2020	2025	2030	2035	2040 (Opt)
Supply totals (autofill from Table 6-9)	3,682	4,982	4,982	4,982	4,982
Demand totals (autofill from Table 4-3)	1,298	1,977	2,013	2,048	2,087
Difference	2,384	3,005	2,969	2,934	2,895

NOTES: The supply shown includes groundwater sources of 1,724 AFY from well extraction, 645 AFY treated brackish groundwater and starting in 2025, 650 AFY recycled water supply from groundwater recharge. Surface water based on the SWP contractual entitlement and drought buffer of 1,313 AFY.



Table 7-3 Retail: Single Dry Year Supply and Demand Comparison					
	2020	2025	2030	2035	2040 (Opt)
Supply totals	3,682	4,982	4,982	4,982	4,982
Demand totals	1,298	1,977	2,013	2,048	2,087
Difference	2,384	3,005	2,969	2,934	2,895
NOTES:					

7.4. Regional Supply Reliability

Based on projected water supply and demands over the next 25 years, Morro Bay has supply capabilities that would be sufficient to meet expected demands through 2040 under single-dry-year and multiple-dry year conditions.

Table 7-4 Retail: Multiple Dry Years Supply and Demand Comparison						
		2020	2025	2030	2035	2040 (Opt)
First year	Supply totals	3,682	4,982	4,982	4,982	4,982
	Demand totals	1,298	1,977	2,013	2,048	2,087
	Difference	2,384	3,005	2,969	2,934	2,895
Second year	Supply totals	3,203	4,503	4,503	4,503	4,503
	Demand totals	1,298	1,977	2,013	2,048	2,087
	Difference	1,905	2,526	2,490	2,455	2,416
Third year	Supply totals	1,620	2,920	2,920	2,920	2,920
	Demand totals	1,298	1,977	2,013	2,048	2,087
	Difference	322	943	907	872	833
NOTES:						



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Section 8. Water Shortage Contingency Planning

Water supply may be interrupted or reduced significantly in a number of ways, such as a drought which limits supplies, an earthquake which damages water delivery or storage facilities, or a regional power outage which inhibits water delivery. This section describes the actions which Morro Bay will implement in such situations.

Morro Bay's Water Shortage Contingency Plan (WSCP) is found in Morro Bay's municipal code of ordinances within Chapter 13.04 Water Service and Rates. Within Chapter 13.04, Section VII Emergencies includes the four subsections which comprise Morro Bay's WSCP. As the WSCP, the four subsections are discussed further in Section 8.7 of this report. The WSCP is divided into five stages which are discussed in Section 8.1 of this report.

In addition to the WSCP ordinance, the City Council adopted Morro Bay's WSCP by resolution. When Morro Bay's 2010 UWMP was adopted in Resolution 46-11, the WSCP was included as the 2010 UWMP Appendix I. The term "WSCP" is often used interchangeably when referring to the ordinance, the resolution, or the 2010 UWMP Appendix I, as the content is duplicative.

The purpose of the WSCP is to detail actions and restrictions to be followed during the various stages of a water shortage. Morro Bay has established diverse approaches to meeting future water demands including: facility improvements and deliveries of local groundwater; deliveries of imported water; utilizing supply from desalination facility; and supporting water demand management programs. This has allowed Morro Bay to meet most demands in spite of drought conditions. However, water shortages can be triggered by a hydrologic limitation in supply, limitations or failure of supply and treatment infrastructure, or both. Hydrologic or drought limitations tend to develop and abate more slowly, whereas infrastructure failure tends to happen quickly and relatively unpredictably. Morro Bay's WSCP ensures that water demands are met promptly and equitably.

When the State implemented mandatory water conservation measures in 2014, Morro Bay was already operating at Stage 2 (moderately restricted water use) of its WSCP. Therefore, Morro Bay increased its mandatory water conservation measures to Stage 3 (severely restricted water use) of its WSCP. The plan details Morro Bay's actions implemented during the various stages of a water shortage and includes the water conservation requirements for customers during each stage.

8.1. Stages of Action

In order to reduce water demands during critical water supply periods, the City Council can declare an emergency by resolution and thereby authorize the implementation of WSCP as outlined in the municipal code. The resolution declares which of the five stages is enacted. The actions to be undertaken during each stage include, but are not limited to, the following:

Stage 1 Normal Water Supply Conditions - The activities performed by the City during this stage include:

- Spring-loaded shut-off nozzles are required for outdoor water use.
- Outdoor irrigation resulting in excessive runoff is prohibited.
- Water may be used as needed for washing and cleaning paved surfaces.
- Water is supplied to customers at restaurants only upon request.



Stage 2 Moderately Restricted Water Supply Conditions - Stage 2 includes actions undertaken in Stage 1. The actions performed by the City during this stage include:

- Any use that results in excessive gutter runoff is prohibited.
- Water may be used for washing vehicles, boats and buildings with spring-loaded shutoff nozzles, but spraying paved areas is prohibited except for public health or safety.
- Outdoor irrigation is restricted between 10:00 a.m. and 4:00 p.m. and is to be performed only on designated days, except for newly planted landscaping that requires additional water to survive. Excessive gutter runoff is prohibited.
- Water is supplied to customers at restaurants only upon request

Stage 3 Severely Restricted Water Supply Conditions - Stage 3 includes all steps taken in prior stages regarding allotments and mandatory conservation rules. The actions performed by the City include:

- Washing boats, marinas, buildings and outdoor paved areas is prohibited except for public health or safety reasons.
- Washing cars may be performed only with the use of a bucket and sponge.
- Emptying and refilling swimming pools and commercial spas is prohibited.
- The use of potable water for compaction, dust control and construction purposes is prohibited.
- Dysfunctional or leaking water fixtures in public or commercial facilities are required to be repaired within three days.
- All visitor-serving facilities shall prominently display water conservation educational materials and provide handouts, which outline the mandatory conservation measures being taken.

Stage 4 Critical Water Supply Conditions - Stage 4 includes all steps taken in prior stages regarding allotments and mandatory conservation. The actions performed by the City include:

- Any water use that results in gutter runoff is prohibited.
- Any water cleanup for public health and safety shall be performed with a bucket and brush. No use of hoses, even if equipped with a shut-off nozzle is permitted.
- Irrigation is to be performed only once per week, and is not allowed between 9:00 a.m. and 5:00 p.m.
- Use of fresh water to wash down boats or docks or for other incidental activities is prohibited. All hoses shall have spring-loaded shut-offs or similar devices and may be used only to fill water tanks of boats or to flush outboard engines.
- Restaurants shall serve water only in response to specific requests by a customer.
- Emptying and refilling all pools and spas is prohibited.
- Use of potable water for compaction or dust control purposes in construction activities is prohibited.
- Dysfunctional or leaking water fixtures shall be repaired immediately.
- All visitor-serving facilities in the city shall prominently display these mandatory water conservation requirements for the benefit and education of visitors to the community.



Stage 5 Emergency Water Supply Conditions - Stage 5 includes all steps taken in prior stages regarding allotments and mandatory conservation. The actions performed by the City include:

- The City Council may impose water-rationing requirements as it deems appropriate.

In addition to the mandatory water conservation program detailed above, the City has implemented a leakage detection and repair program, calibrated production meters, replaced water meters, coordinated billing information, and implemented an extensive pipe replacement program.

Table 8-1 shows the water supply condition during which each stage is implemented.

Table 8-1 Retail Stages of Water Shortage Contingency Plan		
Stage	Complete Both	
	Percent Supply Reduction ¹ <i>Numerical value as a percent</i>	Water Supply Condition <i>(Narrative description)</i>
1	< 5% reduction	Normal Water Supply Conditions
2	5-15% reduction	Moderately Restricted Water Supply Conditions
3	15-25% reduction	Severely Restricted Water Supply Conditions
4	25-50% reduction	Critical Water Supply Conditions
5	50% or greater	Emergency Water Supply Conditions
¹ One stage in the Water Shortage Contingency Plan must address a water shortage of 50%.		
NOTES: Percent supply reduction is based upon Morro Bay's 2010 UWMP.		

8.2. Prohibitions on End Uses

Morro Bay's WSCP details the various prohibitions and sets forth water use violation fines, charges for removal of flow restrictors, as well as establishes the period during which mandatory conservation and rationing measures will be in effect. The prohibitions on various wasteful water uses are summarized in Table 8-2 and they are listed below.

- Outdoor irrigation resulting in excessive runoff
- Using potable water for street washing
- Any use which results in excessive gutter runoff
- Washing boats, marinas, buildings and outdoor paved areas
- Emptying and refilling swimming pools and commercial spas
- The use of potable water for compaction, dust control and construction purposes
- Any water use that results in gutter runoff



In addition to the mandatory conservation and rationing measures imposed in Stages 1 through 5, the City Council and the Public Works Director are authorized to take further actions including:

- Limit irrigation to specified hours, or prohibit irrigation;
- Hold all customers to specified maximum usages of water for each category of users;
- Require users to supply their own drinking and cooking water;
- Take any other action which the City Council deems necessary to protect the public health or safety, prevent contamination of wells or other sources of water, or ensure an adequate water supply;
- Specify the days and/or hours during which water users may irrigate;
- If customer violates irrigation restrictions, Morro Bay shall turn off the customer's water after giving written notice to the customer;
- If customer flagrantly wastes water, Morro Bay shall turn off the customer's water after giving written notice to the customer;
- If customer fails to repair leaks within three days of notification, Morro Bay shall turn off the customer's water after giving written notice to the customer;
- If limits to maximum usages of water are set and a customer violates that use, the customer may be assessed a penalty of \$3 per hundred cubic feet (hcf) of water used over the maximum;
- Prohibit the filling or refilling of swimming pools, hot tubs or spas.

Table 8-2 summarizes these restrictions and prohibitions.

Table 8-2 Retail Only: Restrictions and Prohibitions on End Uses			
Stage	Restrictions and Prohibitions on End Users	Additional Explanation or Reference (optional)	Penalty, Charge, or Other Enforcement?
1	Landscape - Restrict or prohibit runoff from landscape irrigation		Yes
1	CII - Restaurants may only serve water upon request		Yes
1	Other - Require automatic shut off hoses		Yes
2	Landscape - Limit landscape irrigation to specific times		Yes
2	Other - Prohibit use of potable water for washing hard surfaces		Yes
3	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water		Yes
3	Other - Prohibit use of potable water for construction and dust control		Yes
3	Other water feature or swimming pool restriction		Yes
3	Landscape - Limit landscape irrigation to specific days		Yes
3	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner		Yes
NOTES:			



8.3. Penalties, Charges, Other Enforcement of Prohibitions

Morro Bay's WSCP enforces prohibitions and assesses penalties for prohibited water use violation as described:

- If customer violates irrigation restrictions, Morro Bay shall turn off the customer's water after giving written notice to the customer;
- If customer flagrantly wastes water, Morro Bay shall turn off the customer's water after giving written notice to the customer;
- If customer fails to repair leaks within three days of notification, Morro Bay shall turn off the customer's water after giving written notice to the customer;
- If limits to maximum usages of water are set and a customer violates that use, the customer may be assessed a penalty of \$3 per hundred cubic feet (hcf) of water used over the maximum.

8.4. Consumption Reduction Methods

Most actions within Morro Bay's WSCP leaves the responsibility to restrict water use to the customer. However, Morro Bay's conservation programs and WCSP enhance consumption reduction. These programs are summarized below and categorized in Table 8-3.

- Spring-loaded shut-off nozzles are required for outdoor water use.
- Water is supplied to customers at restaurants only upon request.
- Outdoor irrigation is restricted between 10:00 am and 4:00 pm and is to be performed only on designated days, in Stage 2.
- Washing cars may only be performed only with the use of a bucket and sponge, in Stage 2.
- Any water cleanup for public health and safety shall be performed with a bucket and brush since hoses are no longer permitted, in Stage 4.
- Public education/information programs.
- Water conservation newsletter and water conservation webpage both include updated water information, water conservation tips, information about water conservation programs by Morro Bay and other agencies.
- Water conservation rebate program provides cash rebates for toilets, washing machines, rain barrels, removing grass, irrigation retrofit, and SMART irrigation controllers.
- Green building incentive program provides a 20% permit fee rebate for eligible greywater projects.
- Water allocation program for new development requires newly issued water meters to offset their water use on a two-to-one basis (or 440 gallons/day). Water offsets can be achieved by implementing water saving best management practices or by paying an "In Lieu" fee of \$5,800.
- Water equivalent unit retrofit program uses the "In Lieu" fees to provide water saving best management practices to Morro Bay's water customers. Retrofits options may include: irrigation retrofits, ultra low flow toilets, lawn/landscape replacement, and rain barrels.



**Table 8-3 Retail Only:
Stages of Water Shortage Contingency Plan - Consumption Reduction Methods**

Stage	Consumption Reduction Methods by Water Supplier	Additional Explanation or Reference <i>(optional)</i>
1-5	Expand Public Information Campaign	
1-5	Provide Rebates on Plumbing Fixtures and Devices	
1-5	Provide Rebates for Landscape Irrigation Efficiency	
1-5	Provide Rebates for Turf Replacement	
4-5	Implement or Modify Drought Rate Structure or Surcharge	
NOTES:		

8.5. Determining Water Shortage Reductions

Morro Bay determines the actual reduction in water use through metering. Data from production meters and from customer usage meters is used to analyze the water conservation impacts during shortages. Additionally, customers can track their usage as recorded on their monthly water bill.

Additionally, Morro Bay tracks actual reductions in water use based on the water shortage contingency analysis, by monitoring system demands at each of Morro Bay's five water tank sites using Supervisory Control and Data Acquisition (SCADA) system. The SCADA system tracks current production as well as tank levels giving information on demands. Water use analysis can be performed on a daily, weekly basis depending on monitoring needs.

8.6. Revenue and Expenditure Impacts

Morro Bay completed a water rate analysis in March 2015 entitled "City of Morro Bay Water & Sewer Rate Studies." After 20 years with no increase in water rates, Morro Bay's water funds could no longer meet current obligations and future anticipated expenses. Not surprisingly, the study recommended adoption of water rate increases. Additionally, the report recommended establishing Water Shortage Emergency Rates. The Water Shortage Emergency Rates are designed to help the water enterprise remain financially stable during periods of emergency water shortages and reduced water sales. As a result of this study, the City Council held a public hearing and approved Resolution No. 30-15, which adopts water rate increases and establishes Water Shortage Emergency Rates.

8.6.1. Drought Rate Structures and Surcharges

In addition to the water restriction penalty detailed by ordinance⁶ as described in Section 8.3, Morro Bay also imposes drought rate surcharges by resolution. Discussed above, Resolution No. 30-15 establishes the Water Shortage Emergency Rates.

⁶ If limits to maximum usages of water are set and a customer violates that use, the customer may be assessed a penalty of \$3/hcf of water used over the maximum.



The Water Shortage Emergency Rates help Morro Bay remain financially stable during periods of emergency water shortages and reduced water sales. These rates apply to metered water use. Pursuant to California law, any applied Water Shortage Emergency Rates will not exceed the City's cost of providing service. Morro Bay only implements Water Shortage Emergency Rates, as needed, to support financial stability under a more-severe Stage 4 or Stage 5 water shortage emergency. In Stage 4, the rates per hcf are \$8.18, \$11.59, \$15.00, and \$19.09 for Tiers⁷ 1, 2, 3, and 4, respectively. In Stage 5, the rates per hcf are \$12.85, \$18.20, \$23.56, and \$29.98 for Tiers 1, 2, 3, and 4, respectively.

8.6.2. Use of Financial Reserves

The City is required, by agreement with Central Coast Water Authority, to maintain financial reserve of 25 percent of annual operating costs. There is no specific City policy authorizing the use of such reserves for drought-related financial shortfalls.

8.6.3. Other Measures

In the event Water Division funds were significantly affected by drought-related shortfalls, capital projects could be delayed or an internal service loan from either the General Fund or Wastewater Fund could be implemented. Internal service loan(s) would require Council approval.

8.7. Resolution or Ordinance

Morro Bay's WSCP is found in Morro Bay's municipal code of ordinances within Chapter 13.04 Water Service and Rates. Within Chapter 13.04, Section VII Emergencies includes the four subsections which comprise Morro Bay's WSCP. The WSCP's four subsections are detailed as:

- Section 13.04.320 Determination of low water levels - Grants the City Council authority to declare when a low water level condition exists.
- Section 13.04.330 Council water conservation powers - Identifies the water conservation powers of the City Council when it is deemed necessary to conserve water during low water level periods.
- Section 13.04.340 Public works director powers - Identifies the legal authority of the Public Works Director to enforce water conservation measures if the City Council adopts a resolution declaring a low water level or water system emergency.
- Section 13.04.345 Mandatory water conservation requirements - Identifies the mandatory water conservation requirements for the five increasing levels, or stages, of conservation as the City's water supplies are reduced during drought conditions.

In addition to the WSCP ordinance, the City Council adopted Morro Bay's WSCP by resolution. When the Morro Bay's 2010 UWMP was adopted in Resolution 46-11, the WSCP was included as the 2010 UWMP Appendix I. The term "WSCP" is often used interchangeably when referring to the ordinance, the resolution, or the 2010 UWMP Appendix I, as the content is duplicative.

8.8. Catastrophic Supply Interruption

The Morro Bay's 2010 UWMP, adopted in Resolution 46-11, includes the WSCP as Appendix I. Within the WSCP, the Morro Bay's Catastrophic Supply Interruption Plan (CSIP) is provided. The CSIP details the actions which Morro Bay will implement during a catastrophic interruption of water supply. A catastrophic interruption could be any event (either natural or man-made) such as regional power outage, earthquake, malevolent acts, or civil unrest that causes a water shortage severe enough to classify as either a Stage 5 water supply shortage condition. A catastrophic supply interruption differs from a staged drought response discussed above in that catastrophic interruptions occur suddenly and can jeopardize Morro Bay's water supply.

⁷ The water used within each tier is 0 - 3 hcf (Tier 1), 4 - 10 hcf (Tier 2), 11 - 50 hcf (Tier 3), and >50 hcf (Tier 4).



A catastrophic supply interruption can occur when the City loses one or more of its main water supplies. The likelihood of experiencing a simultaneous loss of more than one supply is low. For instance, local power outages may limit use of groundwater, but the City has stand-by emergency generators to assist in times of short term power outages. If the available supply is insufficient to meet the demand and water quality requirements, an emergency notification will be sent to all water customers, to inform them of the condition. The message will include the expected duration of the condition, and restrictions on water use for the duration of the condition. Additional actions which Morro Bay will implement during a catastrophic interruption of water supply are outlined below:

Regional Power Outage

- Assess the condition and ensure demands can be met. For example, continue supply water from some of its largest wells using generator power if the State Water is not available
- Depending on the expected length of the outage, evaluate the amount of storage available, production with available supplies, and the projected demand to determine whether existing demands can be met while the outage persists.
- Contact the largest water users, including the City's Parks and Recreation Department, to determine if demand on large meters, such as for large irrigated landscapes like parks and schools, can be reduced sufficiently to last through the expected outage.
- Arrange to provide emergency water.
- Assess areas that will take the longest to repair.
- Establish water distribution points and ration water if necessary.
- Depending on the length of outage, assess and conduct bacteriological tests to determine possible contamination.
- Arrange for alternate power supply to operate pumps. The City may request aid from adjacent water agencies for use of portable generators to power additional production wells to meet higher demands
- If water service is restricted, attempt to provide potable water tankers or bottled water to the area

Earthquake

- Assess the condition of the water supply system. Arrange to provide emergency water (e.g., use of groundwater supplies in the event of non-availability of the SWP water).
- Identify priorities including hospitals, schools and other emergency operation centers.
- Complete the damage assessment checklist for reservoirs, water treatment plants, wells and boosters, system transmission and distribution.
- Coordinate with fire district to identify immediate fire fighting needs.
- Determine any health hazard of the water supply and issue any notification to the customers, if necessary.
- Make arrangements to conduct bacteriological tests, in order to determine possible contamination.



Other Disasters (e.g. Malevolent Acts)

- Assess threat or actual intentional contamination of the water system.
- Notify local law enforcement to investigate the validity of the threat.
- Get notification from public health officials of potential water contamination
- Determine any health hazard of the water supply and issue any notification to the customers, if necessary
- Isolate areas affected and assess any structural damage to the facility/water distribution system. Arrange to provide emergency water.

8.9. Minimum Supply Next Three Years

An estimate of the minimum water supply available during each of the next three water years based on the driest three-year historical sequence for Morro Bay's water supply is provided as Table 8-4.

Table 8-4 Retail: Minimum Supply Next Three Years			
	2016	2017	2018
Available Water Supply	3,682	3,682	3,682
NOTES: Estimates are based on Tables 6-8 and 6-9.			



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Section 9. Demand Management Measures

To reduce water demand, Morro Bay implements Demand Management Measures (DMMs), also known as Best Management Practices (BMPs).

Historically the City of Morro Bay was an early and aggressive implementer of water conservation, the results of which have led to significant declines (46 percent) in average per capita water demands from 193 GPCD in 1970 to 106 gpcd in 2010. However the City of Morro Bay implemented water conservation too early to receive credit for its previous efforts under current State mandates.

As part of the State's goal to reduce water usage 20 percent by the year 2020, each water purveyor was asked to set and meet certain water conservation targets. Failure to meet those targets will result in ineligibility to receive certain types of State grants and loans. As part of this overall effort to force water conservation by the State, a higher focus on the DMM's has resulted.

The DMMs are functionally equivalent to urban water conservation BMPs administered by the California Urban Water Conservation Council (CUWCC). Morro Bay is currently not a member of CUWCC; however, Morro Bay's water conservation programs follow CUWCC's requirements. Morro Bay implements all DMMs that are cost effective, improve conservation efforts, and are critical elements of water resources strategy.

In 2014, the CWC was streamlined from fourteen specific DMMs utilized in the 2010 UWMPs to six general requirements in Section 9.2 of the 2015 UWMPs. Morro Bay implements DMMs through several ongoing programs. These programs include:

- Work order tracking (Public Services Department)
- Water Billing (Utility Billing Division)
- Water Waste Prohibition (Code Enforcement Group)
- Leak Detection Program (Water Division)
- Water Audits (Utility Billing Division)
- Residential Plumbing Retrofit Program (Planning and Building Division)
- Washing Machine Rebate Program (Planning and Building Division)
- Toilet Retrofit Program (Planning and Building Division)

9.1. Demand Management Measures for Wholesale Agencies

This section is not applicable to the City of Morro Bay.

9.2. Demand Management Measures for Retail Agencies

9.2.1. Water Waste Prevention Ordinances

As detailed in Section 8, Morro Bay restricts water waste through its municipal code ordinance. During water supply shortages, Morro Bay enforces these regulations through two processes. The code enforcement process and the Water Division work order process. If a code enforcement complaint is received it is logged and investigated. The Public Works Director has the ability after providing written warning to terminate water service. Additionally, a penalty can be assessed for excessive water use. If a complaint is received directly by the Water Division a work order is



issued. Water Division staff then investigate the issue. And if an actual water waste incident occurs, the case is forwarded to code enforcement.

9.2.2. Metering

Morro Bay has fully implemented metering of its water system. The City requires that all long-term and short-term water connections be metered. Morro Bay maintains metering accuracy utilizing its meter replacement schedule.

9.2.3. Conservation Pricing

Morro Bay has fully implemented conservation pricing with its tiered water rate schedule. Customers' water meters determine volumetric water use and customers are billed in accordance with the water rate structure. The tiered water rate schedule (higher unit cost with increased consumption) encourages water conservation.

9.2.4. Public Education and Outreach

Morro Bay implements an active conservation outreach program. Morro Bay raises awareness about water conservation through advertising, press releases, and media events and provides its customers with a water usage comparison on their water bills. Additionally, Morro Bay's website at www.morro-bay.ca.us provides information related to programs, rebates, water saving tips and announcements about upcoming events. Morro Bay also benefits from outreach programs provided through other neighboring agencies.

Morro Bay incorporates conservation minded articles routinely in its utility newsletters, public conservation notices, announcements at public meetings, and television advertisements on the public access channel. Additionally, Morro Bay provides water conservation materials to the local schools and at the Morro Bay Community Library.

9.2.5. Programs to Assess and Manage Distribution System Real Loss

Morro Bay recognizes the need to optimize local water resources, minimize the need for import water, and discourage wasteful practices. Morro Bay conducts water audits, leak detection, and repairs on an ongoing basis. Through metering, Morro Bay closely monitors water production and consumption, and investigates any unaccounted-for water to determine water loss.

Construction Water Meters – Morro Bay has a program in which contractors are issued water meters by the City for use during construction. The contractors are required to use non-potable water during construction, as recorded by the issued water meters.

System Water Audits, Leak Detection – Morro Bay implements this program by conducting audits of water production and delivery records to determine any losses within the distribution/transmission system. By comparing the production amount and total deliveries to customers, an overall water balance is calculated to identify possible meter problems or to detect leaks. City staff actively determine the sources of water loss through the system and prioritize system repairs and replacements.

Leak Repair – Morro Bay's field staff regularly watches for water waste and leaks then notifies and works with customers to address the situation. Supervisors, customer service staff, meter readers, and the flushing/sampling crew inspect customer usage routinely for anomalies. Incidents of water waste are investigated and recommendations for correction are provided. Water sources are regulated and can be disconnected in cases of excessive leakage and/or facilities failure.

Pipeline Replacement – Morro Bay's extensive pipeline replacement program has reduced pipeline losses. Unaccounted-for water includes system losses due to leaks, reservoir overflows, and inaccurate meters, as well as water used in operations, hydrant flushing, street sweeping, line breaks, etc.

9.2.6. Water Conservation Program Coordination and Staffing Support

Water Conservation Coordinator - Morro Bay does not engage a designated Water Conservation Coordinator, but the job is fulfilled through the staffing in the City's Public Works Department. The City has designated the Public Works Director as the acting Water Conservation Coordinator and additional staff members in the department assist the Director in these duties.



9.2.7. Other Demand Management Measures

Residential Plumbing Retrofit – Morro Bay has been implementing this program through its retrofit upon sale ordinance, which requires sellers of residential properties in the City to retrofit existing toilets, faucets, and showerheads with aerators and low flow equipment prior to sale.

High-efficiency Washing Machine Rebate Programs - Each residential address in the City is eligible for a rebate for the replacement of a standard or high water use washing machine with an approved energy efficient unit.

Residential Ultra-Low-Flush Toilet Replacement Programs - Morro Bay implements this rebate program as an incentive to replace existing standard flush toilets with ultra-low-flush toilets in single and multi-family residences.

9.3. Implementation over Past Five Years

Water conservation efforts over the past five years have included rebates to customers for water-efficient washing machines, toilet retrofits, cash for grass, irrigation retrofits, rain barrels and “SMART” irrigation controllers.

9.4. Planned Implementation to Achieve Water Use Targets

The City intends to prepare a One Water Plan within the next two years which will evaluate all the City’s water resources (water, wastewater, recycled water and stormwater). The One Water Plan will also include a section on a recommended water conservation program for implementation.

9.5. Members of the California Urban Water Conservation Council

Morro Bay is not a member of the CUWCC.



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Section 10. Plan Adoption, Submittal, and Implementation

10.1. Inclusion of All 2015 Data

All reported supply, demand, and planning data for the year 2015 is based on a complete data record for the 2015 calendar year.

10.2. Notice of Public Hearing

A public meeting was held prior to the adoption of the 2015 City of Morro Bay UWMP. The public meeting provided a platform for cities, counties, and members of the public to comment on the UWMP prior to its adoption. Notice of the public hearing was given to cities and counties within which water is supplied and to the general public. At least 60 days prior to the public hearing, cities and counties were also given a 60-Day Notice that Morro Bay is reviewing and considering amendments to the UWMP. Copies of all public notices have been included in Appendix A.

10.2.1. Notice to Cities and Counties

Table 10-1 provides a summary of cities and counties that were provided with both the 60-Day Notice and Notice of Public Hearing.

Table 10-1 Retail: Notification to Cities and Counties		
City Name	60 Day Notice	Notice of Public Hearing
	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
County Name	60 Day Notice	Notice of Public Hearing
San Luis Obispo County	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SLO Council of Governments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Central Coast Water Authority	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
NOTES:		



10.2.2. Notice to the Public

Prior to holding the public hearing and adoption meeting for this UWMP, two Notices of Public Hearing were published in a local newspaper, with at least five intervening days between each notice. Copies of the public notices are included in Appendix B.

10.3. Public Hearing and Adoption

A public meeting was held at 207 Surf Street, in Morro Bay, California on June 14, 2016 to receive public comments, make any final amendments and adopt this UWMP.

10.3.1. Adoption

A copy of the City Council Adopting Resolution for this UWMP is included in Appendix C.

10.4. Plan Submittal

Within 30 days of being adopted, copies of the 2015 UWMP were sent to the DWR, the California State Library and to any city or county with which water gets exchanged or transferred.

10.4.1. Submitting a UWMP to DWR

Copies of the 2015 UWMP were sent electronically to the DWR.

10.4.2. Electronic Data Submittal

On **DATE** an electronic copy of this 2015 UWMP and associated tables was uploaded to the DWR WUEdata website at: <http://wuedata.water.ca.gov.secure/>

10.4.3. Submitting a UWMP to the California State Library

A (**CD/Hardcopy**) of this UWMP was submitted to the California State Library within 30 days of the adoption date.

10.4.4. Submitting a UWMP to Cities and Counties

Within 30 days of the adoption of this UWMP, copies of the 2015 UWMP were submitted (electronically/by hardcopy) to San Luis Obispo County.

10.5. Public Availability

The adopted 2015 UWMP has been made publicly available on the Morro Bay website at: \ <http://www.morro-bay.ca.us/DocumentCenter/View/9531>.

10.6. Amending an Adopted UWMP

Any amendments to this 2015 UWMP require that the same public notification and adoption process be followed as was used in the development of the UWMP. County, City, DWR, and California State Library submittals of the amended UWMP must be completed within 30 days of adoption.



APPENDIX A
Notification Letters to Agencies



CITY OF MORRO BAY
PUBLIC WORKS DEPARTMENT
955 Shasta Avenue
Morro Bay, CA 93442

April 11, 2016

John Brady
Deputy Director, Operations and Engineering
Central Coast Water Authority
255 Industrial Way
Buellton, CA 93427

Subject: City of Morro Bay - 2015 Urban Water Management Plan Update

The Urban Water Management Planning Act (Act) requires that urban water suppliers supplying more than 3,000 acre-feet of water annually or 3,000 customers prepare an Urban Water Management Plan (UWMP) in years ending in 5 and 0. However, because of recent changes in UWMP requirements, State law has extended the deadline for the 2015 Plans to July 1, 2016. The Act describes in detail the content of the plans to be submitted to the California Department of Water Resources.

The City of Morro Bay (City) is in the process of preparing the 2015 UWMP. Central Coast Water Authority has been identified as a wholesale water provider to the City. The Act requires the City to provide information regarding projected water supply sources in the UWMP. In order to update the UWMP, the City or its consultant, MNS Engineers, may be contacting you to obtain data as required by the Act to meet supply definition and reliability issues.

The Morro Bay City Council will hold a Public Hearing on **Tuesday June 14, 2016 at 6:00 p.m.** in the Veteran's Memorial Building, located at 209 Surf Street in the City of Morro Bay. We encourage your attendance and input. The City will send another letter once the Draft UWMP is available.

If you have additional information that may benefit this update or questions and concerns, please feel free to contact us or our consultant. I can be reached at (805) 772-6569 and the staff at MNS Engineers can be reached via Julia Aranda at (818) 667-7439.

Sincerely,

Rob Livick, PE/PLS
Director of Public Works/City Engineer



CITY OF MORRO BAY
PUBLIC WORKS DEPARTMENT
955 Shasta Avenue
Morro Bay, CA 93442

April 11, 2016

Courtney Howard
Water Resources Division Manager
County of San Luis Obispo
Department of Public Works Room 207
County Government Center
1050 Monterey Street
San Luis Obispo, CA 93408

Subject: City of Morro Bay – 2015 Urban Water Management Plan Update

The Urban Water Management Planning Act (Act) requires that urban water suppliers supplying more than 3,000 acre-feet of water annually or 3,000 customers prepare an Urban Water Management Plan (UWMP) in years ending in 5 and 0. However, because of recent changes in UWMP requirements, State law has extended the deadline for the 2015 Plans to July 1, 2016. The Act describes in detail the content of the plans to be submitted to the California Department of Water Resources.

The City of Morro Bay (City) is in the process of preparing the 2015 UWMP. County of San Luis Obispo has been identified as a wholesale water provider to the City. The Act requires the City to provide information regarding projected water supply sources in the UWMP. In order to update the UWMP, the City or its consultant, MNS Engineers, may be contacting you to obtain data as required by the Act to meet supply definition and reliability issues.

The Morro Bay City Council will hold a Public Hearing on **Tuesday June 14, 2016 at 6:00 p.m.** in the Veteran's Memorial Building, located at 209 Surf Street in the City of Morro Bay. We encourage your attendance and input. The City will send another letter when the draft UWMP is available.

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Sincerely,

Rob Livick, PE/PLS
Director of Public Works/City Engineer



CITY OF MORRO BAY
PUBLIC WORKS DEPARTMENT
955 Shasta Avenue
Morro Bay, CA 93442

April 11, 2016

Ron De Carli
San Luis Obispo Council of Governments
1114 Marsh Street
San Luis Obispo, CA 93401

Subject: City of Morro Bay - 2015 Urban Water Management Plan Update

The Urban Water Management Planning Act (Act) requires that urban water suppliers supplying more than 3,000 acre-feet of water annually or 3,000 customers prepare an Urban Water Management Plan (UWMP) in years ending in 5 and 0. However, because of recent changes in UWMP requirements, State law has extended the deadline for the 2015 Plans to July 1, 2016. The Act describes in detail the content of the plans to be submitted to the California Department of Water Resources.

The City of Morro Bay (City) is in the process of preparing the 2015 UWMP. It was found that the City's system falls within your boundaries. In order to update the UWMP, the City or its consultant, MNS Engineers, may be contacting you to obtain planning information including growth projections and population data.

The Morro Bay City Council will hold a Public Hearing on **Tuesday June 14, 2016 at 6:00 p.m.** in the Veteran's Memorial Building, located at 209 Surf Street in the City of Morro Bay. We encourage your attendance and input. A draft UWMP will be available for public review before the public meeting.

If you have additional information that may benefit this update or questions and concerns, please feel free to contact us or our consultant. I can be reached at (805) 772-6569 and the staff at MNS Engineers can be reached via Julia Aranda at (818) 667-7439.

Sincerely,

Rob Livick, PE/PLS
Director of Public Works/City Engineer



CITY OF MORRO BAY
PUBLIC WORKS DEPARTMENT
955 Shasta Avenue
Morro Bay, CA 93442

May 18, 2016

John Brady
Deputy Director, Operations and Engineering
Central Coast Water Authority
255 Industrial Way
Buellton, CA 93427

Subject: City of Morro Bay – 2015 Urban Water Management Plan Update

The Urban Water Management Planning Act (Act) requires that urban water suppliers supplying more than 3,000 acre-feet of water annually or 3,000 customers prepare an Urban Water Management Plan (UWMP) in years ending in 5 and 0. However, because of recent changes in UWMP requirements, State law has extended the deadline for the 2015 Plans to July 1, 2016. The Act describes in detail the content of the plans to be submitted to the California Department of Water Resources.

The City of Morro Bay (City) recently informed you that the City is in the process of preparing the 2015 UWMP. Central Coast Water Authority has been identified as a wholesale water provider to the City. The Act requires the City to provide information regarding projected water supply sources in the UWMP. The Draft UWMP is now available for your review at www.morrobayca.gov/uwmp2015.

The Morro Bay City Council will hold a Public Hearing on **Tuesday June 14, 2016 at 6:00 p.m.** in the Veteran's Memorial Building, located at 209 Surf Street in the City of Morro Bay. We encourage your attendance and input.

If the County would like to provide any comments on the plan please feel free to email dhanson@morrobayca.gov or call Damaris Hanson at 772-6265.

Sincerely,

Rob Livick, PE/PLS
Director of Public Works/City Engineer



CITY OF MORRO BAY

PUBLIC WORKS DEPARTMENT

955 Shasta Avenue
Morro Bay, CA 93442

May 18, 2016

Courtney Howard
Water Resources Division Manager
County of San Luis Obispo
Department of Public Works Room 207
County Government Center
1050 Monterey Street
San Luis Obispo, CA 93408

Subject: City of Morro Bay – 2015 Urban Water Management Plan Update

The Urban Water Management Planning Act (Act) requires that urban water suppliers supplying more than 3,000 acre-feet of water annually or 3,000 customers prepare an Urban Water Management Plan (UWMP) in years ending in 5 and 0. However, because of recent changes in UWMP requirements, State law has extended the deadline for the 2015 Plans to July 1, 2016. The Act describes in detail the content of the plans to be submitted to the California Department of Water Resources.

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Sincerely,

Rob Livick, PE/PLS
Director of Public Works/City Engineer



CITY OF MORRO BAY

PUBLIC WORKS DEPARTMENT

955 Shasta Avenue
Morro Bay, CA 93442

May 18 2016

Ron De Carli
San Luis Obispo Council of Governments
1114 Marsh Street
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If SLOCOG would like to provide any comments on the plan please feel free to email dhanson@morrobayca.gov or call Damaris Hanson at 772-6265.

Sincerely,

Rob Livick, PE/PLS
Director of Public Works/City Engineer

APPENDIX B
Public Hearing Notice



**CITY OF MORRO BAY
NOTICE OF AVAILABILITY AND
PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the Morro Bay City Council will hold a **PUBLIC HEARING** on **Tuesday, June 14, 2016, at 6:00 p.m.** in the Veteran's Memorial Building, located at 209 Surf Street in the City of Morro Bay, to consider the following matters.

The City has prepared an update of the Urban Water Management Plan and a Public Review Draft of the document and additional information is now available. This document can be found at the City of Morro Bay Public Works Department, 955 Shasta Avenue, Morro Bay, CA 93442, or from the City of Morro Bay web site (www.morrobayca.gov/UWMP2015). The telephone number for the Public Services Department is (805) 772-6261.

Interested persons are invited to appear at the hearing on **Tuesday, June 14, 2016, at 6:00 p.m.** or otherwise express their views and opinions regarding the proposed Plan. An opportunity will be presented at the hearing for verbal comments. Written comments are also welcomed at the hearing or prior to the hearing. Written comments prepared prior to the hearing should be mailed or submitted to the Public Works Department, 955 Shasta Avenue, Morro Bay, California, 93442.

PROJECT TITLE: 2015 URBAN WATER MANAGEMENT PLAN UPDATE

PROJECT LOCATION: CITY OF MORRO BAY

PROJECT DESCRIPTION: The City, in conformance with the California Urban Water Management Plan Act, is preparing an update for the 2015 calendar year of its 2010 Urban Water Management Plan. Urban Water Management Plans (UWMPs) are prepared by California's urban water suppliers to support their long-term resource planning, and ensure adequate water supplies are available to meet existing and future water demands. Public input into the plan is encouraged and will be considered in the City's adoption of the plan. All interested parties are invited to attend.

CONTACT PERSON: Damaris Hanson, Engineering Technician
TELEPHONE: (805) 772-6265
EMAIL: dhanson@morrobayca.gov

NOTICE STARTING APRIL 8, 2016 – ONE PER WEEK FOR THREE WEEKS

Legals

Legals

Legals

Legals

Legals

More

CITY OF MORRO BAY NOTICE OF AVAILABILITY AND PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Morro Bay City Council will hold a **PUBLIC HEARING** on **Tuesday, June 14, 2016, at 6:00 p.m.** in the Veteran's Memorial Building, located at 209 Surf Street in the City of Morro Bay, to consider the following matters.

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PROJECT LOCATION: CITY OF MORRO BAY

PROJECT DESCRIPTION: The City, in conformance with the California Urban Water Management Plan Act, is preparing an update for the 2015 calendar year of its 2010 Urban Water Management Plan. Urban Water Management Plans (UWMPs) are prepared by California's urban water suppliers to support their long-term resource planning, and ensure adequate water supplies are available to meet existing and future water demands. Public input into the plan is encouraged and will be considered in the City's adoption of the plan. All interested parties are invited to attend.

CONTACT PERSON: Damaris Hanson, Engineering Technician

TELEPHONE: (805) 772-6265

EMAIL: dhanson@morrobayca.gov

May 27; June 3, 10, 2016

2456245

APPENDIX C

Adoption Resolution No. 45-16

RESOLUTION NO. 45-16

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING AND ADOPTING THE 2015 URBAN WATER MANAGEMENT PLAN**

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

WHEREAS, the California Urban Water Management Planning Act (“Act”) (California Water Code Sections 10620 et seq.) requires every urban water supplier providing municipal water directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually to develop an Urban Water Management Plan; and

WHEREAS, the Act requires that an urban water management plan be updated every five years; and

WHEREAS, a Public Draft 2015 Urban Water Management Plan has been circulated for public review and all comments received have been reviewed and considered; and a properly noticed public hearing was held by the City Council on June 14, 2016, prior to adoption of a Final Urban Water Management Plan, all in compliance with the requirements of the Act; and

NOW, THEREFORE, BE IT RESOLVED

1. The City Council finds that the City is in compliance with all applicable requirements on the Urban Water Management Planning Act.
2. The Urban Water Management Plan is hereby adopted and ordered filed with the City Clerk.
3. The Public Works Director is hereby authorized and directed to file this Plan with the California Department of Water Resources.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of June 2016 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

APPENDIX D
Water Loss Calculations



AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0
American Water Works Association,
Copyright © 2014, All Rights Reserved.

?	Click to access definition
+	Click to add a comment

Water Audit Report for: **City of Morro Bay (4010011)**
Reporting Year: **2015** 1/2015 - 12/2015

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade below the utility meets or exceeds all criteria for that grade and all grades below it.

WATER SUPPLIED

----- Enter grading in column 'E' and 'J' ----->			
Volume from own sources:	+ ?	10	44.936 MG/Yr
Water imported:	+ ?	10	309.444 MG/Yr
Water exported:	+ ?	n/a	0.000 MG/Yr

Master Meter and Supply Error Adjustments

		Pcnt:	Value:	
+ ?			<input checked="" type="radio"/> <input type="radio"/>	MG/Yr
+ ?			<input checked="" type="radio"/> <input type="radio"/>	MG/Yr
+ ?			<input checked="" type="radio"/> <input type="radio"/>	MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

WATER SUPPLIED: 354.380 MG/Yr

AUTHORIZED CONSUMPTION

Billed metered:	+ ?	8	337.980 MG/Yr
Billed unmetered:	+ ?	n/a	0.000 MG/Yr
Unbilled metered:	+ ?	n/a	0.000 MG/Yr
Unbilled unmetered:	+ ?	6	4.430 MG/Yr

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

AUTHORIZED CONSUMPTION: ? 342.410 MG/Yr

Click here: ?
for help using option buttons below

Pcnt:	Value:	
1.25%	<input checked="" type="radio"/> <input type="radio"/>	MG/Yr

Use buttons to select percentage of water supplied **OR** value

Pcnt:	Value:	
0.25%	<input checked="" type="radio"/> <input type="radio"/>	MG/Yr

<input checked="" type="radio"/> <input type="radio"/>	MG/Yr
0.25%	<input checked="" type="radio"/> <input type="radio"/>

WATER LOSSES (Water Supplied - Authorized Consumption)

11.970 MG/Yr (37 AF/YR)

Apparent Losses

Unauthorized consumption: + ? 0.886 MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	+ ?	5	0.000 MG/Yr
Systematic data handling errors:	+ ?	5	0.845 MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: ? 1.731 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: ? **10.239** MG/Yr

WATER LOSSES: 11.970 MG/Yr (37 AF/YR)

NON-REVENUE WATER

NON-REVENUE WATER: ? 16.400 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+ ?	9	72.0 miles
Number of <u>active</u> AND <u>inactive</u> service connections:	+ ?	7	5,453
Service connection density:	?		76 conn./mile main

Are customer meters typically located at the curbside or property line?

Average length of customer service line: + ? (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: + ? 8 65.0 psi

COST DATA

Total annual cost of operating water system:	+ ?	8	\$4,235,000	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+ ?	8	\$11.50	\$/100 cubic feet (ccf)
Variable production cost (applied to Real Losses):	+ ?	7	\$511.00	\$/Million gallons <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses

APPENDIX E

SBX7-7 Forms

SB X7-7 Verification Form Version FINAL.1

Table 4-C.4 has been modified from the FINAL version.

WUEdata Entry Exceptions	
The data from the tables below will not be entered into WUEdata tables (the tabs for these tables' worksheets are colored purple). These tables will be submitted as separate uploads, in Excel, to WUEdata.	
Process Water Deduction	
SB X7-7 tables 4-C, 4-C.1, 4-C.2, 4-C.3, 4-C.4 and 4-D	A
A supplier that will use the process water deduction will complete the appropriate tables in Excel, submit them as a separate upload to the WUE data tool, and include them in its UWMP.	
Target Method 2	
SB X7-7 tables 7-B, 7-C, and 7-D	
A supplier that selects Target Method 2 will contact DWR (gwen.huff@water.ca.gov) for SB X7-7 tables 7-B, 7-C, and 7-D.	
Target Method 4	
These tables are only available online at	
http://www.dwr.water.ca.gov/wateruseefficiency/sb7/committees/urban/u4/ptm4.cfm	A supplier
that selects Target Method 4 will save the tables from the website listed above, complete the tables, submit as a separate upload to WUE data, and include them with its UWMP.	

SB X7-7 Table 0: Units of Measure Used in UWMP*

(select one from the drop down list)

Acre Feet

**The unit of measure must be consistent with Table 2-3*

NOTES:

SB X7-7 Table-1: Baseline Period Ranges

Baseline	Parameter	Value	Units
10- to 15-year baseline period	2008 total water deliveries	13,060	Acre Feet
	2008 total volume of delivered recycled water	-	Acre Feet
	2008 recycled water as a percent of total deliveries	0.00%	Percent
	Number of years in baseline period ^{1, 2}	10	Years
	Year beginning baseline period range	1995	
	Year ending baseline period range ³	2004	
5-year baseline period	Number of years in baseline period	5	Years
	Year beginning baseline period range	2003	
	Year ending baseline period range ⁴	2007	

¹ If the 2008 recycled water percent is less than 10 percent, then the first baseline period is a continuous 10-year period. If the amount of recycled water delivered in 2008 is 10 percent or greater, the first baseline period is a continuous 10- to 15-year period. ² The Water Code requires that the baseline period is between 10 and 15 years. However, DWR recognizes that some water suppliers may not have the minimum 10 years of baseline data.

³ The ending year must be between December 31, 2004 and December 31, 2010.

⁴ The ending year must be between December 31, 2007 and December 31, 2010.

NOTES:

SB X7-7 Table 2: Method for Population Estimates**Method Used to Determine Population**
(may check more than one)**1. Department of Finance (DOF)**
DOF Table E-8 (1990 - 2000) and (2000-2010) and
DOF Table E-5 (2011 - 2015) when available**2. Persons-per-Connection Method****3. DWR Population Tool****4. Other**
DWR recommends pre-review

NOTES:

SB X7-7 Table 3: Service Area Population

Year	Population	
10 to 15 Year Baseline Population		
Year 1	1995	9,748
Year 2	1996	9,657
Year 3	1997	9,824
Year 4	1998	9,904
Year 5	1999	9,994
Year 6	2000	10,176
Year 7	2001	10,196
Year 8	2002	10,231
Year 9	2003	10,220
Year 10	2004	10,315
<i>Year 11</i>		
<i>Year 12</i>		
<i>Year 13</i>		
<i>Year 14</i>		
<i>Year 15</i>		
5 Year Baseline Population		
Year 1	2003	10,220
Year 2	2004	10,315
Year 3	2005	10,374
Year 4	2006	10,354
Year 5	2007	10,448
2015 Compliance Year Population		
2015		10,224
NOTES:		

SB X7-7 Table 4: Annual Gross Water Use *

Baseline Year <i>Fm SB X7-7 Table 3</i>	Volume Into Distribution System <i>This column will remain blank until SB X7-7 Table 4-A is completed.</i>	Deductions					Annual Gross Water Use	
		Exported Water	Change in Dist. System Storage (+/-)	Indirect Recycled Water <i>This column will remain blank until SB X7-7 Table 4-B is completed.</i>	Water Delivered for Agricultural Use	Process Water <i>This column will remain blank until SB X7-7 Table 4-D is completed.</i>		
10 to 15 Year Baseline - Gross Water Use								
Year 1	1995	1,406			-		-	1,406
Year 2	1996	1,501			-		-	1,501
Year 3	1997	1,535			-		-	1,535
Year 4	1998	1,326			-		-	1,326
Year 5	1999	1,393			-		-	1,393
Year 6	2000	1,400			-		-	1,400
Year 7	2001	1,410			-		-	1,410
Year 8	2002	1,454			-		-	1,454
Year 9	2003	1,421			-		-	1,421
Year 10	2004	1,477			-		-	1,477
<i>Year 11</i>	0	-			-		-	-
<i>Year 12</i>	0	-			-		-	-
<i>Year 13</i>	0	-			-		-	-
<i>Year 14</i>	0	-			-		-	-
<i>Year 15</i>	0	-			-		-	-
10 - 15 year baseline average gross water use							1,432	
5 Year Baseline - Gross Water Use								
Year 1	2003	1,421			-		-	1,421
Year 2	2004	1,477			-		-	1,477
Year 3	2005	1,361			-		-	1,361
Year 4	2006	1,371			-		-	1,371
Year 5	2007	1,446			-		-	1,446
5 year baseline average gross water use							1,415	
2015 Compliance Year - Gross Water Use								
2015	1,090	-			-		-	1,090

* NOTE that the units of measure must remain consistent throughout the UWMP, as reported in Table 2-3

NOTES:

SB X7-7 Table 4-A: Volume Entering the Distribution System(s)

Complete one table for each source.

Name of Source Chorro Basin

This water source is:

- The supplier's own water source
 A purchased or imported source

Baseline Year <i>Fm SB X7-7 Table 3</i>	Volume Entering Distribution System	Meter Error Adjustment* <i>Optional (+/-)</i>	Corrected Volume Entering Distribution System
--	-------------------------------------	--	---

10 to 15 Year Baseline - Water into Distribution System

Year 1	1995	986	986
Year 2	1996	1,261	1,261
Year 3	1997	985	985
Year 4	1998	38	38
Year 5	1999	34	34
Year 6	2000	4	4
Year 7	2001	11	11
Year 8	2002	1	1
Year 9	2003	1	1
Year 10	2004	49	49
Year 11	0		-
Year 12	0		-
Year 13	0		-
Year 14	0		-
Year 15	0		-

5 Year Baseline - Water into Distribution System

Year 1	2003	1	1
Year 2	2004	49	49
Year 3	2005	204	204
Year 4	2006	257	257
Year 5	2007	276	276

2015 Compliance Year - Water into Distribution System

2015	-		-
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** Meter Error Adjustment - See guidance in Methodology 1, Step 3 of Methodologies Document*

NOTES:

SB X7-7 Table 4-A: Volume Entering the Distribution

Name of Source Morro Basin

This water source is:

The supplier's own water source

A purchased or imported source

Baseline Year <i>Fm SB X7-7 Table 3</i>	Volume Entering Distribution System	Meter Error Adjustment* <i>Optional (+/-)</i>	Corrected Volume Entering Distribution System
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10 to 15 Year Baseline - Water into Distribution System

Year 1	1,995	420	420
Year 2	1,996	240	240
Year 3	1,997	249	249
Year 4	1,998	0	0
Year 5	1,999	0	0
Year 6	2,000	0	0
Year 7	2,001	0	0
Year 8	2,002	32	32
Year 9	2,003	28	28
Year 10	2,004	213	213
Year 11	-		0
Year 12	-		0
Year 13	-		0
Year 14	-		0
Year 15	-		0

5 Year Baseline - Water into Distribution System

Year 1	2,003	28	28
Year 2	2,004	213	213
Year 3	2,005	150	150
Year 4	2,006	80	80
Year 5	2,007	35	35

2015 Compliance Year - Water into Distribution System

2015	0		0
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** Meter Error Adjustment - See guidance in Methodology 1, Step 3 of Methodologies Document*

NOTES:

SB X7-7 Table 4-A: Volume Entering the Distribution

Name of Source R/O Plant - Treated brackish groundwater

This water source is:

The supplier's own water source

A purchased or imported source

Baseline Year <i>Fm SB X7-7 Table 3</i>	Volume Entering Distribution System	Meter Error Adjustment* <i>Optional (+/-)</i>	Corrected Volume Entering Distribution System
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10 to 15 Year Baseline - Water into Distribution System

Year 1	1,995	0	0
Year 2	1,996	0	0
Year 3	1,997	0	0
Year 4	1,998	0	0
Year 5	1,999	0	0
Year 6	2,000	0	0
Year 7	2,001	0	0
Year 8	2,002	48	48
Year 9	2,003	13	13
Year 10	2,004	10	10
Year 11	-		0
Year 12	-		0
Year 13	-		0
Year 14	-		0
Year 15	-		0

5 Year Baseline - Water into Distribution System

Year 1	2,003	13	13
Year 2	2,004	10	10
Year 3	2,005	0	0
Year 4	2,006	25	25
Year 5	2,007	19	19

2015 Compliance Year - Water into Distribution System

2015	138		138
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** Meter Error Adjustment - See guidance in Methodology 1, Step 3 of Methodologies Document*

NOTES:

SB X7-7 Table 4-A: Volume Entering the Distribution

Name of Source State Water

This water source is:

The supplier's own water source

A purchased or imported source

Baseline Year <i>Fm SB X7-7 Table 3</i>	Volume Entering Distribution System	Meter Error Adjustment* <i>Optional (+/-)</i>	Corrected Volume Entering Distribution System
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10 to 15 Year Baseline - Water into Distribution System

Year 1	1,995	0	0
Year 2	1,996	0	0
Year 3	1,997	301	301
Year 4	1,998	1288	1,288
Year 5	1,999	1359	1,359
Year 6	2,000	1396	1,396
Year 7	2,001	1399	1,399
Year 8	2,002	1373	1,373
Year 9	2,003	1379	1,379
Year 10	2,004	1205	1,205
Year 11	-		0
Year 12	-		0
Year 13	-		0
Year 14	-		0
Year 15	-		0

5 Year Baseline - Water into Distribution System

Year 1	2,003	1379	1,379
Year 2	2,004	1205	1,205
Year 3	2,005	1007	1,007
Year 4	2,006	1009	1,009
Year 5	2,007	1116	1,116

2015 Compliance Year - Water into Distribution System

2015	952		952
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** Meter Error Adjustment - See guidance in Methodology 1, Step 3 of Methodologies Document*

NOTES:

SB X7-7 Table 5: Gallons Per Capita Per Day (GPCD)

Baseline Year <i>Fm SB X7-7 Table 3</i>		Service Area Population <i>Fm SB X7-7 Table 3</i>	Annual Gross Water Use <i>Fm SB X7-7 Table 4</i>	Daily Per Capita Water Use (GPCD)
10 to 15 Year Baseline GPCD				
Year 1	1995	9,748	1,406	129
Year 2	1996	9,657	1,501	139
Year 3	1997	9,824	1,535	139
Year 4	1998	9,904	1,326	120
Year 5	1999	9,994	1,393	124
Year 6	2000	10,176	1,400	123
Year 7	2001	10,196	1,410	123
Year 8	2002	10,231	1,454	127
Year 9	2003	10,220	1,421	124
Year 10	2004	10,315	1,477	128
<i>Year 11</i>	0	-	-	
<i>Year 12</i>	0	-	-	
<i>Year 13</i>	0	-	-	
<i>Year 14</i>	0	-	-	
<i>Year 15</i>	0	-	-	
10-15 Year Average Baseline GPCD				128
5 Year Baseline GPCD				
Baseline Year <i>Fm SB X7-7 Table 3</i>		Service Area Population <i>Fm SB X7-7 Table 3</i>	Gross Water Use <i>Fm SB X7-7 Table 4</i>	Daily Per Capita Water Use
Year 1	2003	10,220	1,421	124
Year 2	2004	10,315	1,477	128
Year 3	2005	10,374	1,361	117
Year 4	2006	10,354	1,371	118
Year 5	2007	10,448	1,446	124
5 Year Average Baseline GPCD				122
2015 Compliance Year GPCD				
2015		10,224	1,090	95
NOTES:				

SB X7-7 Table 6: Gallons per Capita per Day
Summary From Table SB X7-7 Table 5

10-15 Year Baseline GPCD	128
5 Year Baseline GPCD	122
2015 Compliance Year GPCD	95
NOTES:	

SB X7-7 Table 7: 2020 Target Method*Select Only One*

Target Method		Supporting Documentation
<input type="checkbox"/>	Method 1	SB X7-7 Table 7A
<input type="checkbox"/>	Method 2	SB X7-7 Tables 7B, 7C, and 7D <i>Contact DWR for these tables</i>
<input checked="" type="checkbox"/>	Method 3	SB X7-7 Table 7-E
<input type="checkbox"/>	Method 4	Method 4 Calculator

NOTES:

SB X7-7 Table 7-E: Target Method 3

Agency May Select More Than One as Applicable	Percentage of Service Area in This Hydrological Region	Hydrologic Region	"2020 Plan" Regional Targets	Method 3 Regional Targets (95%)
<input type="checkbox"/>		North Coast	137	130
<input type="checkbox"/>		North Lahontan	173	164
<input type="checkbox"/>		Sacramento River	176	167
<input type="checkbox"/>		San Francisco Bay	131	124
<input type="checkbox"/>		San Joaquin River	174	165
<input checked="" type="checkbox"/>	100%	Central Coast	123	117
<input type="checkbox"/>		Tulare Lake	188	179
<input type="checkbox"/>		South Lahontan	170	162
<input type="checkbox"/>		South Coast	149	142
<input type="checkbox"/>		Colorado River	211	200
<p align="center">Target <i>(If more than one region is selected, this value is calculated.)</i></p>				<p align="center">117</p>
<p>NOTES:</p>				

SB X7-7 Table 7-F: Confirm Minimum Reduction for 2020 Target

5 Year Baseline GPCD From SB X7-7 Table 5	Maximum 2020 Target ¹	Calculated 2020 Target ²	Confirmed 2020 Target
122	116	117	116

¹ Maximum 2020 Target is 95% of the 5 Year Baseline GPCD except for suppliers at or below 100 GPCD.

² 2020 Target is calculated based on the selected Target Method, see SB X7-7 Table 7 and corresponding tables for agency's calculated target.

NOTES:

SB X7-7 Table 8: 2015 Interim Target GPCD

Confirmed 2020 Target <i>Fm SB X7-7 Table 7-F</i>	10-15 year Baseline GPCD <i>Fm SB X7-7 Table 5</i>	2015 Interim Target GPCD
116	128	122

NOTES:

SB X7-7 Table 9: 2015 Compliance

Actual 2015 GPCD	2015 Interim Target GPCD	Optional Adjustments <i>(in GPCD)</i>					2015 GPCD <i>(Adjusted if applicable)</i>	Did Supplier Achieve Targeted Reduction for 2015?
		Enter "0" if Adjustment Not Used			TOTAL Adjustments	Adjusted 2015 GPCD		
		Extraordinary Events	Weather Normalization	Economic Adjustment				
95	122	<i>From Methodology 8 (Optional)</i>	<i>From Methodology 8 (Optional)</i>	<i>From Methodology 8 (Optional)</i>	-	95	95	YES

NOTES:

APPENDIX F
Groundwater Permits

STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

PERMIT FOR DIVERSION AND USE OF WATER

PERMIT 20841

Application 27477 of City of Morro Bay

595 Harbor Street, Morro Bay, CA 93442

filed on August 13, 1982, has been approved by the State Water Resources Control Board
SUBJECT TO PRIOR RIGHTS and to the limitations and conditions of this permit.

Permittee is hereby authorized to divert and use water as follows:

1. Source: Morro Creek Subterranean Stream Tributary to: Pacific Ocean

2. Location of point of diversion:	40-acre subdivision of public land survey or projection thereof	Section *	Township	Range	Base and Meridian
By California Coordinate System, Zone 5					
Well No. 1 - North 695,740 feet and East 1,148,170 feet	SW $\frac{1}{4}$ of NW $\frac{1}{4}$	25	29S	10E	MD
Well No. 2 - North 695,880 feet and East 1,148,090 feet	SW $\frac{1}{4}$ of NW $\frac{1}{4}$	25	29S	10E	MD
Well No. 3 - North 696,060 feet and East 1,149,040 feet	NE $\frac{1}{4}$ of NW $\frac{1}{4}$	25	29S	10E	MD
Well No. 4 - North 696,010 feet and East 1,149,040 feet	NE $\frac{1}{4}$ of NW $\frac{1}{4}$	25	29S	10E	MD
Well No. 13 - North 696,180 feet and East 1,149,900 feet	NE $\frac{1}{4}$ of NW $\frac{1}{4}$	25	29S	10E	MD
Well No. 14 - North 695,960 feet and East 1,149,060 feet	NE $\frac{1}{4}$ of NW $\frac{1}{4}$	25	29S	10E	MD
Well No. 15 - North 695,850 feet and East 1,149,120 feet	NE $\frac{1}{4}$ of NW $\frac{1}{4}$	25	29S	10E	MD

County of San Luis Obispo

* projected fractional

3. Purpose of use:	4. Place of use:	Section	Township	Range	Base and Meridian	Acres
Municipal	Within the boundaries of the City of Morro Bay's service area					

The place of use is shown on map on file with the State Water Resources Control Board.

- 5. The water appropriated shall be limited to the quantity which can be beneficially used and shall not exceed 0.13 cubic foot per second to be diverted from January 1 to December 31 of each year. The maximum amount diverted under this permit shall not exceed 91 acre-feet per year. (0000005)
- 6. The amount authorized for appropriation may be reduced in the license if investigation warrants. (0000006)
- 7. Complete application of the water to the authorized use shall be made by December 31, 2001. (0000009)
- 8. Progress reports shall be submitted promptly by permittee when requested by the State Water Resources Control Board until a license is issued. (0000010)
- 9. Permittee shall allow representatives of the State Water Resources Control Board and other parties, as may be authorized from time to time by said Board, reasonable access to project works to determine compliance with the terms of this permit. (0000011)
- 10. Pursuant to California Water Code Sections 100 and 275, and the common law public trust doctrine, all rights and privileges under this permit and under any license issued pursuant thereto, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of the State Water Resources Control Board in accordance with law and in the interest of the public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use or unreasonable method of diversion of said water.

The continuing authority of the Board may be exercised by imposing specific requirements over and above those contained in this permit with a view to eliminating waste of water and to meeting the reasonable water requirements of permittee without unreasonable draft on the source. Permittee may be required to implement a water conservation plan, features of which may include but not necessarily be limited to (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this permit and to determine accurately water use as against reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the Board also may be exercised by imposing further limitations on the diversion and use of water by the permittee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution Article X, Section 2; is consistent with the public interest; and is necessary to preserve or restore the uses protected by the public trust. (0000012)

11. The quantity of water diverted under this permit and under any license issued pursuant thereto is subject to modification by the State Water Resources Control Board if, after notice to the permittee and an opportunity for hearing, the Board finds that such modification is necessary to meet water quality objectives in water quality control plans which have been or hereafter may be established or modified pursuant to Division 7 of the Water Code. No action will be taken pursuant to this paragraph unless the Board finds that (1) adequate waste discharge requirements have been prescribed and are in effect with respect to all waste discharges which have any substantial effect upon water quality in the area involved, and (2) the water quality objectives cannot be achieved solely through the control of waste discharges. (0000013)

12. The equivalent of the authorized continuous flow allowance for any 30-day period may be diverted in a shorter time, provided there is no interference with other rights and instream beneficial uses, and provided further that all terms and conditions protecting instream beneficial uses are observed. (0000027)

13. Permittee shall consult with the Division of Water Rights and, within one year from the date of this permit, shall submit to the State Water Resources Control Board its Urban Water Management Plan as prepared and adopted in conformance with Section 10610, et seq. of the California Water Code, supplemented by any additional information that may be required by the Board.

All cost-effective measures identified in the Urban Water Management Plan and any supplements thereto shall be implemented in accordance with the schedule for implementation found therein. (000029A)

14. The total quantity of water diverted under this permit, together with that diverted under the permit issued pursuant to Application 24246, shall not exceed 581 acre-feet per year. (0000114)

This permit is issued and permittee takes it subject to the following provisions of the Water Code:

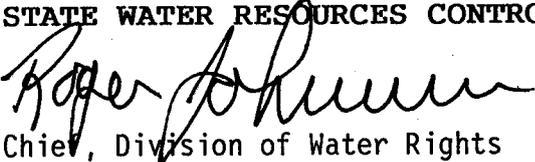
Section 1390. A permit shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code), but no longer.

Section 1391. Every permit shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article and the statement that any appropriator of water to whom a permit is issued takes it subject to the conditions therein expressed.

Section 1392. Every permittee, if he accepts a permit, does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefor shall at any time be assigned to or claimed for any permit granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code), in respect to the regulation by any competent public authority of the services or the price of the services to be rendered by any permittee or by the holder of any rights granted or acquired under the provisions of this division (of the Water Code) or in respect to any valuation for purposes of sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State, of the rights and property of any permittee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

Dated: May 28, 1996

STATE WATER RESOURCES CONTROL BOARD


Chief, Division of Water Rights

STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

PERMIT FOR DIVERSION AND USE OF WATER

PERMIT 20840

Application 24246 of City of Morro Bay

595 Harbor Street, Morro Bay, CA 93442

filed on November 22, 1972, has been approved by the State Water Resources Control Board
SUBJECT TO PRIOR RIGHTS and to the limitations and conditions of this permit.

Permittee is hereby authorized to divert and use water as follows:

1. Source:	Tributary to:
<u>Morro Creek Subterranean Stream</u>	<u>Pacific Ocean</u>

2. Location of point of diversion:	40-acre subdivision of public land survey or projection thereof	Section *	Township	Range	Base and Meridian
By California Coordinate System, Zone 5					
Well No. 1 - North 695,740 feet and East 1,148,170 feet	SW $\frac{1}{4}$ of NW $\frac{1}{4}$	25	29S	10E	MD
Well No. 2 - North 695,880 feet and East 1,148,090 feet	SW $\frac{1}{4}$ of NW $\frac{1}{4}$	25	29S	10E	MD
Well No. 3 - North 696,060 feet and East 1,149,040 feet	NE $\frac{1}{4}$ of NW $\frac{1}{4}$	25	29S	10E	MD
Well No. 4 - North 696,010 feet and East 1,149,040 feet	NE $\frac{1}{4}$ of NW $\frac{1}{4}$	25	29S	10E	MD
Well No. 13 - North 696,180 feet and East 1,149,900 feet	NE $\frac{1}{4}$ of NW $\frac{1}{4}$	25	29S	10E	MD
Well No. 14 - North 695,960 feet and East 1,149,060 feet	NE $\frac{1}{4}$ of NW $\frac{1}{4}$	25	29S	10E	MD
Well No. 15 - North 695,850 feet and East 1,149,120 feet	NE $\frac{1}{4}$ of NW $\frac{1}{4}$	25	29S	10E	MD

County of San Luis Obispo

* projected fractional

3. Purpose of use:	4. Place of use:	Section	Township	Range	Base and Meridian	Acres
Municipal	Within the boundaries of the City of Morro Bay's service area					

The place of use is shown on map on file with the State Water Resources Control Board.

5. The water appropriated shall be limited to the quantity which can be beneficially used and shall not exceed 1.07 cubic feet per second to be diverted from January 1 to December 31 of each year. The maximum amount diverted under this permit shall not exceed 490 acre-feet per year. (0000005)

6. The amount authorized for appropriation may be reduced in the license if investigation warrants. (0000006)

7. Complete application of the water to the authorized use shall be made by December 31, 2001. (0000009)

8. Progress reports shall be submitted promptly by permittee when requested by the State Water Resources Control Board until a license is issued. (0000010)

9. Permittee shall allow representatives of the State Water Resources Control Board and other parties, as may be authorized from time to time by said Board, reasonable access to project works to determine compliance with the terms of this permit. (0000011)

10. Pursuant to California Water Code Sections 100 and 275, and the common law public trust doctrine, all rights and privileges under this permit and under any license issued pursuant thereto, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of the State Water Resources Control Board in accordance with law and in the interest of the public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use or unreasonable method of diversion of said water.

The continuing authority of the Board may be exercised by imposing specific requirements over and above those contained in this permit with a view to eliminating waste of water and to meeting the reasonable water requirements of permittee without unreasonable draft on the source. Permittee may be required to implement a water conservation plan, features of which may include but not necessarily be limited to (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this permit and to determine accurately water use as against reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the Board also may be exercised by imposing further limitations on the diversion and use of water by the permittee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution Article X, Section 2; is consistent with the public interest; and is necessary to preserve or restore the uses protected by the public trust. (0000012)

11. The quantity of water diverted under this permit and under any license issued pursuant thereto is subject to modification by the State Water Resources Control Board if, after notice to the permittee and an opportunity for hearing, the Board finds that such modification is necessary to meet water quality objectives in water quality control plans which have been or hereafter may be established or modified pursuant to Division 7 of the Water Code. No action will be taken pursuant to this paragraph unless the Board finds that (1) adequate waste discharge requirements have been prescribed and are in effect with respect to all waste discharges which have any substantial effect upon water quality in the area involved, and (2) the water quality objectives cannot be achieved solely through the control of waste discharges. (0000013)

12. The equivalent of the authorized continuous flow allowance for any 30-day period may be diverted in a shorter time, provided there is no interference with other rights and instream beneficial uses, and provided further that all terms and conditions protecting instream beneficial uses are observed. (0000027)

13. Permittee shall consult with the Division of Water Rights and, within one year from the date of this permit, shall submit to the State Water Resources Control Board its Urban Water Management Plan as prepared and adopted in conformance with Section 10610, et seq. of the California Water Code, supplemented by any additional information that may be required by the Board.

All cost-effective measures identified in the Urban Water Management Plan and any supplements thereto shall be implemented in accordance with the schedule for implementation found therein. (000029A)

14. The total quantity of water diverted under this permit, together with that diverted under the permit issued pursuant to Application 27477, shall not exceed 581 acre-feet per year. (0000114)

This permit is issued and permittee takes it subject to the following provisions of the Water Code:

Section 1390. A permit shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code), but no longer.

Section 1391. Every permit shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article and the statement that any appropriator of water to whom a permit is issued takes it subject to the conditions therein expressed.

Section 1392. Every permittee, if he accepts a permit, does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefor shall at any time be assigned to or claimed for any permit granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code), in respect to the regulation by any competent public authority of the services or the price of the services to be rendered by any permittee or by the holder of any rights granted or acquired under the provisions of this division (of the Water Code) or in respect to any valuation for purposes of sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State, of the rights and property of any permittee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

Dated: May 28, 1996

STATE WATER RESOURCES CONTROL BOARD

Roger Schuman
Chief, Division of Water Rights

STATE OF CALIFORNIA
 CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
 STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

PERMIT FOR DIVERSION AND USE OF WATER

PERMIT 20868

Application 27386 of City of Morro Bay

595 Harbor Street, Morro Bay, CA 93442

filed on July 9, 1982, has been approved by the State Water Resources Control Board
 SUBJECT TO PRIOR RIGHTS and to the limitations and conditions of this permit.

Permittee is hereby authorized to divert and use water as follows:

- | | |
|---|-------------------------|
| 1. Source: | Tributary to: |
| <u>Chorro Creek Subterranean Stream</u> | <u>Morro Bay thence</u> |
| | <u>Pacific Ocean</u> |

2. Location of point of diversion:	40-acre subdivision of public land survey or projection thereof	Section *	Township	Range	Base and Meridian
By California Coordinate System, Zone 5					
Well No. 9 - North 688,080 feet and East 1,161,780 feet	NE $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD
Well No. 9A - North 688,410 feet and East 1,161,790 feet	NE $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD
Well No. 10 - North 688,160 feet and East 1,161,780 feet	NE $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD
Well No. 10A - North 688,450 feet and East 1,161,280 feet	NW $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD
Well No. 11A - North 685,779 feet and East 1,168,095 feet	NW $\frac{1}{4}$ of NW $\frac{1}{4}$	3	30S	11E	MD
Well No. 12 - North 687,900 feet and East 1,162,020 feet	NE $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD
Well No. 16 - North 688,400 feet and East 1,161,900 feet	NE $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD

County of San Luis Obispo

* projected fractional

3. Purpose of use:	4. Place of use:	Section	Township	Range	Base and Meridian	Acres
Municipal	Within the boundaries of the City of Morro Bay's service area					

The place of use is shown on map on file with the State Water Resources Control Board.

- 5. The water appropriated shall be limited to the quantity which can be beneficially used and shall not exceed 0.3 cubic foot per second to be diverted from January 1 to December 31 of each year. The maximum amount diverted under this permit shall not exceed 217.5 acre-feet per year. (0000005)
- 6. The amount authorized for appropriation may be reduced in the license if investigation warrants. (0000006)
- 7. Complete application of the water to the authorized use shall be made by December 31, 2001. (0000009)
- 8. Progress reports shall be submitted promptly by permittee when requested by the State Water Resources Control Board until a license is issued. (0000010)
- 9. Permittee shall allow representatives of the State Water Resources Control Board and other parties, as may be authorized from time to time by said Board, reasonable access to project works to determine compliance with the terms of this permit. (0000011)
- 10. Pursuant to California Water Code Sections 100 and 275, and the common law public trust doctrine, all rights and privileges under this permit and under any license issued pursuant thereto, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of the State Water Resources Control Board in accordance with law and in the interest of the public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use or unreasonable method of diversion of said water.

The continuing authority of the Board may be exercised by imposing specific requirements over and above those contained in this permit with a view to eliminating waste of water and to meeting the reasonable water requirements of permittee without unreasonable draft on the source. Permittee may be required to implement a water conservation plan, features of which may include but not necessarily be limited to (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this permit and to determine accurately water use as against reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the Board also may be exercised by imposing further limitations on the diversion and use of water by the permittee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution Article X, Section 2; is consistent with the public interest; and is necessary to preserve or restore the uses protected by the public trust. (000012)

11. The quantity of water diverted under this permit and under any license issued pursuant thereto is subject to modification by the State Water Resources Control Board if, after notice to the permittee and an opportunity for hearing, the Board finds that such modification is necessary to meet water quality objectives in water quality control plans which have been or hereafter may be established or modified pursuant to Division 7 of the Water Code. No action will be taken pursuant to this paragraph unless the Board finds that (1) adequate waste discharge requirements have been prescribed and are in effect with respect to all waste discharges which have any substantial effect upon water quality in the area involved, and (2) the water quality objectives cannot be achieved solely through the control of waste discharges. (000013)

12. The equivalent of the authorized continuous flow allowance for any 30-day period may be diverted in a shorter time, provided there is no interference with other rights and instream beneficial uses, and provided further that all terms and conditions protecting instream beneficial uses are observed. (000027)

13. Permittee shall consult with the Division of Water Rights and, within one year from the date of this permit, shall submit to the State Water Resources Control Board its Urban Water Management Plan as prepared and adopted in conformance with Section 10610, et seq. of the California Water Code, supplemented by any additional information that may be required by the Board.

All cost-effective measures identified in the Urban Water Management Plan and any supplements thereto shall be implemented in accordance with the schedule for implementation found therein. (000029A)

14. The total quantity of water diverted under this permit, together with that diverted under the permits issued pursuant to Applications 24239 and 24245, shall not exceed 1,142.5 acre-feet per year. (0000114)

15. For the protection of fish and wildlife habitat and other public trust resources in Chorro Creek and Morro Bay, beginning when deliveries are available from the State Water Project Permittee shall:

- a. Cease all diversions from Well 11A (Romero well field), or from any wells constructed or operated as replacement wells for Well 11A, whenever surface flow measured in Chorro Creek downstream of the reach depleted by extractions of ground water from Well 11A, or other wells as described above, is less than 1.4 cubic feet per second; and
- b. Cease all diversions from Wells 9, 9A, 10, 10A, 12, and 16 (Ashurst well field), or from any wells constructed or operated as replacement wells for the Ashurst well field, whenever surface flow measured in Chorro Creek downstream of the Ashurst well field is less than 1.4 cubic feet per second. (0350900)

16. Permittee may, at its option, seek a waiver of term 15b by conducting a study and providing the Chief, Division of Water Rights, with quantitative evidence that ground water extraction from the Ashurst well field does not deplete surface flow in Chorro Creek. The evidence shall be provided in a report which also specifies the reach of the creek and portion of the alluvial aquifer studied and a description and justification of the methodology used to measure stream depletion. The State Water Resources Control Board reserves jurisdiction over this permit to determine whether to waive term 15b. Any action to waive term 15b shall be taken only after notice to interested parties and opportunity for hearing. (0000999)

17. No later than January 1, 1997, Permittee shall install devices which are capable of continuous measurements of surface flow in Chorro Creek to document compliance with the minimum surface flow conditions of this Permit. One measuring device shall be installed in Chorro Creek downstream of the Romero well field at a location sufficient to detect the full depletion effects of Permittee's diversions from the Romero well field, but upstream of the depletion effects caused by nearby pumpers on surface flow in Chorro Creek. Another measuring device shall be installed in the Chorro Creek downstream of the Ashurst well field at a location sufficient to detect the full depletion effects of Permittee's diversions from the Ashurst well field, but upstream of the depletion effects caused by nearby pumpers on surface flows in Chorro Creek. In the case of overlapping pumping effects between the City and a nearby pumper, a compromise location shall be selected. These measuring devices shall be continuously operated and properly maintained by Permittee. In the event that either of these devices is rendered inoperable due to relocation of the Chorro Creek stream channel, Permittee shall move the measuring device to a suitable location in the new stream channel within 60 days after surface flows are rediverted into the new stream channel. The measuring devices and their locations shall be approved by the Chief of the Division of Water Rights. A description and justification of the measuring devices and their locations shall be submitted for approval no later than July 1, 1996. (0060900)
(0490700)

18. By March 1 of each year, Permittee shall submit a report to the Chief, Division of Water Rights, documenting compliance with the minimum surface flow conditions of this Permit. The report shall contain:

- a. A list of dates and times during the previous calendar year when water was pumped at each of Permittee's points of diversion under this Permit; and
- b. For each of the dates and times listed in paragraph a. (above) the corresponding minimum surface flows measured in Chorro Creek at each of the surface flow measuring devices. (0060700)
(0090700)

19. Permittee shall cease all diversions from the Romero well field, or from any wells constructed or operated as replacements for wells in the Romero well field, whenever instantaneous surface flow in Chorro Creek measured at the Canet Road stream gage is less than 0.85 cubic foot per second. This term shall be in effect until deliveries are available from the State Water Project. (0350900)

20. At such time as permittee is diverting water authorized under this permit and the water level in one or more of the wells operated on the Coastal San Luis Resource Conservation District property, the Roemer/Jones property, the Gary and Joyce Williams property, or their successors in interest, for valid riparian and/or pre-1914 appropriative uses of water from the Chorro Creek subterranean stream, reaches a depth which renders the well or wells unusable, permittee shall either:

- a. Stop its diversion until conditions are such that the well or wells is/are again usable, or
- b. Deliver water to the riparian/pre-1914 appropriative place of use served by the well or wells.

The riparian/pre-1914 appropriative diverter shall bear the estimated costs which would have been incurred to pump water from the affected well or wells. In the absence of an agreement between the permittee and the other parties relative to pumping costs, the costs shall be based on an average amount per acre-foot for pumping water from the affected well or wells during the month in question over the prior three years. Permittee shall pay the cost of installing and maintaining any water conveyance facilities needed to deliver water to the riparian/pre-1914 appropriative place of use.

The State Water Resources Control Board reserves jurisdiction to modify this permit term based on findings that the methods of diversion and/or uses of water of the riparian and pre-1914 appropriative diverters identified in this term are wasteful or unreasonable pursuant to Article X, Section 2 of the California Constitution. Any modification of this term will occur only after notice to interested parties and opportunity for hearing.

(0000600)
(0350900)
(0280800)

This permit is issued and permittee takes it subject to the following provisions of the Water Code:

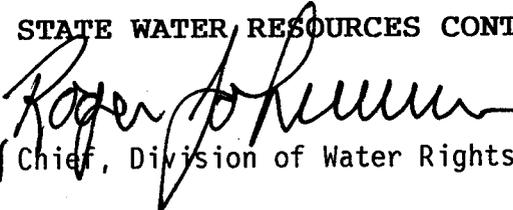
Section 1390. A permit shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code), but no longer.

Section 1391. Every permit shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article and the statement that any appropriator of water to whom a permit is issued takes it subject to the conditions therein expressed.

Section 1392. Every permittee, if he accepts a permit, does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefor shall at any time be assigned to or claimed for any permit granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code), in respect to the regulation by any competent public authority of the services or the price of the services to be rendered by any permittee or by the holder of any rights granted or acquired under the provisions of this division (of the Water Code) or in respect to any valuation for purposes of sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State, of the rights and property of any permittee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

Dated: August 21, 1996

STATE WATER RESOURCES CONTROL BOARD


Chief, Division of Water Rights

STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

PERMIT FOR DIVERSION AND USE OF WATER

PERMIT 20867

Application 24245 of City of Morro Bay

595 Harbor Street, Morro Bay, CA 93442

filed on November 22, 1972, has been approved by the State Water Resources Control Board
SUBJECT TO PRIOR RIGHTS and to the limitations and conditions of this permit.

Permittee is hereby authorized to divert and use water as follows:

1. Source:	Tributary to:
<u>Chorro Creek Subterranean Stream</u>	<u>Morro Bay thence</u>
	<u>Pacific Ocean</u>

2. Location of point of diversion:	40-acre subdivision of public land survey or projection thereof	Section *	Township	Range	Base and Meridian
By California Coordinate System, Zone 5					
Well No. 9 - North 688,080 feet and East 1,161,780 feet	NE $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD
Well No. 9A - North 688,410 feet and East 1,161,790 feet	NE $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD
Well No. 10 - North 688,160 feet and East 1,161,780 feet	NE $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD
Well No. 10A - North 688,450 feet and East 1,161,280 feet	NW $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD
Well No. 11A - North 685,779 feet and East 1,168,095 feet	NW $\frac{1}{4}$ of NW $\frac{1}{4}$	3	30S	11E	MD
Well No. 12 - North 687,900 feet and East 1,162,020 feet	NE $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD
Well No. 16 - North 688,400 feet and East 1,161,900 feet	NE $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD

County of San Luis Obispo

* projected fractional

3. Purpose of use:	4. Place of use:	Section	Township	Range	Base and Meridian	Acres
Municipal	Within the boundaries of the City of Morro Bay's service area					

The place of use is shown on map on file with the State Water Resources Control Board.

- 5. The water appropriated shall be limited to the quantity which can be beneficially used and shall not exceed 2.02 cubic feet per second to be diverted from January 1 to December 31 of each year. The maximum amount diverted under this permit shall not exceed 535 acre-feet per year. (0000005)
- 6. The amount authorized for appropriation may be reduced in the license if investigation warrants. (0000006)
- 7. Complete application of the water to the authorized use shall be made by December 31, 2001. (0000009)
- 8. Progress reports shall be submitted promptly by permittee when requested by the State Water Resources Control Board until a license is issued. (0000010)
- 9. Permittee shall allow representatives of the State Water Resources Control Board and other parties, as may be authorized from time to time by said Board, reasonable access to project works to determine compliance with the terms of this permit. (0000011)
- 10. Pursuant to California Water Code Sections 100 and 275, and the common law public trust doctrine, all rights and privileges under this permit and under any license issued pursuant thereto, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of the State Water Resources Control Board in accordance with law and in the interest of the public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use or unreasonable method of diversion of said water.

The continuing authority of the Board may be exercised by imposing specific requirements over and above those contained in this permit with a view to eliminating waste of water and to meeting the reasonable water requirements of permittee without unreasonable draft on the source. Permittee may be required to implement a water conservation plan, features of which may include but not necessarily be limited to (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this permit and to determine accurately water use as against reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the Board also may be exercised by imposing further limitations on the diversion and use of water by the permittee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution Article X, Section 2; is consistent with the public interest; and is necessary to preserve or restore the uses protected by the public trust. (0000012)

11. The quantity of water diverted under this permit and under any license issued pursuant thereto is subject to modification by the State Water Resources Control Board if, after notice to the permittee and an opportunity for hearing, the Board finds that such modification is necessary to meet water quality objectives in water quality control plans which have been or hereafter may be established or modified pursuant to Division 7 of the Water Code. No action will be taken pursuant to this paragraph unless the Board finds that (1) adequate waste discharge requirements have been prescribed and are in effect with respect to all waste discharges which have any substantial effect upon water quality in the area involved, and (2) the water quality objectives cannot be achieved solely through the control of waste discharges. (0000013)

12. The equivalent of the authorized continuous flow allowance for any 30-day period may be diverted in a shorter time, provided there is no interference with other rights and instream beneficial uses, and provided further that all terms and conditions protecting instream beneficial uses are observed. (0000027)

13. Permittee shall consult with the Division of Water Rights and, within one year from the date of this permit, shall submit to the State Water Resources Control Board its Urban Water Management Plan as prepared and adopted in conformance with Section 10610, et seq. of the California Water Code, supplemented by any additional information that may be required by the Board.

All cost-effective measures identified in the Urban Water Management Plan and any supplements thereto shall be implemented in accordance with the schedule for implementation found therein. (000029A)

14. The total quantity of water diverted under this permit, together with that diverted under the permits issued pursuant to Applications 24239 and 27386, shall not exceed 1,142.5 acre-feet per year. (0000114)
15. For the protection of fish and wildlife habitat and other public trust resources in Chorro Creek and Morro Bay, beginning when deliveries are available from the State Water Project Permittee shall:
- a. Cease all diversions from Well 11A (Romero well field), or from any wells constructed or operated as replacement wells for Well 11A, whenever surface flow measured in Chorro Creek downstream of the reach depleted by extractions of ground water from Well 11A, or other wells as described above, is less than 1.4 cubic feet per second; and
 - b. Cease all diversions from Wells 9, 9A, 10, 10A, 12, and 16 (Ashurst well field), or from any wells constructed or operated as replacement wells for the Ashurst well field, whenever surface flow measured in Chorro Creek downstream of the Ashurst well field is less than 1.4 cubic feet per second. (0350900)
16. Permittee may, at its option, seek a waiver of term 15b by conducting a study and providing the Chief, Division of Water Rights, with quantitative evidence that ground water extraction from the Ashurst well field does not deplete surface flow in Chorro Creek. The evidence shall be provided in a report which also specifies the reach of the creek and portion of the alluvial aquifer studied and a description and justification of the methodology used to measure stream depletion. The State Water Resources Control Board reserves jurisdiction over this permit to determine whether to waive term 15b. Any action to waive term 15b shall be taken only after notice to interested parties and opportunity for hearing. (0000999)
17. No later than January 1, 1997, Permittee shall install devices which are capable of continuous measurements of surface flow in Chorro Creek to document compliance with the minimum surface flow conditions of this Permit. One measuring device shall be installed in Chorro Creek downstream of the Romero well field at a location sufficient to detect the full depletion effects of Permittee's diversions from the Romero well field, but upstream of the depletion effects caused by nearby pumpers on surface flow in Chorro Creek. Another measuring device shall be installed in Chorro Creek downstream of the Ashurst well field at a location sufficient to detect the full depletion effects of Permittee's diversions from the Ashurst well field, but upstream of the depletion effects caused by nearby pumpers on surface flows in Chorro Creek. In the case of overlapping pumping effects between the City and a nearby pumper, a compromise location shall be selected. These measuring devices shall be continuously operated and properly maintained by Permittee. In the event that either of these devices is rendered inoperable due to relocation of the Chorro Creek stream channel, Permittee shall move the measuring device to a suitable location in the new stream channel within 60 days after surface flows are rediverted into the new stream channel. The measuring devices and their locations shall be approved by the Chief of the Division of Water Rights. A description and justification of the measuring devices and their locations shall be submitted for approval no later than July 1, 1996. (0060900)
(0490700)

18. By March 1 of each year, Permittee shall submit a report to the Chief, Division of Water Rights, documenting compliance with the minimum surface flow conditions of this Permit. The report shall contain:

- a. A list of dates and times during the previous calendar year when water was pumped at each of Permittee's points of diversion under this Permit; and
- b. For each of the dates and times listed in paragraph a. (above) the corresponding minimum surface flows measured in Chorro Creek at each of the surface flow measuring devices. (0060700)
(0090700)

19. Permittee shall cease all diversions from the Romero well field, or from any wells constructed or operated as replacements for wells in the Romero well field, whenever instantaneous surface flow in Chorro Creek measured at the Canet Road stream gage is less than 0.85 cubic foot per second. This term shall be in effect until deliveries are available from the State Water Project. (0350900)

20. At such time as permittee is diverting water authorized under this permit and the water level in one or more of the wells operated on the Coastal San Luis Resource Conservation District property, the Roemer/Jones property, the Gary and Joyce Williams property, or their successors in interest, for valid riparian and/or pre-1914 appropriative uses of water from the Chorro Creek subterranean stream, reaches a depth which renders the well or wells unusable, permittee shall either:

- a. Stop its diversion until conditions are such that the well or wells is/are again usable, or
- b. Deliver water to the riparian/pre-1914 appropriative place of use served by the well or wells.

The riparian/pre-1914 appropriative diverter shall bear the estimated costs which would have been incurred to pump water from the affected well or wells. In the absence of an agreement between the permittee and the other parties relative to pumping costs, the costs shall be based on an average amount per acre-foot for pumping water from the affected well or wells during the month in question over the prior three years. Permittee shall pay the cost of installing and maintaining any water conveyance facilities needed to deliver water to the riparian/pre-1914 appropriative place of use.

The State Water Resources Control Board reserves jurisdiction to modify this permit term based on findings that the methods of diversion and/or uses of water of the riparian and pre-1914 appropriative diverters identified in this term are wasteful or unreasonable pursuant to Article X, Section 2 of the California Constitution. Any modification of this term will occur only after notice to interested parties and opportunity for hearing.

(0000600)
(0350900)
(0280800)

This permit is issued and permittee takes it subject to the following provisions of the Water Code:

Section 1390. A permit shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code), but no longer.

Section 1391. Every permit shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article and the statement that any appropriator of water to whom a permit is issued takes it subject to the conditions therein expressed.

Section 1392. Every permittee, if he accepts a permit, does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefor shall at any time be assigned to or claimed for any permit granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code), in respect to the regulation by any competent public authority of the services or the price of the services to be rendered by any permittee or by the holder of any rights granted or acquired under the provisions of this division (of the Water Code) or in respect to any valuation for purposes of sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State, of the rights and property of any permittee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

Dated: August 21, 1996

STATE WATER RESOURCES CONTROL BOARD

Roger Johnson
701 Chief, Division of Water Rights

STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

PERMIT FOR DIVERSION AND USE OF WATER

PERMIT 20866

Application 24239 of City of Morro Bay

595 Harbor Street, Morro Bay, CA 93442

filed on November 3, 1972, has been approved by the State Water Resources Control Board
SUBJECT TO PRIOR RIGHTS and to the limitations and conditions of this permit.

Permittee is hereby authorized to divert and use water as follows:

1. Source: Chorro Creek Subterranean Stream Tributary to: Morro Bay thence
Pacific Ocean

2. Location of point of diversion:	40-acre subdivision of public land survey or projection thereof	Section *	Township	Range	Base and Meridian
By California Coordinate System, Zone 5					
Well No. 9 - North 688,080 feet and East 1,161,780 feet	NE $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD
Well No. 9A - North 688,410 feet and East 1,161,790 feet	NE $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD
Well No. 10 - North 688,160 feet and East 1,161,780 feet	NE $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD
Well No. 10A - North 688,450 feet and East 1,161,280 feet	NW $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD
Well No. 11A - North 685,779 feet and East 1,168,095 feet	NW $\frac{1}{4}$ of NW $\frac{1}{4}$	3	30S	11E	MD
Well No. 12 - North 687,900 feet and East 1,162,020 feet	NE $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD
Well No. 16 - North 688,400 feet and East 1,161,900 feet	NE $\frac{1}{4}$ of SE $\frac{1}{4}$	32	29S	11E	MD

County of San Luis Obispo

* projected fractional

3. Purpose of use:	4. Place of use:	Section	Township	Range	Base and Meridian	Acres
Municipal	Within the boundaries of the City of Morro Bay's service area					

The place of use is shown on map on file with the State Water Resources Control Board.

5. The water appropriated shall be limited to the quantity which can be beneficially used and shall not exceed 0.851 cubic foot per second to be diverted from January 1 to December 31 of each year. The maximum amount diverted under this permit shall not exceed 390 acre-feet per year. (000005)

6. The amount authorized for appropriation may be reduced in the license if investigation warrants. (000006)

7. Complete application of the water to the authorized use shall be made by December 31, 2001. (000009)

8. Progress reports shall be submitted promptly by permittee when requested by the State Water Resources Control Board until a license is issued. (000010)

9. Permittee shall allow representatives of the State Water Resources Control Board and other parties, as may be authorized from time to time by said Board, reasonable access to project works to determine compliance with the terms of this permit. (000011)

10. Pursuant to California Water Code Sections 100 and 275, and the common law public trust doctrine, all rights and privileges under this permit and under any license issued pursuant thereto, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of the State Water Resources Control Board in accordance with law and in the interest of the public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use or unreasonable method of diversion of said water.

The continuing authority of the Board may be exercised by imposing specific requirements over and above those contained in this permit with a view to eliminating waste of water and to meeting the reasonable water requirements of permittee without unreasonable draft on the source. Permittee may be required to implement a water conservation plan, features of which may include but not necessarily be limited to (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this permit and to determine accurately water use as against reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the Board also may be exercised by imposing further limitations on the diversion and use of water by the permittee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution Article X, Section 2; is consistent with the public interest; and is necessary to preserve or restore the uses protected by the public trust. (000012)

11. The quantity of water diverted under this permit and under any license issued pursuant thereto is subject to modification by the State Water Resources Control Board if, after notice to the permittee and an opportunity for hearing, the Board finds that such modification is necessary to meet water quality objectives in water quality control plans which have been or hereafter may be established or modified pursuant to Division 7 of the Water Code. No action will be taken pursuant to this paragraph unless the Board finds that (1) adequate waste discharge requirements have been prescribed and are in effect with respect to all waste discharges which have any substantial effect upon water quality in the area involved, and (2) the water quality objectives cannot be achieved solely through the control of waste discharges. (000013)

12. The equivalent of the authorized continuous flow allowance for any 30-day period may be diverted in a shorter time, provided there is no interference with other rights and instream beneficial uses, and provided further that all terms and conditions protecting instream beneficial uses are observed. (000027)

13. Permittee shall consult with the Division of Water Rights and, within one year from the date of this permit, shall submit to the State Water Resources Control Board its Urban Water Management Plan as prepared and adopted in conformance with Section 10610, et seq. of the California Water Code, supplemented by any additional information that may be required by the Board.

All cost-effective measures identified in the Urban Water Management Plan and any supplements thereto shall be implemented in accordance with the schedule for implementation found therein. (000029A)

14. The total quantity of water diverted under this permit, together with that diverted under the permits issued pursuant to Applications 24245 and 27386, shall not exceed 1,142.5 acre-feet per year. (0000114)

15. For the protection of fish and wildlife habitat and other public trust resources in Chorro Creek and Morro Bay, beginning when deliveries are available from the State Water Project Permittee shall:

- a. Cease all diversions from Well 11A (Romero well field), or from any wells constructed or operated as replacement wells for Well 11A, whenever surface flow measured in Chorro Creek downstream of the reach depleted by extractions of ground water from Well 11A, or other wells as described above, is less than 1.4 cubic feet per second; and
- b. Cease all diversions from Wells 9, 9A, 10, 10A, 12, and 16 (Ashurst well field), or from any wells constructed or operated as replacement wells for the Ashurst well field, whenever surface flow measured in Chorro Creek downstream of the Ashurst well field is less than 1.4 cubic feet per second. (0350900)

16. Permittee may, at its option, seek a waiver of term 15b by conducting a study and providing the Chief, Division of Water Rights, with quantitative evidence that ground water extraction from the Ashurst well field does not deplete surface flow in Chorro Creek. The evidence shall be provided in a report which also specifies the reach of the creek and portion of the alluvial aquifer studied and a description and justification of the methodology used to measure stream depletion. The State Water Resources Control Board reserves jurisdiction over this permit to determine whether to waive term 15b. Any action to waive term 15b shall be taken only after notice to interested parties and opportunity for hearing. (0000999)

17. No later than January 1, 1997, Permittee shall install devices which are capable of continuous measurements of surface flow in Chorro Creek to document compliance with the minimum surface flow conditions of this Permit. One measuring device shall be installed in Chorro Creek downstream of the Romero well field at a location sufficient to detect the full depletion effects of Permittee's diversions from the Romero well field, but upstream of the depletion effects caused by nearby pumpers on surface flow in Chorro Creek. Another measuring device shall be installed in Chorro Creek downstream of the Ashurst well field at a location sufficient to detect the full depletion effects of Permittee's diversions from the Ashurst well field, but upstream of the depletion effects caused by nearby pumpers on surface flows in Chorro Creek. In the case of overlapping pumping effects between the City and a nearby pumper, a ~~compromise~~ location shall be selected. These measuring devices shall be continuously operated and properly maintained by Permittee. In the event that either of these devices is rendered inoperable due to relocation of the Chorro Creek stream channel, Permittee shall move the measuring device to a suitable location in the new stream channel within 60 days after surface flows are rediverted into the new stream channel. The measuring devices and their locations shall be approved by the Chief of the Division of Water Rights. A description and justification of the measuring devices and their locations shall be submitted for approval no later than July 1, 1996. (0060900)

(0490700)

18. By March 1 of each year, Permittee shall submit a report to the Chief, Division of Water Rights, documenting compliance with the minimum surface flow conditions of this Permit. The report shall contain:

- a. A list of dates and times during the previous calendar year when water was pumped at each of Permittee's points of diversion under this Permit; and
- b. For each of the dates and times listed in paragraph a. (above) the corresponding minimum surface flows measured in Chorro Creek at each of the surface flow measuring devices. (0060700)
(0090700)

19. Permittee shall cease all diversions from the Romero well field, or from any wells constructed or operated as replacements for wells in the Romero well field, whenever instantaneous surface flow in Chorro Creek measured at the Canet Road stream gage is less than 0.85 cubic foot per second. This term shall be in effect until deliveries are available from the State Water Project. (0350900)

20. At such time as permittee is diverting water authorized under this permit and the water level in one or more of the wells operated on the Coastal San Luis Resource Conservation District property, the Roemer/Jones property, the Gary and Joyce Williams property, or their successors in interest, for valid riparian and/or pre-1914 appropriative uses of water from the Chorro Creek subterranean stream, reaches a depth which renders the well or wells unusable, permittee shall either:

- a. Stop its diversion until conditions are such that the well or wells is/are again usable, or
- b. Deliver water to the riparian/pre-1914 appropriative place of use served by the well or wells.

The riparian/pre-1914 appropriative diverter shall bear the estimated costs which would have been incurred to pump water from the affected well or wells. In the absence of an agreement between the permittee and the other parties relative to pumping costs, the costs shall be based on an average amount per acre-foot for pumping water from the affected well or wells during the month in question over the prior three years. Permittee shall pay the cost of installing and maintaining any water conveyance facilities needed to deliver water to the riparian/pre-1914 appropriative place of use.

The State Water Resources Control Board reserves jurisdiction to modify this permit term based on findings that the methods of diversion and/or uses of water of the riparian and pre-1914 appropriative diverters identified in this term are wasteful or unreasonable pursuant to Article X, Section 2 of the California Constitution. Any modification of this term will occur only after notice to interested parties and opportunity for hearing.

(0000600)
(0350900)
(0280800)

This permit is issued and permittee takes it subject to the following provisions of the Water Code:

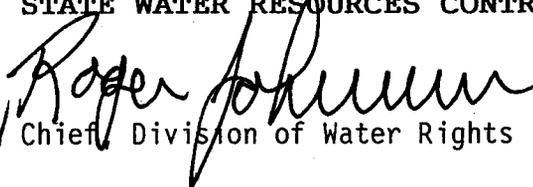
Section 1390. A permit shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code), but no longer.

Section 1391. Every permit shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article and the statement that any appropriator of water to whom a permit is issued takes it subject to the conditions therein expressed.

Section 1392. Every permittee, if he accepts a permit, does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefor shall at any time be assigned to or claimed for any permit granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code), in respect to the regulation by any competent public authority of the services or the price of the services to be rendered by any permittee or by the holder of any rights granted or acquired under the provisions of this division (of the Water Code) or in respect to any valuation for purposes of sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State, of the rights and property of any permittee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

Dated: August 21, 1996

STATE WATER RESOURCES CONTROL BOARD


Chief, Division of Water Rights

Moratorium Process

The City Council holds a noticed public hearing, and may, by four-fifths vote, adopt an urgency ordinance implementing a 45-day moratorium. During the initial 45-day period the Council may hold a second noticed public hearing and, again with a four-fifths vote, can extend the moratorium for a period 22-months and 15-days.

As part of the meeting to consider the extension, Council must also review and approve a written report detailing the measures taken to alleviate the condition which led to the adoption of the first moratorium ordinance. The second extension (22-months and 15-days) is scheduled for review by Council on July 12, 2016.

Ten days prior to the expiration of the second extension to that moratorium ordinance the Council is required to adopt a written report describing the measures taken to alleviate the condition which led to the adoption of the ordinance. That review would likely take place on May 22, 2018.

CONCLUSION/RECOMMENDATION

On May 24, 2016, the Council directed staff to draft a vacation rental moratorium, capping the number of registered vacation rentals at 250 and further directing staff to develop a more comprehensive vacation rental ordinance as part of the General Plan/Local Coastal Program update process. To that end, staff has prepared Ordinance No. 604, included with this staff report, which implements moratorium on vacation rentals of more than 250 for a period of 45-days, with the ability to further extend the timeframe for an additional 22-months and 15-days. Staff recommends adoption of Ordinance No. 604.

ORDINANCE NO. 604

**AN URGENCY ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
APPROVING A CITYWIDE 45-MORATORIUM ON THE ISSUANCE OF ANY NEW
PERMIT, LICENSE, APPROVAL, OR ENTITLEMENT PERTAINING TO A
VACATION RENTAL WITHIN THE CITY OF MORRO BAY AND DECLARING THE
URGENCY THEREOF AND THAT IT SHALL TAKE EFFECT IMMEDIATELY**

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

**THE CITY COUNCIL OF THE CITY OF MORRO BAY DOES HEREBY
ORDAIN AS FOLLOWS:**

SECTION 1. The City Council makes the following findings:

- A. The City of Morro Bay (the “City”) has adopted a General Plan, including strategies to invigorate the City’s prosperous community as well as its well-planned and designed community.
- B. Protection of public health, safety and welfare is fully articulated in the General Plan.
- C. State law requires the City’s zoning laws, found in Title 17 of the Morro Bay Municipal Code (“MBMC”), conform with the General Plan’s goals and policies.
- D. The City currently has a process for permitting vacation rentals, as defined in MBMC Section 5.47.030, but without any specific regulations as to number, location or other similar use requirements.
- E. The City currently has issued 174 permits for the operation of vacation rentals within the City, and estimates it may have as many as 100 more vacation rentals being operated within the City without required permits.
- F. The communities around the City have enacted stringent regulations applicable to vacation rentals within those communities and other coastal communities within the State have done the same to better protect the public health, safety and welfare issues that can result from vacation rentals.
- G. The City is currently processing a complete update to its General Plan and Zoning Code, which process could include the regulation of vacation rentals but will be a 14-18-month process.
- H. The public has recently again raised concerns about the negative impact vacation rentals can have on quality of life, access to permanent housing, single-family neighborhoods, which were also part of the reasons other communities adopted more stringent regulations regarding vacation rentals.

- I. The City Council finds the continued operation of vacation rentals without specific regulations regarding number, location and similar issues can change the character of a neighborhood, cause blight and impact quality of life and potentially property values, as well as compromising the public trust in its local government to ensure the public health, welfare and safety are protected.
- J. The City Council finds the MBMC's current provisions regarding vacation rentals must be fully reviewed to ensure the public health, welfare and safety of all persons are properly protected regarding the operation of vacation rental.
- K. The City Council also finds including that review as part of the currently ongoing update to the City's General Plan and Zoning Code is the most cost effective and comprehensive method to be sure all interests regarding vacation rentals are considered and served.
- L. Based on the foregoing, it is urgent the City prohibit the proliferation of vacation rentals while it undertakes a review of its current vacation rental regulations in order to determine whether additional regulations are needed to ensure the public health, safety, and welfare remain protected.

SECTION 2. The City Council orders as follows:

- A. The findings and determinations in Section 1 are true and correct.
- B. Based on the foregoing, the City Council finds and declares there is a current and immediate threat to the public health, safety or welfare and upon that basis has determined an urgency ordinance pursuant to Government Code Section 65858 is warranted and shall take effect immediately upon adoption by a four-fifths vote of the City Council.
- C. For a period of 45 days after the date of June 14, 2016, no permits, licenses, approvals, or entitlements may be issued or applications accepted for the operation of more than 250 vacation rentals within the jurisdiction of the City.
- D. For the purpose of this ordinance, vacation rentals shall have the same meaning as in Section 5.47.030 of the MBMC.
- E. City staff is directed, as part of the City's current General Plan and Zoning Code update, to study appropriate modifications to the City's vacation rental rules, regulations and law to reduce and mitigate negative secondary effects created by the number, location, and other impacts vacation rentals can causes. Pending the completion of such studies and the adoption of an ordinance to establish appropriate operational and zoning regulations and for the immediate preservation of the public health, safety, and welfare, it is necessary for this ordinance to take effect immediately. In the absence of immediate effectiveness, vacation rental uses in the City may be in conflict with regulations or requirements established with respect thereto.

- F. This ordinance shall not preclude the operation of no more than 250 lawfully operating vacation rentals; provided, that this ordinance does not permit any person to own, operate or maintain any vacation rental within the City without fully and continually complying with all the requirements of Chapter 5.47 of the MBMC and all other provisions of the MBMC.
- G. This ordinance does not create or grant any vested rights to any person for the continued operation of any vacation rental (i) during the time this ordinance is effective or its effectiveness may be extended, as permitted by law, or (ii) that is not, at all times, in full compliance with any new regulations that may be adopted regarding vacation rentals as part of the process described herein.

SECTION 3. In order to protect the public health, safety and welfare it is necessary to enact this Ordinance as an urgency measure to go into effect immediately upon its adoption, and that to enact this Ordinance after giving notice, holding public hearings and two readings thereof, and thereafter to await thirty days for said Ordinance to become effective, will be detrimental to the public health, safety and welfare, in that during the interim period further vacation rentals may be established without the benefit of proper criteria and regulations. It is, therefore, necessary for this Ordinance to go into effect immediately upon adoption.

SECTION 4. The City Council finds this ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly; rather it prevents changes in the environment pending the completion of the contemplated municipal code review.

SECTION 6. This ordinance is an urgency ordinance enacted under California Government Code Section 65858(a). This urgency ordinance is effective June 14, 2016 and will extend for a period of 45 days after that date, at which time it will automatically expire unless extended by the City Council accordance with California Government Code Section 65858.

SECTION 7. The City Clerk, or her duly appointed deputy, shall certify to the adoption of this Ordinance and shall cause this Ordinance to be posted as required by law.

THIS URGENCY ORDINANCE NO. 604 WAS DULY PASSED, APPROVED, AND ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, HELD ON June 14, 2016, by motion of _____, seconded by _____, by the following vote:

AYES:

NOES:

ABSENT:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

APPROVED AS TO FORM:

JOSEPH W. PANNONE, City Attorney



City of Morro Bay

City Hall
595 Harbor Street
Morro Bay, CA 93442
805-772-6201

MEMORANDUM

To: Honorable Mayor and City Council
From: Dave Buckingham
Date: June 14, 2016
Subject: Addendum to Agenda Item C-1 – Adopt Resolution No. 47-16 Approving the Fiscal Year 2016/17 Budget

Meeting Date: June 14, 2016

This addendum provides additional information on the WRF Capital Project Budget and is provided based on a number of comments and questions received from the community.

The budget submitted for adoption on June 14th contains an updated “Schedule of Wastewater Treatment Capital Project” that is attached to this memo. This schedule supersedes the schedule in the budget staff report released on June 8th.

In general, note that the 2015/16 Amended Budget and 2016/17 Adopted Budget are budgets for each fiscal year, not actuals. If some work is budgeted in FY 15/16, but not all work is performed in that FY, the costs may roll over to FY 2016/17. The 2016/17 budget includes any rollover. For example, the Program Management line item shows a 2015/16 Amended Budget of \$920,808. Not all that budget was spent in 2015/16, due to delays, and the contract is not tied to the end of the FY. We budgeted a total of \$900,000 for FY 16/17, which includes rollover from this FY.

The Prior Years Actual represents the total amount spent prior to June 30, 2015 for that particular service or contract.

Following are some specific notes pertaining to the WRF Schedule:

- Acronyms in the Planning/CEQA/Permitting budget represent:
 - o JFR - John F. Rickenbach Consulting - Siting Options study and project management support prior to contract with PM team (MKN with subconsultants)
 - o LWA - Larry Walker & Associates, Inc. - Salinity identification and control plan
 - o KMA - Kevin Merk & Associates, Inc. - Biological studies of Righetti, Madonna, and Tri-W sites
 - o ESA - Environmental Science Associates - CEQA/NEPA document and permitting support

- Regarding the Prior Years Actual and 2015/2016 Amended Budget columns, the 2015/2016 Amended Budget represents the budgeted amount for that particular service or contract. Prior Years Actual represents the amount spent on that service through June 30, 2015 if it was a multi-year effort or contract.
- The \$200,000 budgeted for staff support in FY 16/17 includes staff support, contract legal support from the City water rights attorney, laboratory sampling and analysis, and other costs. These are reported separately in "Prior Years Actual" but we have included them as one line item for the FY 15/16 and 16/17 budgets.
- The SRF loan program requires payback begin one year after completion of the project. No interest payments begin until the project is completed (2021). Therefore, no interest charges are included in the next FY.
- The Prior Year's Actual have been updated on the attached schedule.
- The FY 15/16 Amended Budget has been updated with consultant contract information presented at the last WRFAC meeting. The August WRFAC and City Council budget reports will include a "year end" summary of expenditures in FY 15/16 (through June 30, 2016) and comparison to the Amended Budget for FY 15/16. All invoices have not yet been received through the end of this FY, but total expenditures will be significantly lower than the total budget for this FY due to delays in site selection. A significant amount of the FY 16/17 budget will carry over from FY 15/16.
- At the time the budget was developed, the Facility Master Plan scope amendment had not been developed. The updated FY 16/17 budget includes that information, minus the expenditures for the future FY.

**CITY OF MORRO BAY
SCHEDULE OF WASTEWATER TREATMENT CAPITAL PROJECT**

WATER RECLAMATION FACILITY (WRF)

	Prior Years Actual	2015/16 Amended Budget	2016/17 Budget	Comments/Descriptions
Beginning cash balance	\$ -	\$ (677,324)	\$ (3,153,424)	
Revenues from:				
State grants:				
RWQCB Supplemental Env Project award	-	87,361	-	
Recycled Water Planning Grant	-	-	75,000	
SRF Planning Loan	-	-	10,375,000	
Total revenues	<u>-</u>	<u>87,361</u>	<u>10,450,000</u>	
Expenditures:				
Program Management	-	(920,808)	(900,000)	
Staff Support	(142,885)	(150,000)	(200,000)	Staff support budget includes outside counsel, sampling, analysis, staff time, reproduction, and other City support
Supplies	(3,788)	-	-	
Central coast AgAppraisal - righetti	(5,500)	-	-	
ASAP - printing	(655)	-	-	
Outside counsel	(7,880)	-	-	
Abalone Coast Analytical	(1,728)	-	-	
Kestrel (Grant Spt)	(8,380)	(65,752)	(32,000)	
Procure Software	-	(42,204)	(42,204)	Program management software - annual fee
Preliminary Engineering:				
Carollo	(87,361)	-	-	CMC Evaluation and cost opinion
Facility Master Plan	-	(710,123)	(205,018)	Black & Veatch contract - FY 16/17 budget includes scope amendment
Cleath-Harris	(18,348)	-	-	Water supply benefit study of Chorro and Morro Valley for Site Options Report and CMC Evaluation
GSI Water	-	(22,000)	(165,000)	Groundwater recharge evaluation and alternatives
Yeh and Associates	-	(35,902)	(53,902)	Geotechnical constraints study for Madonna and South Bay Blvd sites
Fugro	(7,093)	(86,400)	-	Geotechnical constraints of MacElvaine property and initial hydrogeologic evaluation of Morro Valley
J.Head Surveying	-	(60,694)	(60,000)	Topographic survey and base mapping for sites and pipeline alignments
Bridging/ Procurement Docs	-	-	(300,000)	Bid documents for procuring design/construction team for Phase I WRF
Planning/CEQA/Permitting:				
JFR	(352,229)	-	-	John F. Rickenbach Consulting - Site options report and project management support prior to procuring PM team
LWA	(35,991)	(60,720)	(45,000)	Larry Walker Associates - Salinity identification and control plan
KMA	(3,245)	(12,835)	-	Kevin Merk Associates - Biological studies at potential sites
Far Western Archeo	(2,241)	(12,000)	(6,000)	Archeological studies at MacElvaine and along pipeline alignment
Far Western Archeo - Righetti	-	(6,485)	(6,485)	Archeological studies at Righetti property
ESA	-	(346,538)	(338,000)	Environmental Science Associates - CEQA/NEPA services including EIR
Property Acquisition	-	-	(2,400,000)	
Righetti Option and Appraisal	-	(31,000)	-	
Tri-W Option	-	-	(25,000)	
Lift Station & Force Main Design (60%)	-	-	(1,100,000)	
Total expenditures	<u>(677,324)</u>	<u>(2,563,461)</u>	<u>(5,878,609)</u>	
Revenues over (under) expenditures	<u>(677,324)</u>	<u>(2,476,100)</u>	<u>4,571,391</u>	
Ending cash balance	<u>\$ (677,324)</u>	<u>\$ (3,153,424)</u>	<u>\$ 1,417,967</u>	

Note: All consultant budgets (including PM) include carryover from FY 16/17



AGENDA NO: C-1

MEETING DATE: June 14, 2016

Staff Report

TO: Mayor and City Council

DATE: June 8, 2016

FROM: Susan Slayton, Administrative Services Director

SUBJECT: Adopt Resolution No. 47-16 Adopting the Fiscal Year 2016/17 Operating and Capital Budgets

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 47-16, authorizing the Fiscal Year 2016/17 budget documents, including any amendments approved by the City Council, prior to adoption of that Resolution.

FISCAL IMPACT

The City Council will adopt a balanced budget for [Fiscal Year 2016/17](#), which is available for review on the City website or at the City Hall front counter.

DISCUSSION

The City Council conducted a budget workshop on May 24, 2016, and the following items were requested at the meeting:

1. Add clarifying language in the budget letter;
2. Further explain the Parking In Lieu expenditures; and
3. Add of \$5,000 expenditure from the Housing In-Lieu budget to Home Share SLO

Staff made the above changes, and brought the budget back to the City Council at a special budget workshop held on May 31, 2016. The Council accepted the budget, as amended, and asked to bring it back with a Resolution of adoption on June 14, 2016. Additionally, the “notes” section of the individual pages was asked to be included in the final budget.

Pending further discussion at tonight’s meeting, staff is recommending adoption of Resolution No. 47-16, which authorizes the Fiscal Year 2016/17 Operating and Capital budgets. Any amendments made at this meeting will be incorporated into the final budget document.

Prepared by: SS

Dept. Review: _____

City Manager Review: DWB

City Attorney’s Review: JWP

RESOLUTION NO. 47-16

**RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MORRO BAY, CALIFORNIA,
ADOPTING THE 2016/17 FISCAL YEAR OPERATING AND CAPITAL BUDGETS**

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

WHEREAS, the City of Morro Bay is required to appropriate and expend public funds, to conduct the day-to-day business activities of the City; and

WHEREAS, the Morro Bay City Council finds and determines those appropriations and expenditures are necessary for continued efficiency, economy, and effectiveness of the City government operations; and

WHEREAS, the City Council recognizes Capital Improvement Projects, authorized and approved in the current and prior fiscal years, may not be completed by June 30, 2016; and

WHEREAS, the continuing efforts of staff to operate the business of the City, within an approved budget, and to create savings, wherever feasible, are acknowledged by the City Council.

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

1. The Fiscal Year 2016/17 Operating and Capital Budgets are adopted, including any amendments made at this meeting, which will be attached to this Resolution; and
2. Staff is directed to prepare and publish a final budget document, with approved amendments; and
3. Subject to Paragraph 4., below, the City Manager is authorized to transfer appropriations within the adopted budget, including from and to capital projects or capital outlay items, so long as those changes do not significantly and negatively prevent implementation of any City Council direction or policy, and total appropriations are not exceeded; and
4. City Council approval is required to transfer appropriations between funds and may approve amendments to the adopted budget by adoption of one or more resolutions; and
5. City Council authorizes and directs the transfer of balances for capital projects, approved in the current and prior fiscal years, but not completed by June 30, 2016, to the Capital Improvement Project Fund(s) for the 2016/17 fiscal year; and
6. City Council approval is required for any proposed increase to the number of CalPERS-benefited, budgeted positions hired; and
7. In the FY 09/10, the City Council deferred Management's 3% COLA. The Management Employees thank the City Council for returning ½% of that deferral in FY 13/14. In FY 14/15, the Management Employees agreed to waive 1½% of the deferral, retaining 1% for future City Council consideration. For FY 16/17, the 1% deferral remains unpaid, subject to future City Council decisions; and

8. Per City Council minute order May 24, 2004, any expenditures, in excess of the assessments received for the Cloisters Assessment District, will be subsidized by the General Fund, without additional request made to City Council; and
9. The City Council is committed to supporting Tourism and Marketing efforts within the City, and will continue to do so with future budgets, per Resolution No. 03-16.

PASSED AND ADOPTED, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 14th day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

over nine years or about \$600,000 per year to the City's street maintenance budget from the 55-percent local share will have a significant impact on the streets of Morro Bay. Additionally, included in the 25-percent for regional projects is approximately \$1,000,000 of the funding necessary for the Morro Bay project to construct improvements to the Main Street/Highway 41/Highway 1 intersection.

Click here to view the [SLO County Self-Help Local Transportation Investment Plan](#)

RESOLUTION NO. 49-16

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
APPROVING THE 2016 SAN LUIS OBISPO COUNTY SELF-HELP
TRANSPORTATION INVESTMENT PLAN AND REQUESTING THE SAN LUIS
OBISPO COUNTY (COUNTY) BOARD OF SUPERVISORS
PLACE A 9-YEAR TRANSPORTATION SALES TAX MEASURE ON
THE NOVEMBER 8, 2016 GENERAL ELECTION BALLOT**

**T H E C I T Y C O U N C I L
City of Morro Bay, California**

WHEREAS, available revenues, including funding from Local, State, and Federal governments, are not adequate to support needed maintenance, upgrading or safety improvements to the existing infrastructure or the construction of the new infrastructure that the County and the seven incorporated cities located within the County (Cities) anticipate will be needed to meet the demands of the future; and

WHEREAS, the road, transportation and circulation systems within the Cities and unincorporated areas of the County are of both local and regional concern; and the quality of such systems have a direct impact on residents, visitors and tourism, agriculture, business, industry and the general economy within the County; and

WHEREAS, the San Luis Obispo Council of Governments Board has developed the 2016 San Luis Obispo County Self-Help Transportation Investment Plan pursuant to the authority of Public Utilities Code Section 180206; and

WHEREAS, the San Luis Obispo County Self-Help Transportation Investment Plan was guided by outreach efforts including over 70 meetings and presentations, a statistically valid phone survey, four focus groups, and review, input, and support to continue those efforts in April and May 2016 from the Cities and the County Board of Supervisors; and

WHEREAS, the San Luis Obispo County Self-Help Transportation Investment Plan and Ordinance was introduced by the governing body of the San Luis Obispo Council of Governments on June 1, 2016; and

WHEREAS, the detailed, 9-year San Luis Obispo County Self-Help Transportation Investment Plan will: generate revenue, of which 55-percent will be specifically and solely for local projects selected by local agencies, provide additional funds for need-based, point-to-point transportation services for seniors, veterans and persons with disabilities, better leverage state and federal funds to support local projects, create jobs that support economic development through regional projects that account for 25-percent of revenue generated, establish an Independent Taxpayer Oversight Committee to ensure all funds are spent consistent with the voter-approved investment plan, and collect over half of the total revenue from visitors who use our local streets and roads; and

WHEREAS, the 55-percent local share will have a significant impact on the streets of Morro Bay, adding approximately \$600,000 per year to the City's street maintenance budget; and

WHEREAS, included in the 25-percent for regional projects is approximately \$1,000,000 of the funding necessary for the Morro Bay project to construct improvements to the Main Street/Highway 41/Highway 1 intersection; and

WHEREAS, the interests of the City of Morro Bay, San Luis Obispo County and its combined residents and businesses will benefit by the implementation of the 9-year San Luis Obispo County Self-Help Transportation Investment Plan through the new half-cent sales tax for transportation in San Luis Obispo County.

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

1. The 2016 San Luis Obispo County Self-Help Transportation Investment Plan introduced by the San Luis Obispo Council of Governments on June 1, 2016, is hereby approved.

2. The San Luis Obispo County Board of Supervisors is hereby requested to place the San Luis Obispo County Self-Help Transportation Investment Plan on the November 8, 2016, ballot together with a transportation sales tax measure.

PASSED, APPROVED, AND ADOPTED, by the City of Morro Bay City Council, at a regular meeting held on this 14th day of June, 2016 by the following vote:

AYES:

NOES:

ABSENT:

Jamie L. Irons, Mayor

ATTEST:

Dana Swanson, City Clerk



AGENDA NO: C-3

MEETING DATE: June 14, 2016

Staff Report

TO: Honorable Mayor and City Council

DATE: June 8, 2016

FROM: Mike Nunley, PE – Water Reclamation Facility (WRF) Program Manager

SUBJECT: Selection of Tri-W (South Bay Boulevard) as Preferred Site for Planning and Permitting of New WRF and Amendment to Agreement with Black & Veatch Corporation

RECOMMENDATION

Staff recommends the following:

- 1) Direct staff to proceed with the Tri-W (South Bay Boulevard) site as the preferred WRF site for planning and permitting.
- 2) Approve Amendment 1 for Agreement with Black & Veatch Corporation for development of the Facility Master Plan. Requested budget increase is \$116,595, increasing the contract amount to \$826,718.

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

All current outreach efforts and studies are being performed under existing contracts and authorizations. If Council moves forward with staff's recommendation, then a budget amendment of \$116,595 (approximately 16% of the current budget) will be required for the Facility Master Plan. Additional field investigation will be required for topographic survey, biological review, cultural resource review, and other work efforts to support the Facility Master Plan and CEQA processes. That work is necessary to move forward with the project. Survey and environmental studies can be approved within the authority of the Public Works Director.

DISCUSSION

On March 8, 2016, the City Council directed staff as follows with respect to analyzing potential WRF sites:

- *Provide any additional insight or information with respect to the two identified sites in the Morro Valley (Righetti and Rancho Colina);*

Prepared By: MN

Dept Review: RL

City Manager Review: DWB

City Attorney Review: JWP

- *Revisit the Tri-W and Chevron/Toro Creek sites, and compare their potential suitability to the sites in the Morro Valley; and*
- *Explore other potential sites in the Morro Valley, and provide information on any sites that are potentially suitable for a WRF*

The City Council also directed the following supporting actions to help better inform site selection:

- *Conduct additional communitywide public outreach as appropriate;*
- *Reach out to the Cayucos Sanitary District (CSD) to explore the possibility of the two agencies working together on a single facility; and*
- *Visit other facilities in the state that use technologies similar to those proposed for the WRF.*

During the 60 days after that March 8th meeting, staff performed the following to address the City Council's direction:

- Developed Spring 2016 WRF Newsletter to provide project information, address common questions from the community, and advertise community outreach efforts. The newsletter was posted on the WRF Project website and emailed to the community interest email list, mailed to every mailbox recipient in the City, mailed to each out-of-town property owner, provided at the community outreach events, and provided at City offices and Chamber of Commerce
- Researched additional potential properties in the Morro Valley and identified the Madonna site as a viable option
- Performed fatal flaw analyses on a new Morro Valley site (Madonna), including geotechnical analysis, legal research (Williamson Act, shared access easement), and biological survey
- Held meetings with owners of properties adjacent to the Madonna site
- Organized and attended two Community Farmer's Markets to talk with community members about the project (April 9th and 14th)
- Held two Open House events (same event offered at two times, on April 7 and April 10) to discuss the project with community members, collect community input, and respond to questions and concerns from community members
- Updated cost opinions that were previously developed for WRF Project at sites under consideration and developed cost opinion for Madonna site.
- Reviewed the Tri-W site (focusing on the portion within the County) and discussed availability with the property owner's representative
- Prepared report summarizing analyses for five potential WRF sites

On May 3, the Water Reclamation Facility Citizen's Advisory Committee (WRFCAC) received an update and draft report from the Program Management team and recommended the following to Council:

- Proceed with Tri-W as the preferred site, including consideration of both Tri-W parcels (inside and outside City limits)
- Remove the Righetti site from further consideration

Based on the recommendations from WRFCAC, and the information and public input obtained over the preceding 60 days, and a revised site options report presented to Council, staff recommended

proceeding as follows at the May 10, 2016, Council meeting:

- Continue evaluating the Tri-W site, including outreach directed toward neighbors and neighboring property owners
- Prepare a community-wide flyer that summarizes the findings from the siting study, including potential implications related to long-term sewer rates

That work was performed and additional input was received via email and via meetings with potential neighbors and stakeholders at the Tri-W site. The Program Manager received over 30 emails from members of the public. The majority of the emails expressed support for the Tri-W site. Many commenters noted that although it may have a higher capital cost than the Morro Valley sites, the ability to move forward quickly and with less risk of delays was significant. The Program Management team also conducted outreach to the Blue Heron Terrace Mobile Home Homeowners Association, Casa de Flores Residential Community, regulatory agencies including Coastal San Luis Resource Conservation District and the National Estuary Program, and other property owners in the area of the recommended site. An update will be provided to Council at the meeting since some efforts are ongoing as of preparation of the staff report.

Based on the work performed to date, and input from the public and from WRFCAC, staff recommends City Council identify the County parcel of the Tri-W (or South Bay Boulevard) site as the preferred site for planning and permitting. This will allow staff to move forward with the Facility Master Plan and Environmental Impact Report.

Assuming Council agrees to move forward with the South Bay Boulevard site, additional work will be required by the Facility Master Plan consultant (Black & Veatch Corporation) to finish the Facility Master Plan. That work is described in the attached draft Contract Amendment and is briefly summarized below:

- Additional meetings, progress reports, and project management through completion of the project. The Facility Master Plan was initially scheduled for completion by January 2016 and is now anticipated for November 2016.
- New preliminary site plans for the South Bay Blvd site. Existing budget was applied toward data collection, review, and preliminary site engineering for the Rancho Colina site and data collection and review at the Righetti site to assist with space planning. Background information was also prepared for development of visual simulations at the Rancho Colina site during initial stages of the master planning effort. Additional budget is requested for completion of site planning at the South Bay Blvd site.
- Revised draft Technical Memorandum 4 (Onsite Facilities)
- New pipeline alignment evaluation between the existing wastewater treatment plant site and the South Bay Boulevard site
- Revisions to preliminary engineering work for the influent lift station, including pump sizing and lift station layout, required to pump raw wastewater to the South Bay Boulevard site
- Revisions to Technical Memorandum 5 (Offsite Facilities)
- Revisions to Potable Reuse Technical Memorandum (internal draft) as a result of moving the location from Rancho Colina to the South Bay Boulevard site

The table below summarizes the current authorization and requested budget amendment by Task

Group from the agreement. The budget amendment represents a 16% increase to the initial project budget. Staff has reviewed the scope and budget and recommends approval.

Task Group	Original Contract Amount	Requested Budget Amendment	Total Contract Amount if Approved
100 – Project Management and Meetings	\$128,000	\$33,500	\$161,500
200 – Preliminary Investigations	\$16,000	\$8,500	\$24,500
300 – WRF Support Facilities	\$150,700	\$61,900	\$212,600
400 – Waste Characteristics, Flow and Load Projections	\$94,100	--	\$94,100
500 – Development and Evaluation of Treatment Alternatives	\$155,700	--	\$155,700
600 – WRF Master Plan (Draft and Final Plans)	\$96,300	--	\$96,300
700 – Optional Tasks (Potable Reuse and Organic Waste Treatment Studies)	\$69,323	\$12,695	\$82,018
Total	\$710,123	\$116,595	\$826,718

If Council selects the Tri-W (South Bay Boulevard) site as the preferred site for planning and permitting, the 5-year timeline for completion of Phase I of the WRF can begin. The goal for startup in June of 2021 also aligns with Regional Water Quality Control Board’s direction for 2021 completion.

Finally, there has been some confusion caused by an incorrect headline on a front page article in the Bay News in late May. The headline stated “Sewer Project Costs Jump \$25 Million”. The reporter incorrectly confused cost projections in a recent City report on project costs. The report is correct in stating that projected costs, for both Phase 1 and Phase 2 of the project, have been \$102M. This is correct and remains correct. The City’s projected construction costs for Phase 1 and Phase 2 has been and remains \$102M. It is important to note this is the projected cost for construction. The Bay News report, however, then cited a new projected cost of \$129M for a WRF at the Righetti property. This number in the City report, however, was for construction PLUS 20 years of operation and maintenance. (Operations and maintenance includes the labor, energy, parts, supplies and maintenance required to operate the new facility for 20 years.) The report thus confused apples and oranges, comparing a construction-only projection with a construction-plus-20-years-of-operations-and-maintenance projection. The reporter did not talk to any city staff before publishing the headline / article. Staff subsequently asked the paper to publish a clarification.

ATTACHMENTS

- Attachment 1 – Agreement with Black & Veatch Corporation for Facility Master Plan
- Attachment 2 - Proposed Contract Amendment No. 1

CITY OF MORRO BAY

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made, by and between, the City of Morro Bay, a municipal corporation ("City") and Black and Veatch Corporation, a Delaware corporation, authorized to do business in California ("Consultant"). In consideration of the mutual covenants and conditions set forth herein the parties agree as follows:

1. TERM

This Agreement shall commence on July 16, 2015, and shall remain and continue in effect until tasks described herein are completed, but in no event later than December 31, 2016, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Consultant shall perform the tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A.

3. PERFORMANCE

Consultant shall at all times faithfully, competently and to the best of their ability, experience, and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. CITY MANAGEMENT

City's Public Services Director shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but not including the authority to enlarge the Tasks to Be Performed or change the compensation due to Consultant. City's City Manager shall be authorized to act on City's behalf and to execute all necessary documents which enlarge the Tasks to Be Performed or change Consultant's compensation, subject to Section 5 hereof.

5. PAYMENT

(a) City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit A, attached hereto and incorporated herein by this reference as though set forth in full, and based upon actual time spent on the above tasks. That amount shall not exceed Seven Hundred Ten Thousand, One Hundred Twenty-Three

Dollars and no cents \$710,123.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the Public Works Director. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by Public Works Director and Consultant at the time City's written authorization is given to Consultant for the performance of said services. The Public Works Director may approve additional work not to exceed ten percent (10%) of the amount of the Agreement, but in no event shall such sum exceed Seventy-One Thousand, Twelve Dollars and thirty cents (\$71,012.30). Any additional work in excess of this amount shall be approved by the City Council.

(c) Consultant will submit invoices monthly for actual services performed in sufficient detail so that the City can determine the personnel used on the project and the status of each task group. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days after receipt of each invoice as to all non-disputed fees. If City disputes any of Consultant's fees, then it shall give written notice to Consultant within fifteen (15) days of receipt of an invoice of any disputed fees set forth on the invoice.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Consultant at least ten-days' (10-days') prior written notice. Upon receipt of said notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If City suspends or terminates a portion of this Agreement, then such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, City shall pay to Consultant the actual value of the work performed up to the time of termination. Upon termination of the Agreement pursuant to this Section, Consultant will submit an invoice to City pursuant to Section 3.

7. DEFAULT OF CONSULTANT

(a) Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date Consultant is notified of default and can terminate this Agreement immediately by written notice to Consultant. If such failure by Consultant to make progress in the performance for work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, then it shall not be considered a default.

(b) If the Public Works Director of his/her delegate determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, then he/she shall cause to be served upon Consultant a written notice of the default. Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, and full payment by City for services performed pursuant to, this Agreement, all final work product such as documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of Consultant. With respect to computer files, Consultant shall make available to City, as a service in addition to those set forth herein, at Consultant's office and upon reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

9. INDEMNIFICATION

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including reasonable attorney's fees and costs to the extent same are caused by any negligent act, error or omission of Consultant, its officers, agents, employees or subconsultants (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement. City agrees to hold harmless and indemnify Consultant from and against all claims, liabilities, losses, damages, and costs, including but not limited to attorney's fees, arising out of or in any way connected with the

modification, misinterpretation, misuse or reuse by others of the computer files or any other document provided by Consultant under this Agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or sub consultants of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

10. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B attached to and part of this agreement.

11. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. LEGAL RESPONSIBILITIES

Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Consultant shall at all times observe and comply with applicable legal requirements in effect at the time the drawings and specifications are prepared. City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of City will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or inequity.

14. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

15. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(b) Consultant shall promptly notify City if Consultant, or any of its officers, employees, agents, or subconsultants are served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within City. City retains the right, but has no obligation, to represent Consultant or be present at any deposition,

hearing, or similar proceeding. Consultant agrees to cooperate with City by providing the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

16. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: Rob Livick, PE/PLS
Public Works Director/City Engineer
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

To Consultant: Steve Foellmi, PE
Vice President/Project Director
15615 Alton Parkway, Suite 300
Irvine, CA 92618 USA

17. ASSIGNMENT

Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of City.

18. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

19. GOVERNING LAW

City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over City.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. CONTENTS OF PROPOSAL

Consultant is bound by the contents of the proposal submitted by Consultant, Exhibit A hereto.

22. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents he/she has the authority to execute this Agreement on behalf of Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

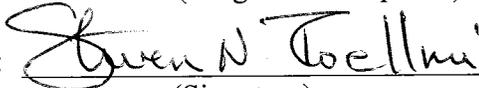
CITY OF MORRO BAY

By: 
Rob Livick, Public Works Director

Attest:


Dana Swanson, City Clerk

CONSULTANT (2 signatures required)

By: 
(Signature)

Steven N. Foellmi
(Printed/Typed Name)

Its: Vice President
(Title)

By: 
(Signature)

James H. Clark
(Printed/Typed Name)

Its: Senior Vice President
(Title)

Approved As To Form:

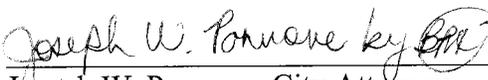

Joseph W. Pannone, City Attorney

EXHIBIT A

City of Morro Bay Water Reclamation Facility Master Plan

SCOPE OF SERVICES

July 16, 2015

GENERAL

The City of Morro Bay (City) has identified a need for a new Water Reclamation Facility and wishes to master plan the site for a 30-year planning period. The City currently owns and operates a Wastewater Treatment Plant, and is in need of a new WRF due to the age and condition of the existing WWTP. The goal of the master planning efforts described herein is to provide a roadmap for a new facility that will be operational when the 2015 renewal of the existing WWTP discharge permit expires within the next 5 years.

This Water Reclamation Facility Master Plan (FMP) is being prepared as part of an overall program. The City has or will be retaining consultants to prepare other studies in parallel with preparation of the FMP. The City will retain a Program Manager to oversee and coordinate the efforts of the various consultants. It is assumed that the Program Manager will act as a single point of contact for the FMP effort.

TASK GROUP 100 - PROJECT MANAGEMENT & MEETINGS

Task 101 – Kick-off Meeting and Monthly Progress Meetings

A kick-off meeting will be held with the Consultant project team and City staff to review the scope of work, project schedule, and to confirm the overall goals of the project. At the kick-off meeting the consultant will provide a list of data/information needs to be collected for the completion of the project. Consultant will provide an overview of expected project issues, constraints, and will assist the City in further refining the concepts necessary for a comprehensive and complete master planning document within the committed timeframe.

Project meetings are anticipated to be held at regular intervals throughout the master plan development. Meeting frequency and dates will be as agreed upon by all parties. Project meetings will be used to discuss the progress of the master planning efforts, critical decisions, and other topics as determined to be critical to completion of the work within the scheduled period.

The estimated level of effort assumes a total of eight (8) staff level meetings will be held over the project duration. It is assumed that these meetings will include other members of the Program consultant team when appropriate; unless otherwise stated elsewhere in this Scope of

Services, no other formal progress meetings are planned. Up to four (4) of the progress meetings are assumed to be conference calls.

Task 102 – Progress Reports and Invoices

Consultant will prepare monthly progress reports identifying the time period covered, and the percentage of work accomplished by task. The progress report will be accompanied by a monthly invoice identifying the compensation requested for each progress period. A project schedule update will accompany each invoice, identifying task progress, and any adjustments required to the overall project completion schedule.

Consultant will maintain decision matrices to facilitate and track the decision making process. Separate decision logs will be maintained for each major deliverable milestone, technical memorandum, and the master plan report as a whole.

Task 103 – Public Meetings

Consultant will attend and prepare materials for public meetings throughout the project. Meetings with the Water Reclamation Facility Citizen's Advisory Committee (WRFCAC) and other community advisory bodies, the Morro Bay City Council, and others as requested. Specific materials and requirements for each meeting will be determined as meetings are scheduled. Level of effort assumes up to eighteen (18) public meetings will be required. It is assumed that four (4) of the public meetings will be scheduled to coincide with the four (4) in-person progress meetings described in Task 101.

Task 104 – Public Forums (As-Needed)

In addition to the Public Meetings described in Task 104, the City is envisioning other public forums to potentially provide opportunities for input from the general public, contractors, or equipment suppliers that could be considered in the FMP or other parts of the Program. Since these Public Forums and Consultant's participatory role in them is as yet undefined, a budgetary allowance of 100 hours is included for this task. Program Manager will be notified before 75% of the budget for this task is exceeded.

Task 105 – Support for Other Program Consultants (As-Needed)

From time to time, other members of the Program team will require technical information to support their efforts. In particular, it is anticipated that the CEQA consultant will request information to support their environmental impact analyses. Since the nature and extent of information that may be requested is currently undefined, a budgetary allowance of 100 hours is included for this task. Program Manager will be notified before 75% of the budget for this task is exceeded.

Task Group 100 deliverables are as follows:

1. Kick-off Meeting Minutes

2. Progress Reports and Invoices (Monthly)
3. Decision Matrices and Logs
4. Progress Meeting Minutes
5. Public Meeting Minutes

TASK GROUP 200 – PRELIMINARY INVESTIGATIONS AND SITE SURVEY

Task 201 – Preliminary Investigations

Consultant will obtain and review existing data pertinent to the evaluations and design of (1) the new WRF and (2) the decommissioning of the existing WWTP. Readily available data for use in the preliminary investigations shall be provided by the City.

Data to be provided to the Consultant shall include:

1. As-built utility maps for the project areas
2. Existing WWTP as-built drawings and reports
3. Field assessments of existing site conditions and constraints
4. Existing site survey and geotechnical data
5. Previous master plans and related studies
6. Historical wastewater characteristics and summary reports
7. Regional recycled water users and reuse trends (as available)
8. Regulatory discharge requirements and constraints
9. Other information available and deemed pertinent to the FMP
10. Data and reports from current on-going studies such as the hydrological study by the geotechnical engineer and funding consultant.

Consultant shall review and utilize the existing data and reports as an initial basis for the investigations associated with the FMP. Pertinent existing data and analysis shall be incorporated into the FMP.

A summary of existing documents and reports reviewed as part of the project development work will be prepared and included as an appendix to the FMP.

Task 202 – Site Survey

The City will obtain a detailed survey of the project area, including the WRF site, the pump station site, and the pipeline alignments. It is assumed that this survey will be suitable for use in detailed design, and that this survey will be available to support preparation of the FMP. Consultant will coordinate with the City to provide input into survey needs.

Task Group 200 deliverables will include:

1. Summary of existing documents reviewed

TASK GROUP 300 – WRF SUPPORT FACILITIES

Task 301 – Onsite Support Facilities

Consultant will develop a List of Support Facilities and will work with the City to determine specific requirements for each, where possible leveraging prior studies.

On-site support facilities are expected to include:

1. Operations, Office, and Maintenance Buildings
2. Corporation Yard and Storage
3. Site Solar Farm
4. Water Resources Education Center
5. Electrical Feed and Stand-by Power
6. Hazardous Materials Containment and Handling
7. Other Facilities as Desired by the City
8. Possible co-location of City WTP (Space consideration only for now)

Based on the List of Support Facilities, Consultant will prepare:

1. Up to two (2) potential site plans to arrange the facilities on the WRF site and determine preliminary space requirements.
2. Up to six (6) visual simulations for each of the two (2) site plan alternatives from viewpoints determined jointly with the City.
3. Information to preliminarily define potential architectural styles for the WRF.
4. Preliminary concepts for educational components.

Consultant will prepare for and attend an initial public workshop to receive public and City Council input on the concepts. Consultant will incorporate input and update the above listed information. Consultant will prepare for and attend a second workshop to present refined versions of the site plan and visual simulations.

Task 302 – Offsite Support Facilities

Consultant will collaborate with City to develop design criteria and concept level arrangement for new pump station. Consultant will identify up to six (6) potential pump station sites and will provide a qualitative analysis to screen the list down for detailed evaluation. Consultant will provide detailed evaluation of up to two (2) pump station site options. Consultant will provide up to four (4) visual simulations of each site option from viewpoints selected jointly with the City program team.

Consultant will evaluate options for offsite wastewater collection and conveyance to the new WRF. The required modifications to the existing collection system will be identified. Preliminary utility and record drawing information will be provided by City in the vicinity of the existing WWTP and SR-1 to support identification of opportunities and constraints for piping installation in this corridor relative to the top two pump station site options.

Recommendations will be documented in a technical memorandum.

Task 303 – Morro Bay WWTP Decommissioning

Consultant will evaluate the requirements for decommissioning of the existing Morro Bay WWTP and preparation of the site for a variety of potential future uses to be identified by the City. Consultant will determine what regulatory hurdles exist and will develop conceptual costs for the work. Consultant will identify equipment at the existing WWTP that could be used at the new WRF, and will evaluate whether it will be cost-effective to do so.

Consultant will summarize the recommendations in a technical memorandum.

Task Group 300 deliverables will include:

1. Technical Memorandum – Onsite Support Facilities Requirements
2. Technical Memorandum – Offsite Support Facilities Requirements
3. Technical Memorandum – Morro Bay WWTP Decommissioning

TASK GROUP 400 – WASTE CHARACTERISTICS, FLOW AND LOAD PROJECTIONS

Task 401 – Influent Waste Characterization

City will provide most recent and historical wastewater data and Consultant will analyze the information to develop a waste strength for the new WRF. Consultant will compare the results of the waste characterization analysis with previous work and planning studies provided by the City to confirm the design characteristics for the new WRF are in line with previous estimates. Consultant will prepare a recommended sampling program to be implemented by City to support future project phases. It is assumed that information gathered by the sampling program concurrently with preparation of the FMP will not impact the analyses or conclusions of the FMP.

Task 402 – Flow and Loading Projections

Based on data gathered under Task 201, Consultant will establish a long-term growth trend for flows and loads at the new WRF over the 30-year planning period identified by the City. Design flows and loadings will be developed based on average dry weather daily flow, peak month dry weather flow, peak month wet weather flow, peak day wet weather flow, and peak hour wet weather flow. To address potential impacts of water conservation on future potential flows and loads, City will provide recent water usage data, and information about the City's current conservation programs, and future conservation programs.

Task 403 – Effluent Discharge Requirements

Consultant shall summarize effluent discharge quality requirements for varying types of discharges/treatment scenarios. Regional effluent quality trends will be reviewed and guidelines developed for current and future regulations that may dictate the level of treatment required at the new WRF. It is assumed that analyses will proceed based on information available at the

time of project initiation and with concurrence of City. It is assumed that analyses may be refined one time to incorporate more detailed information currently being evaluated by other Program consultants.

Effluent quality regulations and requirements will be summarized in a technical memorandum.

Task Group 400 deliverables will include:

1. Technical Memorandum – Influent Waste Characterization, Sampling Program, and Flow Projections
2. Technical Memorandum – Effluent Discharge Requirements

TASK GROUP 500 - DEVELOPMENT & EVALUATION OF TREATMENT ALTERNATIVES

Task 501 – Liquid Treatment Technology Alternatives

Consultant will evaluate liquid treatment process alternatives based on the following scenarios:

1. Full tertiary treatment for 30-year future flows
2. Full Title 22 (unrestricted irrigation reuse) treatment for 30-year future flows
3. Reuse options as follows:
 - a. Groundwater recharge per State of California requirements and anticipated salt management plan limits, using 100 percent of the WRF effluent.
 - b. Irrigation during dry weather of avocado orchards to a level of treatment consistent with similar systems (Escondido), using 100 percent of the WRF effluent; with ocean discharge of 100 percent of the WRF effluent during wet weather.
 - c. Irrigation during dry weather of avocado orchards to a level of treatment consistent with similar systems (Escondido), using 100 percent of the WRF effluent; with groundwater recharge per State of California requirements and anticipated salt management plan limits, using 100 percent of the WRF effluent during wet weather.

Holistic treatment train alternatives will be identified to meet the City's end use goals for use of the WRF effluent and to meet discharge regulations. A qualitative screening process will be used to reduce the number of holistic treatment train alternatives down to two for detailed evaluation: a conventional treatment process option, and a combined secondary/tertiary treatment process option.

The two holistic treatment train alternatives will be evaluated based on a combination of capital costs, life-cycle costs, and non-economic factors such as reliability, operational staff

preference, energy efficiency, ease of operation and maintenance, spatial requirements, and other factors determined through discussions with the City and execution of the Project. Consultant will prepare a visual exhibit (***)flowchart similar to that in the proposal(***) that identifies the top-ranked process alternatives with the approximate capital cost (+/-) for each selection. This exhibit will be submitted in draft and final format for use in public workshops.

Individual unit processes will be evaluated to determine which options best fit the City's goals.

The conventional liquid treatment train alternatives qualitative analysis will consider the following unit processes:

Subtask 501a – Headworks Technology Alternatives – Consultant will provide an overview of available preliminary treatment equipment including but not limited to screens and grit removal. Consultant will hold a technology workshop with the City to assist in identifying the preferred technologies.

Subtask 501b – Secondary Treatment Alternatives – Consultant will provide an overview of available secondary treatment methods and will hold a technology workshop to identify the most viable options for the new WRF. Consultant will provide a process model for the preferred alternative identified during the evaluation.

Subtask 501c – Tertiary Treatment and Disinfection Alternatives – Consultant will provide an overview of available tertiary treatment and disinfection technologies. Consultant will hold a technology workshop with the City to assist in identifying the preferred technology.

Subtask 501d – Advanced Treatment Alternatives – Options for advanced treatment will be reviewed with the City for possible near-term or future implementation.

The combined secondary/tertiary liquid treatment train alternatives qualitative analysis will include the following:

Subtask 501e – Headworks Technology Alternatives – Consultant will provide an overview of additional screening equipment required for a combined secondary/tertiary treatment process. Consultant will hold a technology workshop with the City to assist in identifying the preferred technology.

Subtask 501f – Combined Secondary/Tertiary Treatment Alternatives – Consultant will provide an overview of available combined secondary/tertiary treatment technologies and will hold a technology workshop to identify the most viable options for the new WRF. Consultant will provide a process model for the preferred technology identified during the evaluation.

Subtask 501g – Disinfection – Disinfection strategies will be the same as for the conventional treatment train, with the possible reduction in disinfection dosage. Consultant will hold a technology workshop with the City to assist in identifying disinfection technologies commensurate with a combined secondary/tertiary treatment system.

Subtask 501h – Advanced Treatment Alternatives – Options for advanced treatment will be reviewed with the City for possible near-term or future implementation.

Task 502 – Future Potable Reuse Analysis

Consultant will build on the evaluations performed under task 501 to develop requirements for future potable reuse facilities. This scope of work assumes that a combined secondary/tertiary liquid treatment process will be the preferred treatment technology, and will serve as the starting point for a potable reuse facility. Consultant will provide an overview of additional unit processes required including MF/RO and Advanced Oxidation (UV/Peroxide) and will summarize capital and O&M costs. Consultant will base facility sizing and treatment requirements based on current or anticipated State requirements and the City's goals for future potable reuse. For Indirect Potable Reuse options, it is assumed that the groundwater basin will be feasibly used as a natural barrier. This analysis will be limited to onsite facilities.

Task 503 – Biosolids Treatment & Disposal Alternatives

Consultant will evaluate options for treatment and disposal of biosolids including an analysis of composting and onsite energy generation and recovery. Consultant will generally investigate projected regional land use trends, land availability, and hauling costs. Consultant will evaluate current and future regulatory trends and will make recommendations of viable treatment alternatives for further consideration by the City. Consultant will develop capital and life-cycle costs to assist the City with making decisions.

Base solids treatment alternatives are expected to include an option to land fill biosolids and/or truck offsite to a composting facility (dewatering only), production of Class B biosolids (Thickening, Anaerobic Digestion, and Dewatering), or production of Class A Exceptional Quality (EQ) biosolids. The solids analysis will be captured in a technical memorandum and will include the following:

Subtask 503a – Sludge Digestion Alternatives – Consultant will provide an overview of available digestion technologies and methods.

Subtask 503b – Sludge Thickening Alternatives – Consultant will provide an overview of available sludge thickening technologies.

Subtask 503c – Dewatering Technology Alternatives – Consultant will provide an overview of available sludge dewatering technologies.

Subtask 503d – Sludge Disposal Alternatives – Consultant will provide an overview of available disposal methods and options for reuse.

Task 504 – Workshop

Consultant will conduct a workshop to present the findings from the preceding tasks. Review comments and decisions will be documented and incorporated into the final FMP, as appropriate.

Task 505 – Cost Estimating

Consultant will evaluate the capital and O&M costs of the options developed under Task 501. O&M costs will be inclusive of power, chemicals, staffing and certification costs, and other costs as appropriate. I&C and SCADA requirements will be used in development of the O&M costs.

Basic cost scenarios are expected to include the base treatment options and sub-alternatives depending on the final recycled water quantities and the determined disposal sites (groundwater recharge, irrigation, ocean disposal, etc.).

This scope of work assumes the following O&M estimates will be provided:

1. Full Tertiary Treatment
2. Full Title 22 Treatment
3. 100% Groundwater Recharge
4. Dry Weather Avocado Production and Wet Weather Ocean Disposal
5. Dry Weather Avocado Production and Wet Weather Recharge
6. Additional O&M Costs for Potable Reuse
7. Two (2) Intermediate Operating Scenarios (i.e. 50% RO, 25% RO, etc.) as mutually agreed upon by Black & Veatch and the City

Capital cost estimates will be to a conceptual level (AACE Class 4 (-15% to +50%).

Task Group 500 deliverables will include:

1. Technical Memorandum – Liquid Treatment and Disposal Alternatives
2. Technical Memorandum – Solids Treatment and Disposal Alternatives
3. Visual Simulations of Facilities

TASK GROUP 600 - WATER RECLAMATION FACILITY MASTER PLAN

Task 601 – Draft Facility Master Plan

Consultant will use information gathered in Tasks 200 through 500 as well as the hydrogeological and salinity control studies to prepare a draft master plan report for review and comment by the City. This draft report will document and include that data and findings of geotechnical engineering analysis regarding soils results and recharge benefits to develop an integrated WRF FMP. Ten (10) printed copies plus an electronic copy of the draft Master Plan will be delivered to the City for review at the 33 percent, 67 percent, and 90 percent completion stages.

Task 602 – Draft FMP Review Workshops

Consultant will conduct a review workshop for each of the draft 33 percent, 67 percent, and 90 percent draft FMP submittals. Review comments and decisions will be documented and incorporated into the revised FMP, as appropriate.

Each review workshop will be scheduled to coincide with the monthly progress review meetings.

Task 603 – Final Facility Master Plan

Consultant will incorporate any comments received from the City and will prepare the final Master Plan Report. Consultant will provide twenty-five (25) bound copies, and an electronic copy of the final master plan report.

Task Group 600 deliverables will include the following:

1. Ten printed copies plus an electronic copy of the draft FMP (each submittal)
2. Twenty five (25) printed copies of the final FMP (for public review)
3. Twenty five (25) printed copies of the final FMP with the public review draft and final documents including an Executive Summary
4. An electric copy of the FMP

TASK GROUP 700 - OPTIONAL TASKS:

Task 701 – Potable Reuse Strategy and Offsite Facility Requirements

The State of California currently allows Indirect Potable Reuse. In the future, the State may develop standards and regulations to allow Direct Potable Reuse.

In either case, this task will conceptually identify and evaluate potential strategies to potable reuse. Consultant will identify both onsite and offsite facilities needed to implement IPR or DPR and will provide preliminary sizing and cost estimates for the facilities.

Task 702 – Organic Waste Treatment Feasibility Study

Consultant will evaluate the facilities and systems required to add processing of fats-oil-grease (FOG), septage, recreational vehicle waste, and other green waste at the plant site in order to enhance energy production, provide revenue, or add a new regional benefit to the facility. The benefits, risks, space requirement, and operational impacts of each waste source will be discussed and presented at a public workshop (to be led by the Program Manager). Based on public input, the capital cost, lifecycle cost, potential benefits, space needs, and required facilities

will be developed at a conceptual level for the two most feasible alternatives. It is assumed that the City will provide data regarding potential sources of materials, quantities, and constituents for use in developing sizing and cost analyses.

Black & Veatch

2015 - Schedule Of Hourly Billing Rates Professional Service

PERSONNEL CLASSIFICATION	2015 RATE
PROJECT DIRECTOR	\$250 - \$285
PROJECT MANAGER 01 - 03	\$205 - \$265
ENGINEERING MANAGER/SPECIALIST 07 - 08	\$190 - \$225
ENGINEER 05 - 06	\$165 - \$200
ENGINEER 03 - 04	\$135 - \$165
ENGINEER 01 - 02	\$110 - \$135
SENIOR ARCHITECT	\$165 - \$195
ARCHITECT	\$140 - \$165
SENIOR COST ESTIMATOR	\$150 - \$185
COST ESTIMATOR	\$135 - \$155
ENGINEERING TECHNICIAN 05 - 06	\$145 - \$165
ENGINEERING TECHNICIAN 02 - 04	\$115 - \$140
CAD MANAGER	\$140 - 160
CAD OPERATOR 03 - 04	\$110 - 145
CAD OPERATOR 01 - 02	\$90 - 110
PROJECT CONTROLS 01 - 02	\$120 - 140
PROJECT ASSISTANT/ADMIN	\$90 - \$110
CLERICAL	\$80 - \$100
CLERICAL ASSISTANT	\$75 - \$90

- (1) An \$8.75 hourly cost will be charged for each billable hour to cover the expenses for computers, in-house reproduction, telephone charges, car mileage, and US mail postage.
- (2) Outside reproduction and travel expenses will be billed at cost.
- (3) Subconsultant costs will include a 5 percent markup.
- (4) Billing rates shown in the table above are valid through March 2016. Adjustments to billing rates may be requested to reflect annual salary changes,

PRELIMINARY SCHEDULE

The table below provides a preliminary schedule for delivery of work product deliverables identified in the Scope of Services, and for provision of information by the City to support development of those deliverables. Consultant will coordinate closely with the City and will keep the City apprised of schedule status during the course of the project.

Deliverable	Responsible	Calendar Days from NTP
Background & Support Documentation to Date	City	3
Historical and Current WW Flow and Constituent Loading Data	City	8
201.1 – TM – Summary of Reviewed Documents	B&V	56
401.1/402.1 – TM – Influent Waste Characterization, Sampling Program, Flow Projections	B&V	65
403.1 – TM - Initial Working Effluent Discharge Requirements	B&V	65
Additional Studies to Refine Effluent Discharge Quantities and Requirements	City	72
303.1 – TM – Morro Bay WWTP Decommissioning	B&V	72
Survey Data	City	90
301.1 – TM – Onsite Support Facilities Requirements	B&V	93
403.2 – TM – Final Working Effluent Discharge Requirements	B&V	99
302.1 – TM – Offsite Support Facilities Evaluation	B&V	100
503.1 – TM – Biosolids Treatment Evaluation	B&V	107
501.1 – TM – Liquid Treatment Evaluation	B&V	121
502.1 – TM – Future Potable Reuse Evaluation	B&V	121
302.2 – Offsite Support Facilities (PS) Visual Simulations	B&V	142
301.2 – WRF Visual Simulations	B&V	163
600 – Final Facility Master Plan	B&V	187

EXHIBIT B
INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Agreement, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City..

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy from CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant's employees will use personal autos in any way to perform the Scope of Services, then Consultant shall provide evidence of personal auto liability coverage for each such person.

Property Damage Insurance in an amount of not less than \$1,000,000 for damage to the property of each person on account of any one occurrence.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured's liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of Consultant, subContractors or others involved in the Work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically

include work performed under this agreement. The policy limit shall be no less than \$2,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant.

Consultant and City agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds the City of Morro Bay and its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992. Consultant also agrees to require all Consultants, and subContractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all Consultants and subContractors to do likewise.
3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.
4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.
6. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.
7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City's option.
8. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subContractor, is intended to apply first and on a

primary, noncontributing basis in relation to any other insurance or self-insurance available to City.

9. Consultant agrees to ensure that subcontractors, and any other party involved with the Scope of Services who is brought onto or involved in the Scope of Services by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the Scope of Services will be submitted to City for review.
10. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, sub-Contractor, Architect, Engineer or other entity or person in any way involved in the performance of the Scope of Services to self-insure its obligations to City. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At the time the City shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
11. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City will negotiate additional compensation proportional to the increase benefit to City.
12. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
13. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirements in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.
14. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
15. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as

required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.

16. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
17. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
18. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
19. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
20. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the Scope of Services reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.
21. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

**AMENDMENT NO. 1 TO THE
AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF MORRO BAY AND BLACK & VEATCH CORPORATION**

This Amendment No. 1 is entered into as of June 15, 2016, between the City of Morro Bay, a municipal corporation (“City”) and Black & Veatch Corporation, a Delaware corporation, authorized to do work in California (“Consultant”).

RECITALS

WHEREAS, City and Consultant entered into an agreement as of July 16, 2015, for consulting services related to the Water Reclamation Facility Master Plan (the “Project”), which was approved by the City Council for a not to exceed amount of \$710,123.00 (the “Agreement”); and

WHEREAS, as a result of significant public input and outreach, City Council has identified a different site than the site initially preferred for development of the new Water Reclamation Facility; and

WHEREAS, additional work was required from the Consultant to evaluate preliminary siting requirements at different locations during the City’s site selection studies; and

WHEREAS, Consultant had performed a limited amount of preliminary planning related to the initially preferred site prior to the City placing the Facility Master Plan on hold; and

WHEREAS, the Facility Master Plan was initially scheduled to be completed in final form by January 2016; and

WHEREAS, Consultant has specific knowledge and experience to accomplish necessary tasks required to meet the City Council’s goals for the new Water Reclamation Facility; and

WHEREAS, due to the anticipated direction of City Council to proceed with a preferred site on June 14, 2016, the compensation payable pursuant to the Agreement must be increased.

NOW THEREFORE, City and Consultant mutually agree to amend the Agreement as follows:

1. Scope of Services to be provided by Consultant pursuant to the Agreement is replaced in its entirety by the Amended Scope of Services, attached hereto as Exhibit A and incorporated herein by this reference. The provisions noted in **Red Bold** in the Amended Scope of Services are referred to below as the “Additional Work”.
2. The compensation to be paid for the Additional Work shall not exceed \$116,595, for a total not to exceed amount of \$826,718 for the Agreement, as amended herein.
3. The term of the Agreement is hereby amended to be through July 31, 2017.
4. Except as expressly stated herein, all terms and conditions in the Agreement shall remain in full force and effect.
5. The effective date of this Amendment No. 1 is June 15, 2016.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to be executed by their duly authorized representatives as of the day first written above.

City of Morro Bay
a municipal corporation

Black & Veatch Corporation
a Delaware Corporation

By: _____
Rob Livick, Public Works Director

By: _____

Its _____

By: _____

Its _____

Attest:

Dana Swanson, City Clerk

APPROVED AS TO FORM

Joseph W. Pannone, City Attorney

EXHIBIT A
to
AMENDMENT NO. 1

City of Morro Bay
Water Reclamation Facility Master Plan

AMENDED SCOPE OF SERVICES
Original - July 16, 2015
Amendment No. 1 – June 15, 2016

GENERAL

The City of Morro Bay (City) has identified a need for a new Water Reclamation Facility and wishes to master plan the site for a 30-year planning period. The City currently owns and operates a Wastewater Treatment Plant, and is in need of a new WRF due to the age and condition of the existing WWTP. The goal of the master planning efforts described herein is to provide a roadmap for a new facility that will be operational when the 2015 renewal of the existing WWTP discharge permit expires within the next 5 years.

This Water Reclamation Facility Master Plan (FMP) is being prepared as part of an overall program. The City has or will be retaining consultants to prepare other studies in parallel with preparation of the FMP. The City will retain a Program Manager to oversee and coordinate the efforts of the various consultants. It is assumed that the Program Manager will act as a single point of contact for the FMP effort.

The original Scope of Services for the FMP assumed the preferred site for the WRF would be the Rancho Colina site. As of June 2016, the preferred site for the WRF is the site referred to as the South Bay Boulevard Site. Text presented herein in Red Bold text describes the changes to the Scope of Services required to update prior completed tasks to reflect the new site location. Amendment No. 1 incorporates those revisions to the Scope of Services and provides associated budget for their completion.

The Scope of Services was originally anticipated to be completed in February 2016. The new projected completion date is December 31, 2016. Amendment No. 1 extends the Scope of Services to cover the period from March 2016 through December 31, 2016.

TASK GROUP 100 - PROJECT MANAGEMENT & MEETINGS

Task 101 – Kick-off Meeting and Monthly Progress Meetings

A kick-off meeting will be held with the Consultant project team and City staff to review the scope of work, project schedule, and to confirm the overall goals of the project. At

the kick-off meeting the consultant will provide a list of data/information needs to be collected for the completion of the project. Consultant will provide an overview of expected project issues, constraints, and will assist the City in further refining the concepts necessary for a comprehensive and complete master planning document within the committed timeframe.

Project meetings are anticipated to be held at regular intervals throughout the master plan development. Meeting frequency and dates will be as agreed upon by all parties. Project meetings will be used to discuss the progress of the master planning efforts, critical decisions, and other topics as determined to be critical to completion of the work within the scheduled period.

The estimated level of effort assumes a total of eight (8) staff level meetings will be held over the project duration. It is assumed that these meetings will include other members of the Program consultant team when appropriate; unless otherwise stated elsewhere in this Scope of Services, no other formal progress meetings are planned. Up to four (4) of the progress meetings are assumed to be conference calls.

A total of eight additional meetings are included in the amended Scope of Services for the entire term of the Agreement.

Task 102 – Progress Reports and Invoices

Consultant will prepare monthly progress reports identifying the time period covered, and the percentage of work accomplished by task. The progress report will be accompanied by a monthly invoice identifying the compensation requested for each progress period. A project schedule update will accompany each invoice, identifying task progress, and any adjustments required to the overall project completion schedule.

Consultant will maintain decision matrices to facilitate and track the decision making process. Separate decision logs will be maintained for each major deliverable milestone, technical memorandum, and the master plan report as a whole.

Task 103 – Public Meetings

Consultant will attend and prepare materials for public meetings throughout the project. Meetings with the Water Reclamation Facility Citizen’s Advisory Committee (WRFCAC) and other community advisory bodies, the Morro Bay City Council, and others as requested. Specific materials and requirements for each meeting will be determined as meetings are scheduled. Level of effort assumes up to eighteen (18) public meetings will be required. It is assumed that four (4) of the public meetings will be scheduled to coincide with the four (4) in-person progress meetings described in Task 101.

No change.

Task 104 – Public Forums (As-Needed)

In addition to the Public Meetings described in Task 104, the City is envisioning other public forums to potentially provide opportunities for input from the general public, contractors, or equipment suppliers that could be considered in the FMP or other parts of the Program. Since these Public Forums and Consultant’s participatory role in them is as yet undefined, a budgetary allowance of 100 hours is included for this task. Program Manager will be notified before 75% of the budget for this task is exceeded.

No change.

Task 105 – Support for Other Program Consultants (As-Needed)

From time to time, other members of the Program team will require technical information to support their efforts. In particular, it is anticipated that the CEQA consultant will request information to support their environmental impact analyses. Since the nature and extent of information that may be requested is currently undefined, a budgetary allowance of 100 hours is included for this task. Program Manager will be notified before 75% of the budget for this task is exceeded.

No Change.

Task Group 100 deliverables are as follows:

1. Kick-off Meeting Minutes
2. Progress Reports and Invoices (Monthly)
3. Decision Matrices and Logs
4. Progress Meeting Minutes
5. Public Meeting Minutes

TASK GROUP 200 – PRELIMINARY INVESTIGATIONS AND SITE SURVEY

Task 201 – Preliminary Investigations

Consultant will obtain and review existing data pertinent to the evaluations and design of (1) the new WRF and (2) the decommissioning of the existing WWTP. Readily available data for use in the preliminary investigations shall be provided by the City.

Data to be provided to the Consultant shall include:

1. As-built utility maps for the project areas
2. Existing WWTP as-built drawings and reports
3. Field assessments of existing site conditions and constraints
4. Existing site survey and geotechnical data
5. Previous master plans and related studies
6. Historical wastewater characteristics and summary reports
7. Regional recycled water users and reuse trends (as available)
8. Regulatory discharge requirements and constraints
9. Other information available and deemed pertinent to the FMP
10. Data and reports from current on-going studies such as the hydrological study by the geotechnical engineer and funding consultant.

Consultant shall review and utilize the existing data and reports as an initial basis for the investigations associated with the FMP. Pertinent existing data and analysis shall be incorporated into the FMP.

A summary of existing documents and reports reviewed as part of the project development work will be prepared and included as an appendix to the FMP.

The budget has been expanded to include reviewing data and background information related specifically to the preferred South Bay Boulevard site.

Task 202 – Site Survey

The City will obtain a detailed survey of the project area, including the WRF site, the pump station site, and the pipeline alignments. It is assumed that this survey will be suitable for use in detailed design, and that this survey will be available to support preparation of the FMP. Consultant will coordinate with the City to provide input into survey needs.

Task Group 200 deliverables will include:

1. Summary of existing documents reviewed

No change.

TASK GROUP 300 – WRF SUPPORT FACILITIES

Task 301 – Onsite Support Facilities

Consultant will develop a List of Support Facilities and will work with the City to determine specific requirements for each, where possible leveraging prior studies.

On-site support facilities are expected to include:

1. Operations, Office, and Maintenance Buildings
2. Corporation Yard and Storage
3. Site Solar Farm
4. Water Resources Education Center
5. Electrical Feed and Stand-by Power
6. Hazardous Materials Containment and Handling
7. Other Facilities as Desired by the City
8. Possible co-location of City WTP (Space consideration only for now)

Based on the List of Support Facilities, Consultant will prepare:

1. Up to two (2) potential site plans to arrange the facilities on the WRF site and determine preliminary space requirements.
2. Up to six (6) visual simulations for each of the two (2) site plan alternatives from viewpoints determined jointly with the City.
3. Information to preliminarily define potential architectural styles for the WRF.
4. Preliminary concepts for educational components.

Consultant will prepare for and attend an initial public workshop to receive public and City Council input on the concepts. Consultant will incorporate input and update the above listed information. Consultant will prepare for and attend a second workshop to present refined versions of the site plan and visual simulations.

Effort was expended to develop initial draft site plans for the WRF at the Rancho Colina site and to gather information to support eventual development of visual simulations at that location. At the direction of the City, effort was also expended under this task to assess potential site development needs and facility arrangement options for the Righetti property. This Amendment No. 1 adds additional compensation for those similar tasks to be completed for the preferred South Bay Boulevard site.

Task 302 – Offsite Support Facilities

Consultant will collaborate with City to develop design criteria and concept level arrangement for new pump station. Consultant will identify up to six (6) potential pump station sites and will provide a qualitative analysis to screen the list down for detailed evaluation. Consultant will provide detailed evaluation of up to two (2) pump station site options. Consultant will provide up to four (4) visual simulations of each site option from viewpoints selected jointly with the City program team.

Consultant will evaluate options for offsite wastewater collection and conveyance to the new WRF. The required modifications to the existing collection system will be identified. Preliminary utility and record drawing information will be provided by City in the vicinity of the existing WWTP and SR-1 to support identification of opportunities and constraints for piping installation in this corridor relative to the top two pump station site options.

Recommendations will be documented in a technical memorandum.

Except for visual simulations, this task was completed based on the Rancho Colina site. Amendment No. 1 expands the Scope of Services to update the technical memorandum for the preferred pump station location to incorporate changes due to the preferred site for the WRF now being the South Bay Boulevard site. It also expands the Scope of Services to evaluate potential pipeline alignment options needed for the new preferred site.

Task 303 – Morro Bay WWTP Decommissioning

Consultant will evaluate the requirements for decommissioning of the existing Morro Bay WWTP and preparation of the site for a variety of potential future uses to be identified by the City. Consultant will determine what regulatory hurdles exist and will develop conceptual costs for the work. Consultant will identify equipment at the existing WWTP that could be used at the new WRF, and will evaluate whether it will be cost-effective to do so.

Consultant will summarize the recommendations in a technical memorandum.

No Change.

Task Group 300 deliverables will include:

1. Technical Memorandum – Onsite Support Facilities Requirements
2. Technical Memorandum – Offsite Support Facilities Requirements
3. Technical Memorandum – Morro Bay WWTP Decommissioning

TASK GROUP 400 – WASTE CHARACTERISTICS, FLOW AND LOAD PROJECTIONS

Task 401 – Influent Waste Characterization

City will provide most recent and historical wastewater data and Consultant will analyze the information to develop a waste strength for the new WRF. Consultant will compare the results of the waste characterization analysis with previous work and planning studies provided by the City to confirm the design characteristics for the new WRF are in line with previous estimates. Consultant will prepare a recommended sampling program to be implemented by City to support future project phases. It is assumed that information gathered by the sampling program concurrently with preparation of the FMP will not impact the analyses or conclusions of the FMP.

No Change.

Task 402 – Flow and Loading Projections

Based on data gathered under Task 201, Consultant will establish a long-term growth trend for flows and loads at the new WRF over the 30-year planning period identified by the City. Design flows and loadings will be developed based on average dry weather daily flow, peak month dry weather flow, peak month wet weather flow, peak day wet weather flow, and peak hour wet weather flow. To address potential impacts of water conservation on future potential flows and loads, City will provide recent water usage data, and information about the City's current conservation programs, and future conservation programs.

No Change.

Task 403 – Effluent Discharge Requirements

Consultant shall summarize effluent discharge quality requirements for varying types of discharges/treatment scenarios. Regional effluent quality trends will be reviewed and guidelines developed for current and future regulations that may dictate the level of treatment required at the new WRF. It is assumed that analyses will proceed based on information available at the time of project initiation and with concurrence of City. It is assumed that analyses may be refined one time to incorporate more detailed information currently being evaluated by other Program consultants.

Effluent quality regulations and requirements will be summarized in a technical memorandum.

Task Group 400 deliverables will include:

1. Technical Memorandum – Influent Waste Characterization, Sampling Program, and Flow Projections
2. Technical Memorandum – Effluent Discharge Requirements

No Change.

TASK GROUP 500 - DEVELOPMENT & EVALUATION OF TREATMENT ALTERNATIVES

Task 501 – Liquid Treatment Technology Alternatives

Consultant will evaluate liquid treatment process alternatives based on the following scenarios:

1. Full tertiary treatment for 30-year future flows
2. Full Title 22 (unrestricted irrigation reuse) treatment for 30-year future flows
3. Reuse options as follows:
 - a. Groundwater recharge per State of California requirements and anticipated salt management plan limits, using 100 percent of the WRF effluent.
 - b. Irrigation during dry weather of avocado orchards to a level of treatment consistent with similar systems (Escondido), using 100 percent of the WRF effluent; with ocean discharge of 100 percent of the WRF effluent during wet weather.
 - c. Irrigation during dry weather of avocado orchards to a level of treatment consistent with similar systems (Escondido), using 100 percent of the WRF effluent; with groundwater recharge per State of California

requirements and anticipated salt management plan limits, using 100 percent of the WRF effluent during wet weather.

Holistic treatment train alternatives will be identified to meet the City's end use goals for use of the WRF effluent and to meet discharge regulations. A qualitative screening process will be used to reduce the number of holistic treatment train alternatives down to two for detailed evaluation: a conventional treatment process option, and a combined secondary/tertiary treatment process option.

The two holistic treatment train alternatives will be evaluated based on a combination of capital costs, life-cycle costs, and non-economic factors such as reliability, operational staff preference, energy efficiency, ease of operation and maintenance, spatial requirements, and other factors determined through discussions with the City and execution of the Project. Consultant will prepare a visual exhibit (***flowchart similar to that in the proposal***) that identifies the top-ranked process alternatives with the approximate capital cost (+/-) for each selection. This exhibit will be submitted in draft and final format for use in public workshops.

Individual unit processes will be evaluated to determine which options best fit the City's goals.

The conventional liquid treatment train alternatives qualitative analysis will consider the following unit processes:

Subtask 501a – Headworks Technology Alternatives – Consultant will provide an overview of available preliminary treatment equipment including but not limited to screens and grit removal. Consultant will hold a technology workshop with the City to assist in identifying the preferred technologies.

Subtask 501b – Secondary Treatment Alternatives – Consultant will provide an overview of available secondary treatment methods and will hold a technology workshop to identify the most viable options for the new WRF. Consultant will provide a process model for the preferred alternative identified during the evaluation.

Subtask 501c – Tertiary Treatment and Disinfection Alternatives – Consultant will provide an overview of available tertiary treatment and disinfection technologies. Consultant will hold a technology workshop with the City to assist in identifying the preferred technology.

Subtask 501d – Advanced Treatment Alternatives – Options for advanced treatment will be reviewed with the City for possible near-term or future implementation.

The combined secondary/tertiary liquid treatment train alternatives qualitative analysis will include the following:

Subtask 501e – Headworks Technology Alternatives – Consultant will provide an overview of additional screening equipment required for a combined secondary/tertiary treatment process. Consultant will hold a technology workshop with the City to assist in identifying the preferred technology.

Subtask 501f – Combined Secondary/Tertiary Treatment Alternatives – Consultant will provide an overview of available combined secondary/tertiary treatment technologies and will hold a technology workshop to identify the most viable options for the new WRF. Consultant will provide a process model for the preferred technology identified during the evaluation.

Subtask 501g – Disinfection – Disinfection strategies will be the same as for the conventional treatment train, with the possible reduction in disinfection dosage. Consultant will hold a technology workshop with the City to assist in identifying disinfection technologies commensurate with a combined secondary/tertiary treatment system.

Subtask 501h – Advanced Treatment Alternatives – Options for advanced treatment will be reviewed with the City for possible near-term or future implementation.

No Change.

Task 502 – Future Potable Reuse Analysis

Consultant will build on the evaluations performed under task 501 to develop requirements for future potable reuse facilities. This scope of work assumes that a combined secondary/tertiary liquid treatment process will be the preferred treatment technology, and will serve as the starting point for a potable reuse facility. Consultant will provide an overview of additional unit processes required including MF/RO and Advanced Oxidation (UV/Peroxide) and will summarize capital and O&M costs. Consultant will base facility sizing and treatment requirements based on current or

anticipated State requirements and the City's goals for future potable reuse. For Indirect Potable Reuse options, it is assumed that the groundwater basin will be feasibly used as a natural barrier. This analysis will be limited to onsite facilities.

No Change.

Task 503 – Biosolids Treatment & Disposal Alternatives

Consultant will evaluate options for treatment and disposal of biosolids including an analysis of composting and onsite energy generation and recovery. Consultant will generally investigate projected regional land use trends, land availability, and hauling costs. Consultant will evaluate current and future regulatory trends and will make recommendations of viable treatment alternatives for further consideration by the City. Consultant will develop capital and life-cycle costs to assist the City with making decisions.

Base solids treatment alternatives are expected to include an option to land fill biosolids and/or truck offsite to a composting facility (dewatering only), production of Class B biosolids (Thickening, Anaerobic Digestion, and Dewatering), or production of Class A Exceptional Quality (EQ) biosolids. The solids analysis will be captured in a technical memorandum and will include the following:

Subtask 503a – Sludge Digestion Alternatives – Consultant will provide an overview of available digestion technologies and methods.

Subtask 503b – Sludge Thickening Alternatives – Consultant will provide an overview of available sludge thickening technologies.

Subtask 503c – Dewatering Technology Alternatives – Consultant will provide an overview of available sludge dewatering technologies.

Subtask 503d – Sludge Disposal Alternatives – Consultant will provide an overview of available disposal methods and options for reuse.

Task 504 – Workshop

Consultant will conduct a workshop to present the findings from the preceding tasks. Review comments and decisions will be documented and incorporated into the final FMP, as appropriate.

No Change

City of Morro Bay
Water Reclamation Facility Master Plan
Amended Scope of Services
July 16, 2015

Amendment No. 1 – June 15, 2015

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Task 505 – Cost Estimating

Consultant will evaluate the capital and O&M costs of the options developed under Task 501. O&M costs will be inclusive of power, chemicals,, staffing and certification costs, and other costs as appropriate. I&C and SCADA requirements will be used in development of the O&M costs.

Basic cost scenarios are expected to include the base treatment options and sub-alternatives depending on the final recycled water quantities and the determined disposal sites (groundwater recharge, irrigation, ocean disposal, etc.).

This scope of work assumes the following O&M estimates will be provided:

1. Full Tertiary Treatment
2. Full Title 22 Treatment
3. 100% Groundwater Recharge
4. Dry Weather Avocado Production and Wet Weather Ocean Disposal
5. Dry Weather Avocado Production and Wet Weather Recharge
6. Additional O&M Costs for Potable Reuse
7. Two (2) Intermediate Operating Scenarios (i.e. 50% RO, 25% RO, etc.) as mutually agreed upon by Black & Veatch and the City

Capital cost estimates will be to a conceptual level (AACE Class 4 (-15% to +50%).

No Change.

Task Group 500 deliverables will include:

1. Technical Memorandum – Liquid Treatment and Disposal Alternatives
2. Technical Memorandum – Solids Treatment and Disposal Alternatives
3. Visual Simulations of Facilities

TASK GROUP 600 - WATER RECLAMATION FACILITY MASTER PLAN

Task 601 – Draft Facility Master Plan

Consultant will use information gathered in Tasks 200 through 500 as well as the hydrogeological and salinity control studies to prepare a draft master plan report for review and comment by the City. This draft report will document and include that data and findings of geotechnical engineering analysis regarding soils results and recharge benefits to develop an integrated WRF FMP. Ten (10) printed copies plus an electronic copy of the draft Master Plan will be delivered to the City for review at the 33 percent, 67 percent, and 90 percent completion stages.

Task 602 – Draft FMP Review Workshops

Consultant will conduct a review workshop for each of the draft 33 percent, 67 percent, and 90 percent draft FMP submittals. Review comments and decisions will be documented and incorporated into the revised FMP, as appropriate.

Each review workshop will be scheduled to coincide with the monthly progress review meetings.

No Change.

Task 603 – Final Facility Master Plan

Consultant will incorporate any comments received from the City and will prepare the final Master Plan Report. Consultant will provide twenty-five (25) bound copies, and an electronic copy of the final master plan report.

Task Group 600 deliverables will include the following:

1. Ten printed copies plus an electronic copy of the draft FMP (each submittal)
2. Twenty five (25) printed copies of the final FMP (for public review)
3. Twenty five (25) printed copies of the final FMP with the public review draft and final documents including an Executive Summary
4. An electric copy of the FMP

No Change.

TASK GROUP 700 - OPTIONAL TASKS:

Task 701 – Potable Reuse Strategy and Offsite Facility Requirements

The State of California currently allows Indirect Potable Reuse. In the future, the State may develop standards and regulations to allow Direct Potable Reuse.

In either case, this task will conceptually identify and evaluate potential strategies to potable reuse. Consultant will identify both onsite and offsite facilities needed to implement IPR or DPR and will provide preliminary sizing and cost estimates for the facilities.

This task was completed for the Rancho Colina site. Amendment No. 1 expands the Scope of Services to update the resulting technical memorandum to reflect the preferred site for the WRF now being the South Bay Boulevard site.

Task 702 – Organic Waste Treatment Feasibility Study

Consultant will evaluate the facilities and systems required to add processing of fats-oil-grease (FOG), septage, recreational vehicle waste, and other green waste at the plant site in order to enhance energy production, provide revenue, or add a new regional benefit to the facility. The benefits, risks, space requirement, and operational impacts of each waste source will be discussed and presented at a public workshop (to be led by the Program Manager). Based on public input, the capital cost, lifecycle cost, potential benefits, space needs, and required facilities will be developed at a conceptual level for the two most feasible alternatives. It is assumed that the City will provide data regarding potential sources of materials, quantities, and constituents for use in developing sizing and cost analyses.

No Change.

City of Morro Bay
Water Reclamation Facility Master Plan
Amendment No. 1 - May 30, 2016
FEE ESTIMATE

Task Number & Description	HOURS															COST				
	Project Director Mari Garza-Bird	Project Manager Matt Thomas	Technical Advisors Dr. Welch; Jim Clark; James	Collection & Conveyance Matt Thomas	WRF Brad Hemken	WW Reuse/Process Mark Steichen	Engineering Manager	Civil/Site	Electrical; Instrumentation & Control	QA/QC	Staff Engineer	CAD Operator	Cost Estimator	Admin/Clerical	Total Hours	B&V Labor	Project Expenses	Other Expenses	Subconsultant Costs (including markup)	Total Cost
Task Group 100 - Project Management & Meetings																				
101 Kick-Off Meeting & Monthly Progress Meetings	12	40			16		16							40	124	\$24,860	\$1,085	\$192		\$26,137
102 Progress Reports and Invoices		8					12							24	44	\$6,920	\$385	\$95		\$7,400
103 Public Meetings															0	\$0	\$0			\$0
104 Public Forums (As-Needed Allowance)															0	\$0	\$0			\$0
105 Support for Other Program Consultants/CEQA (As-Needed)															0	\$0	\$0			\$0
Subtotal Task Group 100	12	48	0	0	16	0	28	0	0	0	0	0	0	64	168	\$31,780	\$1,470	\$287	\$0	\$33,500
Task Group 200 - Preliminary Investigations & Site Survey																				
201 Preliminary Investigations		2		2			16		8		12			4	44	\$7,960	\$385	\$155		\$8,500
202 Site Survey															0	\$0	\$0		\$0	\$0
Subtotal Task Group 200	0	2	0	2	0	0	16	0	8	0	12	0	0	4	44	\$7,960	\$385	\$155	\$0	\$8,500
Task Group 300 - WRF Support Facilities																				
301 Onsite Support Facilities		2					16	16	8	4	16	8	8	4	82	\$13,750	\$718	\$142		\$14,610
Onsite Facilities - Site Planning and Visual Simulations	8	12			12		12	24		4	8	24		4	108	\$20,060	\$945	\$210	\$8,000	\$29,215
302 Offsite Support Facilities	2			16			8	30		4	16	16		4	96	\$17,080	\$840	\$185		\$18,105
Offsite Facilities - Site Planning and Visual Simulations															0	\$0	\$0			\$0
303 Morro Bay WWTP Decommissioning Evaluation															0	\$0	\$0			\$0
Subtotal Task Group 300	10	14	0	16	12	0	36	70	8	12	40	48	8	12	286	\$50,890	\$2,503	\$537	\$8,000	\$61,900
Task Group 400 - Waste Characteristics, Flow and Load Projections																				
401 Influent Waste Characterization															0	\$0	\$0			\$0
402 Flow and Load Projections															0	\$0	\$0			\$0
403 Effluent Discharge Quality Evaluations															0	\$0	\$0			\$0
Subtotal Task Group 400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0
Task Group 500 - Development and Evaluation of Treatment Alternatives																				
501 Liquid Treatment Technology Alternatives															0	\$0	\$0			\$0
502 Future Potable Reuse Analysis															0	\$0	\$0			\$0
503 Biosolids Treatment & Disposal Alternatives															0	\$0	\$0			\$0
504 Technology Workshop															0	\$0	\$0			\$0
505 Cost Estimating															0	\$0	\$0			\$0
Subtotal Task Group 500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0
Task Group 600 - WR Facility Master Plan																				
601 Draft Facility Master Plan															0	\$0	\$0			\$0
602 Draft FMP Review Workshops															0	\$0	\$0			\$0
603 Final Facility Master Plan															0	\$0	\$0			\$0
Subtotal Task Group 600	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0
Task Group 700 - Optional Tasks																				
701 Potable Reuse Strategy		4					16	20		4	12		8	4	68	\$12,100	\$595			\$12,695
702 Organic Waste Treatment Feasibility															0	\$0	\$0			\$0
Subtotal Task Group 700	0	4	0	0	0	0	16	20	0	4	12	0	8	4	68	\$12,100	\$595	\$0	\$0	\$12,695
Total	22	64	0	18	28	0	80	70	16	12	52	48	8	80	498	\$90,630	\$4,358	\$979	\$8,000	\$116,595





AGENDA NO: C-4

MEETING DATE: June 14, 2016

Staff Report

TO: Honorable Mayor and City Council

DATE: June 6, 2016

FROM: Eric Endersby, Harbor Director

SUBJECT: Consideration of Options and Direction for New Coast Guard Station Morro Bay Building, Harbor Department Office Building and North T-Pier Public Restroom Building

RECOMMENDATION

Staff recommends the City Council approve the "Option 1" Coast Guard / Harbor Office building locations as outlined below and direct necessary follow-on steps that will result in: 1) The United States Coast Guard ("USCG") constructing a 1,300-1,600 square-foot building next to their existing building on the lease site currently occupied by the City of Morro Bay Harbor Office, and 2) construction of a new Harbor Office on the lease sites currently occupied by, and adjacent to, the North T-Pier public restroom / shower. At its June 2, 2016, meeting, the Harbor Advisory Board unanimously recommended the City Council pursue Option 1.

ALTERNATIVES

1. Allow the USCG to build on the current North T-Pier restroom / shower site and the City continues to use the existing Harbor Office building, with the restroom/shower being replaced in a yet-to-be-determined location.
2. Inform the USCG we do not have a location for them at this time, at least not for some years.

FISCAL IMPACT

For initial planning purposes, staff anticipates a new, appropriately sized Harbor Office and restroom/shower facility will cost ~\$1.1M. Around \$300,000 of that cost would be paid up front to the City by the USCG as compensation for the loss of our exiting Harbor Office. That would result in an expense of around \$800K, likely borne over time as a loan. While the cost of that loan may be too high for the City at this time, it is likely the USCG will agree to enter a new lease agreement under which they would pay the City annual rent for the two lease sites they would occupy, thus reducing the cost of the loan by perhaps half.

BACKGROUND

In 2012, Congress appropriated the USCG around \$1.4M to build additional office, crew and shop space

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Prepared By: EE

Dept Review: EE

City Manager Review: DWB

City Attorney Review: JWP

for Station Morro Bay. The current building, constructed in the early 1990's to accommodate the crews and needs of two 82-foot cutters that were then stationed in Morro Bay, accommodates roughly one quarter of the current space needs based on the motor lifeboat station mission and staffing. The congressional appropriation expires in 2019, so the appropriated funds must be spent for new construction in Morro Bay by 2019.

In February 2013, the USCG approached the City to begin discussions on possible options for siting this potential new ~1,300-1,600 square-foot building. Various locations were considered, including the public parking lot area immediately north of the power plant intake building, the intake building site itself, and the Triangle parking lot. Ultimately, the only two viable location options are the current Harbor Office site (Option 1), and the lease site between the Harbor Office building and the Crill's lease site, where the North T-Pier public restroom / shower facility is currently sited (Option 2). Visuals of those options are included with this staff report as Attachment 1.

The City and USCG have met on several occasions over several years to pursue our mutual interests. Further, Council objectives for FY15/16 included continuing forward momentum on various projects, including the USCG facility.

At the July 8, 2014, City Council meeting, the Council approved a Consent of Landowner (COL) approval for the USCG's use of the Option 2 site. While that COL was committing to the Option 2 location, the COL did include language that provided for location flexibility, because the Harbor Office location was potentially on the table for consideration as well.

On August 7, 2014, the Harbor Advisory Board (HAB) considered potential sites to relocate the to-be displaced public restroom / shower facility. No location for the restroom-shower was identified; and the HAB endorsed the USCG's proposal for use of the Option 2 site and recommended any subsequent lease be at fair market rental rates.

In early 2015, the USCG met with City management, including the then City Manager, to continue to process. That meeting included discussion about the most desirable option for the USCG (building on the Harbor Office lease site) and the possibility of the USCG paying rent in order to make the project feasible for the City.

Knowing the Harbor Office location was a possibility, earlier this year the USCG presented two Memorandums of Understanding (MOU) to the City for the USCG to begin the process to permit and build on one of those sites, one MOU for each site depending on which one the City chooses.

On May 9, regarding real property negotiations, the USCG station location was included on the closed session agenda for Council consideration and direction to its negotiators. As a result of that closed session staff brought the location options to the HAB for consideration and recommendation. On June 2, 2016, by unanimous vote, the HAB strongly recommended Option 1 as the best choice for the City to support the USCG space requirements, and to replace the City's aging Harbor Office with a facility commensurate with Harbor Department and services requirements. The HAB also recommends the City should pursue a fair market value rent with the USCG for that proposed new facility and for the existing

facility, as the only way to effect that option in a fiscally sustainable manner for the City.

DISCUSSION

Both the USCG Station Morro Bay building and Harbor Office building are substantially inadequate in size to accommodate each agency's needs. In addition, the Harbor Office is over 50 years old and beyond its useful service life. With the USCG having secured the modest amount of funding, there is opportunity to achieve building improvements not only for the USCG at this time, but for the Harbor Department and public restroom / shower facility as well.

If the USCG utilizes the current Harbor Office site, then it is prepared to reimburse the City \$315,000 as fair market value for the building. If it were to utilize the current restroom / shower site, then the reimbursement for that building would be \$60,000.

Under the recommended option, the pros are the USCG would have a contiguous facility, the Harbor Department would have a new office with much more useful second-story views of the waterfront, bay and harbor entrance, would not be responsible for demolition costs for the existing building and the current restroom / shower facility at the North T-Pier would be rebuilt and upgraded. The con is the cost. After the USCG reimbursement, the City would be required to fund ~\$800K to build a new Harbor Office/restroom-shower facility.

Under Alternative 1, or the Option 2 building locations, the pro is it's the least costly option for the City in the near term, but in the long term the City will need to replace our 50-year-old Harbor Office. The cons are the USCG would be split between two buildings - not an ideal situation from an operational perspective. Further, a new location would have to be identified to replace the existing restroom/shower facility, and there is no obvious location at hand. Finally, as noted above, the existing Harbor Office eventually must be replaced.

If the need for a new Harbor Office is not considered, then Alternative 2 is obviously the least costly for the City. The Council is reminded, however, one of the FY 15/16 Goal objectives was to conduct a Harbor Department building space needs assessment as a first step towards the replacement process for that building. That assessment was conducted and concluded, in brief, the existing facility does not meet the current needs of the Department, and recommended, as next steps, the needs assessment be used as a tool to initiate discussion to address current and future needs, and cost studies be conducted to inform and move the discussion forward. Staff believes the new USCG building proposal provides the opportunity and impetus to help accomplish those tasks.

As the City Council is well aware, the Harbor Fund has very meager reserves and the Harbor Enterprise Fund would be unable to completely fund a possible ~\$800K loan to build a new office/restroom under the recommended option. However, if the USCG commits to an appropriate annual lease payment, then the finances become feasible. Staff, with Council direction, can continue to negotiate with the USCG to determine an appropriate annual payment for what would be two lease sites – the existing USCG site and the existing Harbor Office site.

Under Alternative 1, the Harbor Fund would be required to find financing for the ~\$100K needed above

what the USCG can contribute to replace the restroom / shower.

CONCLUSION

The USCG's funding provides a unique opportunity for the City not only to support its mission needs, but, simultaneously, to provide the Harbor Department with a much-needed office improvement and an important restroom / shower facility upgrade. Based on that, staff and the HAB recommend the City Council pursue the recommended option for further negotiations with the USCG.

Further, staff recommends Council approve the necessary follow-on steps as time is actually fairly short, considering the permitting timelines for both the City and the USCG, and the fact the USCG really needs to begin construction in 2018 to not lose the construction fund appropriated by congress.

Staff thus recommends the Council:

1. Direct staff to pursue the recommended option of construction of an expanded USCG office and a new Harbor Office (with public restroom / shower).
2. Authorize and direct staff to seek and engage an architectural design consultant to begin design work in preparation for Concept and Precise plan approvals, including an expense amendment in the FY 16/17 budget in the amount of \$100,000 from the Harbor Accumulation Fund (or General Fund if necessary on a reimbursable basis) for initial design and planning costs.
3. Authorize and direct staff to begin the Concept and Precise plan approval process, including combining those processes, where feasible.
4. Authorize and direct staff to seek loan and grant opportunities to fund the City's cost, with the intent the loans and/or grants would be sought for both past (reimbursed) and future costs.
5. Authorize and direct staff to continue negotiations with the USCG for the recommended option, including for an MOU (to be approved by Council in open session) and the terms for a new lease agreement (also to be approved by Council in open session).

Council will have multiple opportunities to continue to influence, and, if desired, stop, this process, including: approval of any future loan, approval of MOU with USCG, approval of draft lease terms with USCG, approval of concept / precise plan, and approval of final lease with USCG.

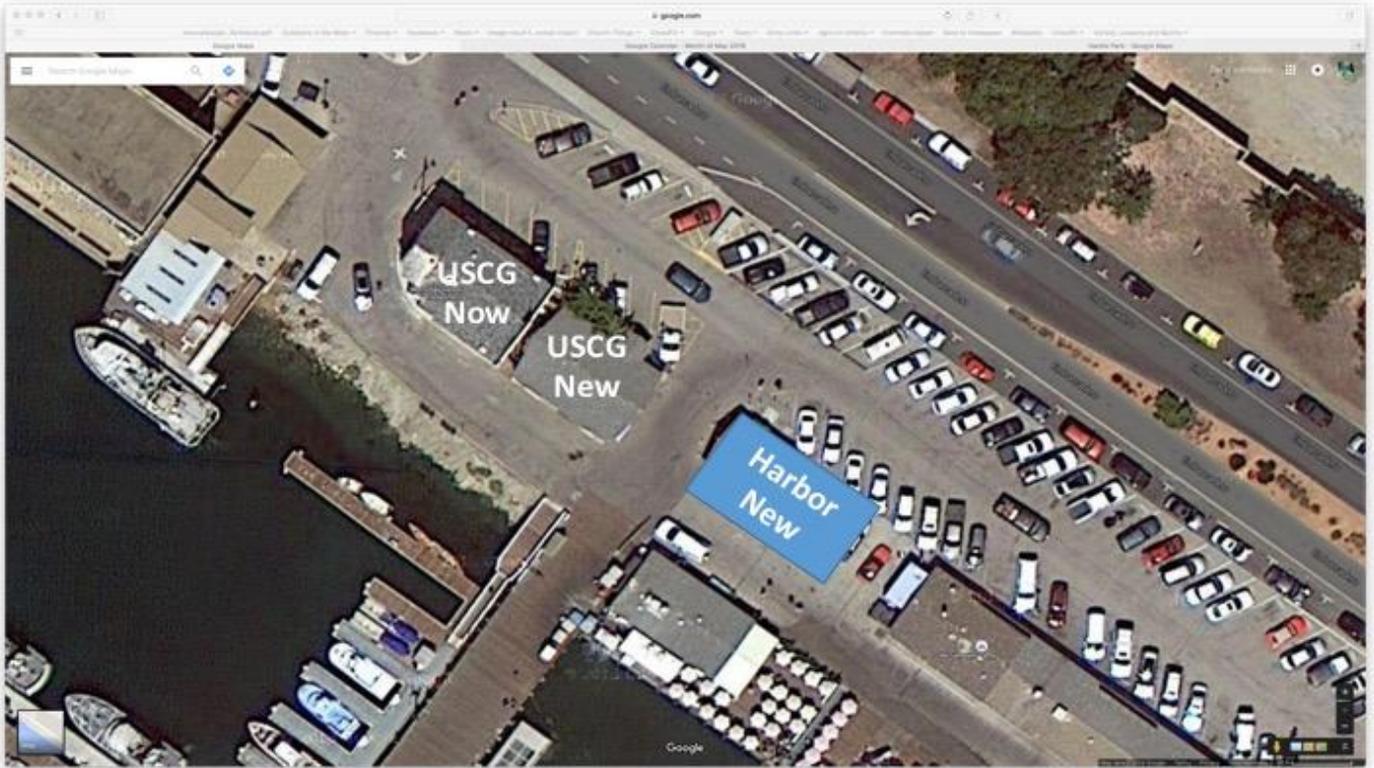
If Council approves Alternative 1, then authorization and direction from the Council will be necessary for staff to pursue the City's process and costs to relocate the public restroom / shower facility, as well as including any direction on restroom / shower locations and options.

It must be noted, this is only a first step to formalize an understanding between the USCG and City to enable the USCG to begin the entitlement and negotiation processes with the City, as well as for the City to begin the design and entitlement process for the Harbor Office and/or restroom-shower facility buildings. If those projects move forward in any form, then the full public review and permitting process, in addition to lease negotiations, will necessarily take place.

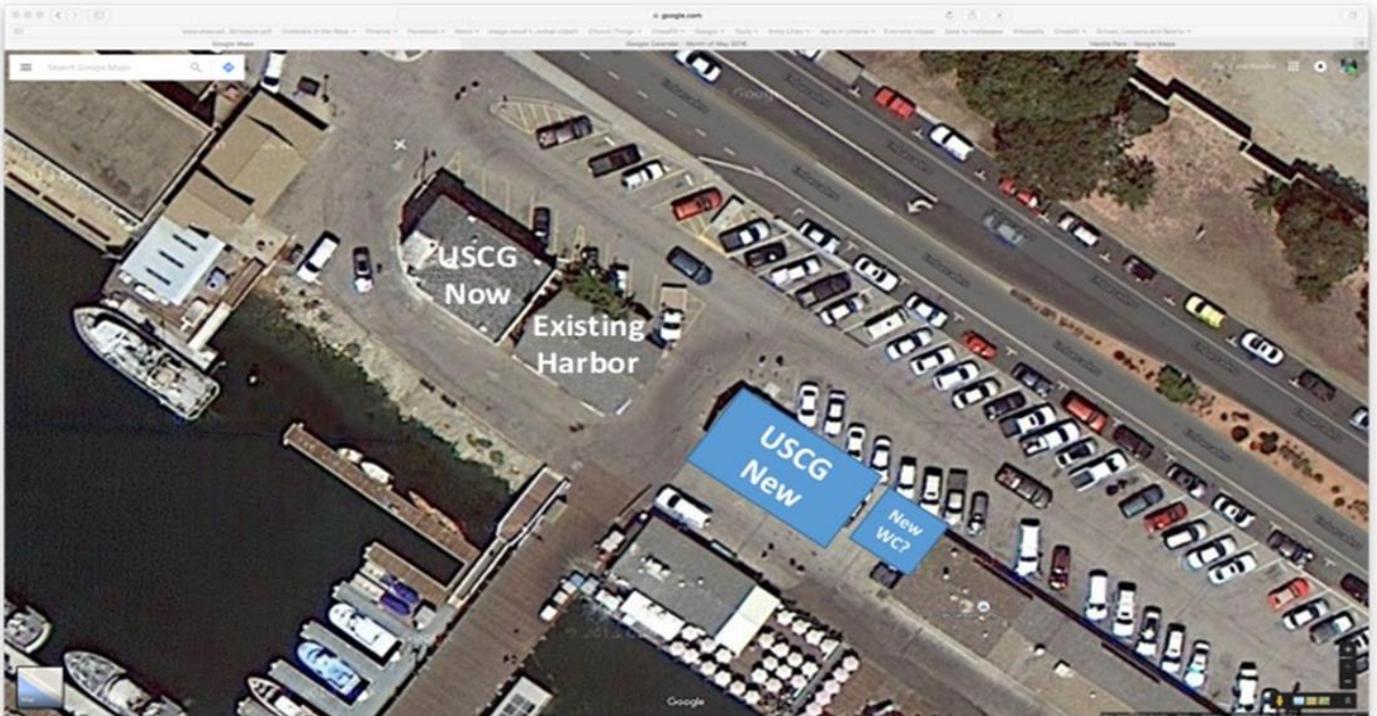
ATTACHMENT

Overhead conceptual views of recommended options and Alternative 1

Option 1 – USCG Builds on Harbor Office Site with New Harbor Office Over Public Restroom



Option 2 – USCG Builds on Public Restroom Site with no new Harbor Office. New restroom TBD.



ORDINANCE NO. 603

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING CHAPTER 13.20 OF THE MORRO BAY MUNICIPAL CODE
FOR BUILDING LIMITATIONS**

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

WHEREAS, it is the purpose of Chapter 13.20 of the Morro Bay Municipal Code (“MBMC”) is to regulate the addition of new water users to the City's water system, whether new construction, expansions or new occupancies, to ensure demand for water shall not exceed available supply and the pace of allocating the available water supply to new users is reasonable and orderly; and

WHEREAS, the amendments proposed by this Ordinance are to align the reporting and allocation of Water Equivalency Units (WEU) with the timeframe of when the data is available; and

WHEREAS, the Public Works Advisory Board and the Planning Commission of the City of Morro Bay did forward a recommendation the WEU Table should be reviewed on a semiannual basis; and

WHEREAS, these revisions proposed by this Ordinance were evaluated and deemed “not a project” and, therefore, exempt from the California Environmental Quality Act (CEQA).

NOW, THEREFORE, the City Council of the City of Morro Bay does ordain, as follows:

SECTION 1:

- A. The above recitations are true and correct and constitute the findings of the Council in this matter.
- B. For purposes of the California Environmental Quality Act, this action is exempt.

SECTION 2:

- 1. Chapter 13.20 of the MBMC is hereby amended, in its entirety, to read as set forth in Exhibit A, hereto

SECTION 3: This Ordinance shall become effective on the 31st day after its adoption.

INTRODUCED at this regular meeting of the City Council held on the 24th day of May 2016, by motion of Councilmember Heading and seconded by Mayor Irons.

AYES: Irons, Heading, Johnson, Makowetski, Smukler
NOES: None
ABSTAIN: None
ABSENT: None

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

APPROVED AS TO FORM:

JOSEPH W. PANNONE, City Attorney

I, Dana Swanson, City Clerk for the City of Morro Bay, hereby certify the foregoing ordinance was duly and regularly introduced at a meeting of the City Council on the 24th day of May, 2016, and, hereafter, the ordinance was duly and regularly adopted at a meeting of the City Council on the 14th day of June, 2016, by the following vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

IN WITNESS WHEREOF I have hereunto set my hand and affixed the official seal of the City of Morro Bay, California, this _____ day of _____, 2016.

City Clerk of the City of Morro Bay

CHAPTER 13.20 – BUILDING LIMITATION

13.20.010 - Intent and findings.

- A. The intent of this chapter is to regulate the addition of new water users to the City's water system, whether new construction, expansions or new occupancies, to ensure that demand for water shall not exceed available supply and that the pace of allocating the available water supply to new users is reasonable and orderly.
- B. The City presently has a limited amount of water resources; this fact is not only recognized by the City but also by the state of California in various actions of the California Coastal Commission limiting new development within the City limits. New water users must be regulated, accordingly, to ensure that demand does not exceed supply and that the pace of development using available water is orderly and reasonable.
- C. The regulations established by this chapter may effectively limit the number of housing units which may be constructed on an annual basis, but such limitation is necessary to protect the public health, safety and welfare. If water use exceeded supply and adequate water were not available to users, then there could result in increased fire hazard, adverse impacts on commerce, industry and recreation, and the public health, safety and welfare would generally be jeopardized.
- D. By "development that occurs in an orderly fashion" is meant development which can be served by public utilities, including, but not limited to, water resources and delivery systems, which encourages infill in existing developed parts of the City rather than in large undeveloped areas along the perimeter of the community, and which helps to implement the policies and priorities articulated in the City general plan and local coastal program.
- E. Similarly, the public health, safety and welfare is promoted by regulating the pace of new development so that it occurs in an orderly fashion. Such development helps preserve the community's character, enhances the attractiveness of the City, better implements adopted plans, policies and priorities for the physical growth of the City, and tends toward a more efficient use of available resources including but not necessarily limited to water and water delivery systems.
- F. Water equivalency units, as defined herein, are established to assist the City in regulating the addition of new water users to the City's limited water system. One water equivalency unit has been considered as equal to what is used by an average single family residence.

13.20.020 - Definitions.

The following definitions shall be used for interpreting this chapter:

- A. "Director" means the City's Public Works Director.
- B. "Project" means new construction, additions to existing facilities, changes or intensification of use or occupancies in an existing facility, or demolition and replacement of existing facilities.

- C. "Water equivalency program" means a program adopted each year that establishes the total number of water equivalency units to be allocated for the coming fiscal - year, and the method of dispersing and administering water equivalency units through the year.
- D. "Water equivalency table" means a table that indicates the average annual water use of different land uses that is used in calculating how many water equivalency units a proposed project needs.
- E. "Water equivalency units" means a unit of measure for water use equal to the average amount of water used by a single-family residence over the period of one year.

13.20.030 - Responsibilities of the Director.

The Director is charged with:

- A. Submitting an annual water report to the City Council, Public Works Advisory Board and Planning Commission;
- B. Reviewing and approving the water equivalency units required by individual projects,
- C. Monitoring the water equivalency program during each year,
- D. Periodically updating the basis for a water equivalency unit and the water equivalency table and adjusting them based on significant changes of water consumption by land use type, and
- E. Developing operating procedures for the administration of the water equivalency program and allocating water equivalency units established for the year to projects, in accordance with the water equivalency program.

13.20.040 - Submission of annual report by the Public Works Director.

- A. By June of each year, and subsequently in the following year based on a significant change in the water availability situation or recalculation of use by type of activity, the Director shall submit a report to the City Council, Public Works Advisory Board and Planning Commission outlining the number of uses receiving water equivalency units the previous year, the number of water equivalency units distributed, and the number of water equivalency units to be allocated for that year to projects.
- B. The Planning Commission and Public Works Advisory Board (PWAB) shall consider this report and forward it to the City Council with its recommendations. The City Council shall thereafter hold a public meeting and shall take action to adopt a water equivalency program for the year.
- C. The City Council shall consider the annual report at a regularly scheduled Council meeting and make any changes to the annual water report and operating procedures for the administration of the water equivalency program, as it deems appropriate.

13.20.050 - Responsibilities of the City Council.

- A. By June 15th of each year, the City Council shall adopt a water equivalency program for the next fiscal year by resolution.
- B. The City Council shall also review the operating procedures for administration of the water equivalency program developed by the Director.

13.20.060 - Reserved

13.20.070 - Water equivalency table.

The water equivalency table as approved by City Council Resolution indicates the average annual water use of different land uses and building types relative to that of a single-family dwelling. The water equivalency table shall be followed when calculating the water equivalency units needed by individual projects or to be credited to existing or discontinued land uses as set forth in Section 13.20.080. The water equivalency table shall be reviewed by the Director semiannually and any modifications that reflect changes in water use shall be approved by the City Council.

13.20.080 - Allocation of water equivalency units to projects.

- A. No project as defined in this chapter shall be permitted unless it is first reviewed by the Director to ascertain whether it will increase likely water usage and thereby needs water equivalency units. The Director shall use the water equivalency table referred to in Section 13.20.070 for determining water equivalency units for various uses. If a particular use is not listed on the water equivalency table, then the Director shall estimate the water equivalency units for that use. Generally, the water usage records of a sample of like uses already operating in the City shall be used if available. The time frame for the sampling should be at least seven years of use if available. Any other relevant information may be used in making a reasonable estimate. The Director's decisions regarding estimates of water usage may not be appealed. If a proposed project, as defined in this chapter, is found to require water equivalency units, then it shall not be approved for construction, or, in cases of changes to, or the expansion or intensification of existing uses, the occupancy shall not be approved, until and unless the required water equivalency units have been obtained in accordance with the annual water equivalency program, except as provided in this section.
- B. The following types of projects shall not be required to obtain water equivalency units through the water equivalency program:
 - 1. Any projects which involves the demolition of a building where the number of water equivalency units required by the new uses is less than or equal to those credited to the demolished building(s). Water equivalency units credited to demolished buildings shall be limited to the highest number of water equivalency units credited to legally permitted uses which have existed in the building since January 1, 1977, based upon the most

current water equivalency table referred to in Section 13.20.070 of this code. Any building demolished prior to January 1, 1977 shall not be credited with water equivalency units. "Legally permitted" buildings, uses or occupancies shall mean: any building, use or occupancy for which any required use permit, building permit or business license had been secured and validated, or any legal nonconforming use.

2. Any Project which involves the replacement of a use or occupancy where the number of water equivalency units required by the new use or occupancy is less than or equal to those credited to the highest number of water equivalency units credited to legally permitted, non-temporary uses, which have existed in the building since January 1, 1977, based upon the most current water equivalency table referred to in Section 13.20.070 of this code. Any use or occupancy discontinued prior to 1977 shall not be credited with equivalency units
 3. Any project which is an addition to an existing facility and includes the retrofit of existing fixtures in that existing facility such that the water equivalency units saved by the retrofit is greater than or equal to the water equivalency units required by the new use. The Director shall estimate the water equivalency units saved by a proposed retrofit; the Director may request the project proponent to supply whatever information is deemed necessary to help estimate water savings.
 4. Additions or expansions to residential uses, motels, hotels, campground or other uses for which water equivalency units are based on number of units so long as such additions or expansion does not involve an increase in number of units.
 5. Family day care homes, as defined in Section 17.12.272 of this code, as may be amended.
- C. A project proponent may obtain water equivalency units for the project by implementation of an approved off-site retrofit program of existing water fixtures or other water conservation measure, subject to the following provisions:
1. All proposals for off-site retrofit programs or other water conservation measures shall be submitted to the planning director who shall estimate the number of water equivalency units such proposal would save. Additionally, if retrofit is proven to be infeasible, the payment of an in-lieu fee in the amount approved by the City Council and listed in the Master Fee Schedule will satisfy this requirement.
 2. Any such proposal may be subject to review and approval by the City Council and, if deemed necessary, by the California Coastal Commission; provided, however, that if a proposal complies with the guidelines prepared pursuant to this section and approved by the City Council, it may be approved by the Director.
 3. In order to allow a large margin of error in estimated savings and to help reduce overall demand on the City's already constrained water resources, no more than one-half of the water savings from a project resulting from a retrofit proposal may be credited to a new use or development project.
 4. This option shall not include replacement by private developers of leaky water mains.

5. In order to better implement City objectives and policies to promote infill development, only projects defined as infill pursuant to the definition adopted in the operating procedures shall be eligible to obtain water equivalency units pursuant to this section.
 6. The Director shall prepare guidelines for the administration of retrofit program which shall be reviewed at least once a year by the City Council and which shall be subject to Council's approval.
 7. Once a year, in May, the Director shall submit a report to the City Council summarizing the experience to date of all retrofit proposals. Prior to submission to the Council, such reports shall be reviewed by the Public Works Advisory Board (PWAB), and all recommendations made by the PWAB shall be included among the materials submitted to the Council. Based on those reports and PWAB recommendations, the Council may modify the guidelines for the program as deemed appropriate.
 8. In any program under which the City assists developers in locating structures to be retrofitted, priority shall be given to residences of low-income households.
- D. If a project needs to obtain water equivalencies units pursuant to the water equivalency program, then the project proponent shall make application for the water equivalency program in the form of a completed application for a building permit and shall be submitted to the City; provided, however, that for projects which do not require a building permit, a letter requesting the required water equivalency units shall be submitted to the department instead. The Director shall determine the number of water equivalency units needed by the proposed project. The Director shall periodically forward requests to the Planning Commission for allocation of available water equivalency units, in accordance with the annual water equivalency program.
- E. The Planning Commission shall allocate the required water equivalency units to the proposed project only if it can make the following findings:
1. The project is consistent with City planning regulations; all applicable local discretionary permits shall be approved prior to a project's being eligible to receive any water equivalency unit allocations;
 2. There are enough water equivalency units available to be allocated to the specific type of use for which application has been made; and
 3. A water equivalency units allocation to the proposed project is consistent with the water equivalency program adopted for the year.
- F. Applications for water equivalency units will be reviewed by the Public Works Department and considered for water equivalency units allocation on the basis of time and the date of receipt of the completed application by the Public Works Department.

13.20.083 - Priority for affordable housing developments.

- A. For the purpose of this section, moderate, low and very low income persons shall be defined as set forth in California Health and Safety Code Sections 50079.5 and 50105. "Affordable

housing" means housing affordable to persons and families with moderate, low and very low incomes.

- B. In any given year at the time any water equivalency units allocation are authorized by the City Council, priority on the residential building permit waiting list shall be given for developments which provide a minimum of fifty percent of housing which will be guaranteed to be affordable to persons and families with moderate, low and very low incomes; provided, however, that not more than fifty percent of the building permits allocated each year for single-family dwellings or multifamily dwellings by the City Council pursuant to Ordinance No. 266 shall be so prioritized. Developments which provide a minimum of fifty percent of affordable housing including a minimum of twenty-five percent affordable to low- and very low-income families shall have a priority over projects for affordable housing, which do not provide units for low and very low-income families. Also, developments which provide one hundred percent affordable housing shall have a priority over projects which provide fifty percent affordable housing.

The remaining permits shall be allocated in accordance with the existing waiting list.

- C. An applicant desiring low-income housing priority shall submit to the Public Works Department, a written request for such priority, listing the applicant/owner, the address and legal description of the project property, and written deed restrictions and agreements as approved by the City Attorney, restricting the sale and occupancy of the affordable units in the project to moderate-, low- or very low-income persons for a period of thirty years after completion of the housing project. Upon receipt of this information and agreements, the applicant's property will be placed on a separate low-income housing waiting list for either single-family or multiple-family projects in the order in which the requests are received by the City to be eligible for priority in the following year's water allocation.
- D. If a project due to be awarded water fails to qualify or submit sufficient deed restrictions and agreements, as required in this section, prior to the award of water, or voluntarily withdraws, then the project shall be removed from the priority list and shall be returned to its original position on the long-term building allocation waiting list.
- E. The City, at its option, may contract with a nonprofit housing agency to provide for administration of various aspects of deed restrictions, agreements and other procedures to ensure the effectiveness of this program to provide long-term low income housing. Costs for such services shall be borne by the applicant/developer.

13.20.085 - Special building allocation.

- A. During any fiscal year in which the City Council determines not to award all of the water equivalency units allocations permitted by Ordinance 266, the City Council may by resolution, authorize building permits to be issued for new uses within the limits established in Ordinance 266 to those projects, which because they have pre-existing water equivalency units on-site, have no necessity for new water equivalency units allocation from the City.
- B. Proposals for residential projects which are being converted from former nonresidential uses or for residential redevelopment projects which increase the number of residential units on

the property may be eligible to be considered for a special building allocation when those projects:

1. Have sufficient pre-existing water equivalency units on-site due to prior water use on that property,
 2. Are consistent with the annual building allocation established by the council as required by Ordinance 266, and
 3. Will not require more water equivalency units for the current use to be converted than the amount set forth in the water equivalency table, adopted by Council Resolution, as referred to in Section 13.20.070.
- C. Upon receipt of a redevelopment application, and verification by the planning director that the proposal conforms to the above requirements and all other requirements of this code, the application will be processed in the normal manner required for any necessary discretionary approvals. The Director, on a quarterly basis, shall provide the City Council a list of all redevelopment projects having obtained all necessary discretionary approvals during that quarter. The Council may authorize the Director to issue building permits to such projects in accordance with the limitations of the special building allocation for that calendar year. During each quarterly authorization, those projects highest on the long-term waiting list shall have priority over other applicants for access to the available special allocation permits, except as set forth in subsection D of this section.
- D. In accordance with and subject to the provisions of Section 13.20.090 of this code, and as subsequently amended, projects which qualify as low- and very low-income housing developments shall be given priority to special building allocation permits over other applications.
- E. Special building allocations will have not be allowed to carryovers water equivalency units from one calendar year to the next; therefore, in the event a project requires more water equivalency units than the number of remaining water equivalency units available through the allocation, the project proponent may reduce the number of units proposed which require water equivalency units, or the next project in line that can be satisfied shall receive the award.
- F. Any applicants applying to participate in a special building allocation, but who (i) fails to meet the criteria above, (ii) fails to obtain any required approvals, or (iii) meets the criteria but withdraw the request, shall be returned to that applicant's original relative position on the long-term building allocation list.

13.20.100 - Nontransferability of water equivalency units.

- A. A water equivalency unit shall be awarded only to a specific project in a specific location. Minor amendments to projects, which do not change the type or intensity of use, may be approved without loss of allocated water equivalency units, so long as the project and site do not change.
- B. A water equivalency unit that has been allocated to a specific project cannot be transferred to another project or property.

- C. A project proponent must be the record owner of a property in order to be eligible to obtain water equivalency units.
- D. Water equivalency units shall run with the project and the property. New owners of properties which have received water equivalency units credit shall notify the City within forty-five days after close of escrow.
- E. The limitations outlined in this section shall be effective as of September 27, 1993.

13.20.110 - Time limit for using water equivalency units.

- A. If water equivalency units have been awarded to a project by the Planning Commission, then that award shall remain in force for the period in which all applicable (related) discretionary and ministerial and administrative approvals are valid.
- B. Any extensions granted to such permits prior to their expiration shall automatically extend the water equivalency units award to the new expiration date. Expiration of a project's conditional use permit or coastal development permit or other ministerial or administrative approval shall result in the expiration of water equivalency units awarded the project. Allocation of water equivalency units expiring in this manner cannot be reinstated. In such cases, new water allocations must be obtained for new or reactivated projects on a property.
- C. For existing commercial uses, industrial uses and other nonresidential uses, retrofit of on-site facilities may be credited on that property for potential further expansions or new nonresidential uses pursuant to the following standards:
 - 1. The water equivalency units earned by the retrofit must be maintained on-site and cannot be transferred to another property; and
 - 2. The water equivalency units earned are all from on-site retrofit of that property pursuant to a retrofit program approved by the Director consistent with these regulations and shall be valid for five years from the date of the retrofit; and
 - 3. This retrofit need not be tied to any specific current projects but may apply to any future nonresidential expansions and or more intensive nonresidential use on-site; and
 - 4. In the event of the contemplated sale of the subject property, the retrofit application and replacement work shall be initiated and completed prior to the time of sale; sale defined as last condition precedent to the sale being satisfied.
 - 5. The retrofit water equivalency units earned can be transferred to a new owner but must remain with the same property (see subsection (C)(1)).

13.20.120 - Limitations on allocations of water.

- A. The City shall not allocate any water equivalency units to new use on the basis of:
 - 1. Any project performed by the City or on City-managed property;
 - 2. Any water savings that was not derived from, or accomplished by, a specific City-approved and City-contracted project;

ORDINANCE NO. 603 - EXHIBIT A

3. Any project, or part thereof, that has previously earned any water equivalency units credit for allocation. Thus, a toilet facility, whose retrofit had earned allotment credit, shall not become a factor in a subsequent retrofit by another fixture replacement;
 4. Past, present or future replacement of the City water pipes;
 5. An excess of fifty percent of that water saved from any project. No more than one half of the savings from a project shall be so allocated;
 6. An increase in the amount originally contracted for allocation from a project; or
 7. Mandated projects, measures or procedures, including compulsory retrofitting of private property and forced rationing of water use.
- B. The word "project," as used in this section, shall denote any measure, act, process or procedure by which the consumption of potable City water may be assumed, or expected, to decrease and thereby legally permit the allocation of City water to new use.
- C. Any water equivalency units allotment to nonprofit public facilities which are supported by public funds shall be exempt from subdivisions 1, 2 and 3 of subsection A of this section.

RESOLUTION NO. 48-16

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
APPROVING THE WATER ALLOCATION PROGRAM FOR FY 2016/17**

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

WHEREAS, Chapter 13.20 of the Morro Bay Municipal Code, calls for the City Council of the City of Morro Bay to adopt a yearly Water Allocation Program based on a report by the Public Works Director; and

WHEREAS, on January 22, 2014, the City of Morro Bay implemented Mandatory Water Conservation Requirements for Severely Restricted Water Supply Conditions; and

WHEREAS, The State Water Project delivery allocation for 2016 has been set at 60-percent, and the City will use its drought buffer to meets its water needs; and

WHEREAS, on the 9th day of February, 2016, the City Council did hold a duly noticed Public Hearing on the 2015 Annual Water Progress Report and the proposed carry over of the 2015 Water Allocation Program; and

WHEREAS, On May 24, 2016 the City Council introduced Ordinance No. 603 and adopted Resolution 40-16 modifying the timing of the Annual Water Report and Allocation of Water Equivalency Units.

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

SECTION 1:

- A. Water Allocation Program for the Fiscal Year 2016/17 is hereby modified to contain the following elements:
1. Allocate the mix of residential units to 60 percent single-family and 40 percent multi-family units; and authorize the corresponding water equivalency allocation for residential uses at 50 Water Equivalency Units as are currently used for tracking project water usage).
 2. Process Residential Allocations limits on a first-come/ first-serve basis, based on the priorities contained in the current General Plan and Local Coastal Plan policies. Unused multiple-family residential WEU's may be rolled over to single-family dwellings after January 1, 2017;

3. Authorize allocation of 130% of the residential water equivalency units to commercial and industrial projects, within the priority categories consistent with the current Local Coastal Plan and General Plan policies:
 4. The potential for rolling over unused water allocations to next year is not precluded by this action
- B. All new water allocations requested for Fiscal Year 2016/2017 shall be offset on a two-to-one basis by providing retrofits to existing uses or providing non-required water savings features for development that would benefit from the water allocation. The Public Works Director is responsible for the review and approval of the proposed retrofits to ensure they offset the water supply requested by new development. Retrofits may include, but are not limited to, any of the following water saving best management practices:
- Irrigation Retrofits
 - Waterless Urinals
 - Waterless Toilets
 - Ultra-Low Flow Toilets
 - Lawn/Landscape Replacement Program
 - Gray water system installation
 - Installation of Rainwater Recovery Systems
 - Other Water Savings Best Management Practices as approved by the Public Works Director
 - If retrofit is deemed to be infeasible by the Public Works Director (whose decision is not appealable), then payment of an “In-Lieu” fee program of two times \$3,016 (\$6,032) per required Water Equivalency Unit

SECTION 2: Applicability

Each development project that requires an allocation of new Water Equivalency Units shall be subject to this revised allocation program, unless a valid building permit has been issued prior to the date of adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED, by the City of Morro Bay City Council, at a regular meeting held on this 14th day of June, 2016 by the following vote:

AYES:

NOES:

ABSENT:

Jamie L. Irons, Mayor

ATTEST:

Dana Swanson, City Clerk

FISCAL IMPACT

There are no fiscal impacts directly associated with the allocation of the WEUs. Staff prepares the annual water report and makes the recommendation on the authorization of WEUs as a routine annual task. Although, a moratorium on new WEUs would reduce the amount of revenue the City receives through building and planning fees, property taxes, sales taxes and other property related revenues.

BACKGROUND

Pursuant to the MBMC Section 13.20.060, the Annual Water Report has been prepared by the Public Works Department and forwarded to the City Council for review and consideration. That report describes the uses that have received water equivalency allocations in 2015 (Table 1) as indicated by City Council Resolution No. 78-00. That Resolution indicates the City Council would continue to set an annual limit on residential units and their mix as set forth in Ordinance 266. In addition, that report provides a snapshot of the City’s population (Table 2), water production (Table 3), per capita water use trends (Table 4), and water loss estimates (Tables 5 & 6).

DISCUSSION

History of the WEUs allocation

Historically, the City Council allocated a total of 160 residential WEUs for multi- and single-family residential purposes and 130 percent of that allocation to commercial and industrial until 2002. That number was increased to a total of 230 residential WEUs until the 2006 allocation approval when the Council reduced the total by half, or to 115 WEU.

Water Conservation

Statewide Conservation Requirements: In 2014, Governor Jerry Brown declared an emergency due to drought conditions. That declaration called for a voluntary 20-percent reduction in water consumption. In May 2015, the State imposed additional water conservation requirements. The statewide conservation goal was to reduce water production 25-percent over 2013 values. That 25-percent requirement was tiered based on existing water usage. The tiers ranged from a low of 8-percent to a high of 36-percent reduction. Morro Bay is required to reduce water production by 12-percent.

Local Conservation Requirements: In January 2014, the City implemented Mandatory Water Conservation Requirements for Severely Restricted Water Supply Conditions. In 2015, the City reduced its overall water consumption to 92 gallons per person per day. That is an overall consumption rate that amalgamates the total City’s water consumption and divides by the total population. The following table indicates the City’s conservation as measured against the same month in 2013, along with the residential only consumption. Residential water meters make between 61 – 71 percent of the City’s consumption, depending on the month analyzed.

Reporting Month	Reduction in usage as measured against the same month in 2013	Residential Usage in Gallons per person per day (GPCD)
Jan-15	-3%	66.2
Feb-15	-4%	60.3
Mar-15	-4%	52.6
Apr-15	+2%	62.8

May-15	-19%	60.3
Jun-15	-12%	66.1
Jul-15	-23%	64.5
Aug-15	-20%	64.2
Sep-15	-17%	60.7
Oct-15	-22%	59.3
Nov-15	-14%	60.7
Dec-15		

As the table indicates, the Governor’s declaration and increased public outreach by City staff drastically improved the rate of water conservation in Morro Bay.

Water Supply Options

On December 1, 2015, the California Department of Water Resources (DWR) informed the State Water Project (SWP) contractors the allocation for 2016 would be 10-percent of the contracted amount. Then on January 26, 2016, DWR increased the SWP allocation to 15-percent. The allocation in combination with drought buffer and stored water in San Luis Reservoir is available to make up the difference between delivery requests and demand. The City of Morro Bay has approximately 1,947 Acre-Feet of water stored in San Luis Reservoir.

The City’s other sources of water are also constrained. The Chorro Valley wells require stream flows in Chorro Creek to exceed 1.4 cfs in order to pump groundwater from those wells; additionally, water pumped from those wells is high in nitrates and cannot be used without treatment or blending. The Morro Valley wells are also high in nitrates and require treatment at the City’s water treatment plant to remove them. The salt water wells, outfall and associated piping components of the City’s Water Treatment Plant (desalinization and brackish water reverse osmosis) do not have a valid Coastal Development Permit. The Coastal Development Permit issued for those components in 1994 was valid for five years with conditions to make the permit permanent. Perhaps due to the availability of the seemingly endless supply of State Water in the late 1990’s, the City did not renew that permit. That fact that permit had expired was discovered in 2012 during the permitting of the Wastewater Treatment Facility. City staff has applied for a permanent Coastal Development Permit for the aforementioned water treatment components, but due to Coastal staff resource availability, the date of a Coastal Commission hearing is unknown at this time. Our communication with Coastal staff indicates we expect staff to recommend to the Coastal Commission a new permanent Coastal Development Permit for anticipated use of the desal facility.

Water Management Planning

In 2008, City Council reviewed the conditions of the community’s long-term potable water supply and approved the Water Management Plan Status Report. That report should be performed at least every 5 years to reflect “any changes in climatic, hydrological, technological, or political conditions that could affect the City’s long-term water supply whether negatively or positively.” The 2008 review determined the existing resources are adequate and sustainable for build-out of the community in accordance with the General Plan. The next update of the City’s Water Management Plan will occur within the next 12 - 18 months in order to inform the General Plan and Local Coastal Plan regarding the availability of resources needed to build out that next General Plan. It is anticipated the Water Management Planning efforts will embrace the “One-Water” philosophies so

the community can understand the complete water resources picture. The plan should use the so called triple bottom line approach so all three aspects (social, environmental and financial) of water resources planning are addressed.

While the findings of the 2008 Water Management Plan stated the City's water supplies are adequate for build-out, the report did not anticipate California's historic drought conditions. Therefore, in 2014, requests for new WEU were required to be offset either by on a two-to-one basis by providing retrofits to existing uses or through the payment of an "In-Lieu" fee in the amount of \$2,900. It is recommended that practice continue. Those retrofits can come in the form ranging from installation of rainwater catchment systems to dual/ultra-low flush toilets. The Public Works Director will review the proposed retrofits and ensure they offset the water supply requested by new development.

Potable Water Production Data

As shown in Table 3, for calendar year 2015 no water was extracted from City's Chorro and Morro Basins for direct distribution into the water supply, 952 acre-feet were delivered from the State Water Project (SWP), and 138 acre-feet of treated Morro Basin well water from the water treatment (Brackish Water Reverse Osmosis) plant. Table 3 shows the total water production for that year was 1088 acre-feet, which is a reduction of 95 acre feet from 2014, and a 662 acre-foot per year reduction from a high of 1751 acre-feet in 1980.

Table 4 provides an historical record of water production and use from 1960 through 2014. Beginning in 1997, per capita water use has been re-calculated, based upon the amount of water delivered to customers (metered/sold) rather than gross production, to closely reflect actual community consumption practices.

Table 5 shows the calculations for each year's un-metered and unaccounted water loss, and Table 6 provides the history of unaccounted water loss from 1985 through 2015. Due to the City's proactive maintenance, including a proactive leak detection and repair program, unaccounted water loss continues to be less than five percent.

The 2015 average consumption was 92 gallons per capita per day (gpcd). In accordance with the 2008 Water Management Plan (page 1, Section 2), that consumption was below the 130-gpcd threshold.

Water Allocation Mix:

WEUs are allocated each year for residential, commercial and industrial uses. Tables 1 shows, historically the majority of residential permits issued have been single-family units. The typical allocation mix provides sufficient allocations for the single-family development while providing sufficient multiple-family allocations to encourage and facilitate their development. The City's 2014-2019 Housing Element indicates, for the period from 2014 to 2019, Morro Bay's fair share of housing will be 155 residential units.

Staff recommends the adoption of Resolution No. 06-16, which would carry over the remaining 2015 WEU allocation until such time as the recommended modifications are made to MBMC

Chapter 13.20 and the Public Works Advisory Board and the Planning Commission have had a chance to review the draft modifications and the proposed 2016/2017 WEU allocation. It is anticipated the revised Chapter 13.20 will set allocations that coincide with the City's fiscal year and are based on previous calendar year data. It is also anticipated that would continue to allocate, as it has historically done in 2007-2015, 50 residential WEUs with 60 percent of those units allocated to single-family and 40 percent to multiple-family, and that 115 WEU's (130% of residential) would be allocated to commercial/industrial uses, with the stipulation that any new WEUs need to be offset by water conservation retrofits or payment of "In-Lieu" fees.

Summary of 2015 activity:

The Council authorized 50 WEUs for 2014 with 60 percent to be used for single-family dwellings and 40 percent for multiple-family dwellings with no rollovers. Those WEUs were allocated on a first-come, first-served basis. The tracking of the WEUs utilized in 2015 indicates 19.92 of the 115 WEUs allocated were used as follows:

- 0.3 Commercial – Parish Hall Expansion and Dock Addition
- 18 Single-Family
- 1.62 Multiple-Family

That is not a comprehensive list of all building activity, but rather a list of those activities which required a WEU allocation.

Additional Considerations

As stated last year, MBMC Chapter 13.20 requires the delivery of the annual water report to City Council in January of each year. Unfortunately, due to the complexities of the City's water supply, staffing constraints and when the State Water data is received, it is not possible to portray an accurate assessment of the City's water supply in January, especially if input is desired from the Planning Commission and the Public Works Advisory Board. Therefore, staff will return to Council with a proposed ordinance that reflects the time to receive and process the data from the previous year, along with miscellaneous other revisions to reflect the City's current water picture.

ATTACHMENTS

1. Table 1: Distribution of Water Equivalency Units
2. Table 2: Population
3. Table 3: Water Production
4. Table 4: Per Capita Water Use
5. Table 5: Unaccounted for Water Loss for 2014
6. Table 6: Historical Unaccounted for Water Loss
7. Table 7: State Water Resources Control Board November 2015 Water Conservation Report - Excerpt

RESOLUTION NO. 06-16

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
RECEIVING THE ANNUAL WATER REPORT AND CARRYING OVER THE WATER
ALLOCATION PROGRAM FROM 2015 TO 2016, DIRECTING STAFF TO MODIFY
MBMC CHAPTER 13.20 AND PREPARE A NEW ALLOCATION PROGRAM PER
THE MODIFICATION**

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

WHEREAS, Chapter 13.20 of the Morro Bay Municipal Code calls for the City Council of the City of Morro Bay to adopt a yearly Water Allocation Program based on a report by the Public Works (Services) Director after review by the City of Morro Bay Planning Commission and Public Works Advisory Board; and

WHEREAS, the Local Coastal Program Land Use Plan and Ordinance Number 266, require the City Council to set an annual limit on new residential units and to prescribe the mix of multi-family and single-family residences allowed within that limit; and

WHEREAS, in May 2015, California Governor Jerry Brown continued the water emergency, due to extended historic drought conditions, calling for a required 12-percent reduction in water consumption by Morro Bay; and

WHEREAS, on January 22, 2014, the City of Morro Bay implemented Mandatory Water Conservation Requirements for Severely Restricted Water Supply Conditions; and

WHEREAS, Morro Bay exceeds the State's requirements for water conservation; and

WHEREAS, on January 26, 2016, County staff informed the City of Morro Bay the State Water Project allocation for 2016 is officially at 15-percent, and that combined with drought buffer and stored water is available to meet the City's 1140 acre-foot delivery request; and

WHEREAS, in 2015 Morro Bay used 19.92 of the 115 Water Units Allocated by City Council; and

WHEREAS, on February 9, 2016, City Council did hold a duly noticed Public Hearing on the 2015 Annual Water Progress Report and the proposed 2016 Water Allocation Program; and

WHEREAS, the City's approximately 1,947 Acre Feet of stored water available is finite.

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

SECTION 1: A Water Allocation Program for the year 2016 is hereby modified to contain the following elements:

- A. The remaining 95.08 WEUs allocated in 2015 shall be carried over, in their same proportions, for 2016 until such time as MBMC Chapter 13.20 is modified and the City Council allocates additional water for new development.
- B. All new water allocations requested for 2016 shall be offset on a two-to-one basis by providing retrofits to existing uses or providing non-required water savings features for development that would benefit from the water allocation. The Public Works Director is responsible for the review and approval of the proposed retrofits to ensure they offset the water supply requested by new development. Retrofits may include, but are not limited to, any of the following water saving best management practices:
 - Irrigation Retrofits
 - Waterless Urinals
 - Waterless Toilets
 - Ultra-Low Flow Toilets
 - Lawn/Landscape Replacement Program
 - Gray water system installation
 - Installation of Rainwater Recovery Systems
 - Other Water Savings Best Management Practices as approved by the Public Works Director
 - If retrofit is deemed to be infeasible by the Public Works Director (whose decision is not appealable), then payment of an “In-Lieu” fee program of two times \$3,016 (\$6,032) per required Water Equivalency Unit
- C. Public Works staff is hereby directed to make the required changes to MBMC Chapter 13.20 in a timely manner. Those modifications shall be reviewed by the Public Works Advisory Board and Planning Commission prior to returning to City Council.
- D. Public Works staff is further directed to submit a revised Water Allocation Plan in accordance with the adopted modifications to MBMC Chapter 13.20.

SECTION 2: Applicability

Each development project that requires an allocation of new Water Equivalency Units shall be subject to this revised allocation program, unless a building permit has been issued prior to the date of adoption of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Morro Bay, at a regular meeting held on this 9th day of February, 2016 by the following vote:

AYES:
 NOES:
 ABSENT:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

Table 1

HISTORIC TRACKING OF ALLOCATIONS

Allocations tracked on a calendar year basis

Allocation Year (January 1- December 31)	Total WEU Available	Number of Residential WEUs available	Single Family Residential WEUs allocated	Number of SFR Units	Multiple Family Residential WEUs allocated	Number of Multiple Family Units	Number of Commercial/Industrial WEU available	Commercial "A"	Commercial "B"	Industrial	Total WEU Allocated
2015	115	50	18	18	1.62	3	65	0.3	0	0	19.92
2014	115	50	8	8	11.34	21	65	4.03	0	0	23.37
2013	115	50	20.54	20.54	0	0	65	0	0.37	0	20.91
2012	115	50	7	7	0	0	65	0	7.13	0	14.13
2011	115	50	4.54	5	0	0	65	3.85	0	0	8.85
2010	115	50	9.54	10	0	0	65	0.74	0	0	10.28
2009	115	50	2.62	5	2.62	0	65	0	0	0	2.62
2008	115	50	6.54	7	1.6	1	65	3.97	0	0	12.11
2007	115	50	25.7	28	10.2	18	65	1.15	0	0	37.44
2006	230	100	35.62	37	5.76	8	130	3	3.84	0	48.22
2005	230	100	40.48	46	6.17	10	130	15.5	1.63	0	63.78
2004	230	100	28	28	11.42	19	130	0	2.44	0	41.86
2003	262	100	54	54	8.86	15	130	7.56	0	0	70.42
2002	160	69.52	28	28	5.24	8	90	6.1	9.3	0	48.64
2001	160	69.52	63	63	6.89	11	90	4.77	0	0	74.66
2000	160	69.52	68	68	4.86	9	90	9.39	0	0	82.25
1999	160	69.52	53	53	1.32	2	90	0	0	0	54.38
1998	156	68	56.62	66	6.48	18	90	1.38	0	0	64.48

Allocations tracked on a fiscal year basis.

Allocation Year (July 1 of previous year to June 30 of the year shown)	Total WEU Available	Number of Residential WEUs available	Single Family Residential WEUs allocated	Multiple Family Residential WEUs allocated	Number of Commercial A WEU available	Commercial "A" allocated	Number of Commercial B WEU available	Commercial "B" allocated	Number of Industrial WEU available	Industrial allocated	Total WEU Allocated
1997	153.13	66.12	7.54	0.36	62.37	0.05	0.05	11.71	12.93	0	7.95
1996	153.13	66.12	23	0	62.37	62.37	11.71	2.63	12.93	0	88.00
1995	146.65	63.74	29.44	0	60.11	19.15	11.29	4.06	12.46	0	52.83
1994	147.6	63.74	29	0.36	60.11	0	11.29	0	12.46	0	29.36
1993	149.55	64.58	43	1.56	60.9	9.54	11.44	0.57	12.63	0	54.67
1992	149.55	64.58	46	10.25	60.9	0	11.44	8.07	12.63	0.43	64.75

Notes:

In 2003 there was a one time allocation for Colmer Tract 2285

In 1998, 2000, 2001 & 2002 there were residential rollover of WEUs

Commercial "A" (Commercial fishing/Agriculture, coastal dependent uses, coastal related, public, quasi-public and institutional uses, visitor accommodations, campgrounds)

Commercial "B" (Visitor-serving uses except visitor accommodations)

TABLE 2
PROJECTED GROWTH RATES VERSUS ACTUAL POPULATION INCREASES

Year	Population		Units Per Ord. 266 Projections	Housing
	Population Per Ord. 266/LCP ¹	Actual Population ²		Actual No. Of Housing Units ³
1980	9425	9064	N/A	5180
1981	9705	9206	N/A	5298
1982	9998	9297	N/A	5302
1983	10298	9435	N/A	5326
1984	10400	9599	N/A	5363
1985	10505	9747	5440	5403
1986	10610	9881	5517	5473
1987	10716	9819	5594	5548
1988	10823	9975	5671	5638
1989	10931	10133	5748	5647
1990	11040	9664	5825	5694
1991	11150	9806	5902	5760
1992	11262	9736	5979	5760
1993	11489	9979	6056	5845
1994	11489	10071	6133	5877
1995	11604	9518	6210	5888
1996	11720	9687	6287	5922
1997	11837	9696	6364	5960
1998	11955	9845	6441	6005
1999	12123	9871	6518	6048
2000	12196	9981	6595	6104
2000	12196	10410 *	6595	6104
2001	12200 ⁴	10486	6672 ⁴	6178
2002	12200 ⁴	10510	6672 ⁴	6220
2003	12200 ⁴	10510	6672 ⁴	6289
2004	12200 ⁴	10522	6672 ⁴	6336
2005	12200 ⁴	10270	6672 ⁴	6392
2006	12200 ⁴	10491	6672 ⁴	6437
2007	12200 ⁴	10436	6672 ⁴	6483
2008	12200 ⁴	10506	6672 ⁴	6492
2009	12200 ⁴	10555	6672 ⁴	6496
2010	12200 ⁴	10608	6672 ⁴	6506
2010	12200 ⁴	10234*	6672 ⁴	6506
2011	12200 ⁴	10294	6672 ⁴	6511
2012	12200 ⁴	10274	6672 ⁴	6518
2013	12200 ⁴	10317	6672 ⁴	6538
2014	12200 ⁴	10276	6672 ⁴	6566
2014	12200 ⁴	10276	6672 ⁴	6587

¹ This column represents population based on Ordinance 266's projected growth of 77 units per year. These figures indicate that the City's growth rate is behind the Ordinance 266 schedule.

² Actual population figures are taken from the California Department of Finance "Housing Estimates" report. The 1990 decennial census is the benchmark for the estimates prior to 2000. After 2000 the 2000 decennial census is used and a second entrée for 2000 shows the adjustment for the new census. Again the 2010 Census adjusts the population figure for 2010. The figures represent totals as of January 1st of each year indicated. The population figure includes an estimated 21% vacancy rate. A lower vacancy rate would result in a higher population.

³ The total number of Housing units includes the addition of all new residential units to the City's Housing Stock, as well as the deduction of all units lost through demolition, removal, or change of use from residential to non-residential.

⁴ This is the maximum population or housing under Ordinance 266 without an election to allow further building.

TABLE 3

WATER PRODUCTION DATA 1980 - 2015

(Acre Feet - AF)

Year	Chorro Basin	Morro Basin	** R/O Plant	State Water	TOTAL (AF)
1980	1079	672	*	*	1751
1981	1143	584	*	*	1727
1982	1061	526	*	*	1587
1983	995	537	*	*	1532
1984	1097	572	*	*	1669
1985	1108	582	*	*	1690
1986	1059	552	*	*	1611
1987	1124	531	*	*	1655
1988	1120	528	*	*	1648
1989	1047	512	*	*	1559
1990	963	564	*	*	1527
1991	808	449	*	*	1257
1992	1049	270	*	*	1319
1993	994	397	*	*	1391
1994	954	460	*	*	1414
1995	986	420	*	*	1406
1996	1261	240	*	*	1501
1997	985	249	*	301	1535
1998	38	*	*	1288	1326
1999	34	*	*	1359	1393
2000	4	*	*	1396	1400
2001	11	*	*	1399	1410
2002	1	32	48	1373	1454
2003	1	28	13	1379	1421
2004	49	213	10	1205	1477
2005	204	150	0	1007	1361
2006	257	80	25	1009	1371
2007	276	35	19	1116	1446
2008	184	52	28	1175	1439
2009	235	80	64	1069	1448
2010	74	54	258	873	1259
2011	14	0.5	84	1144	1243
2012	0	3.9	70	1129	1203
2013	0	27	107	1137	1271
2014	0	0	41	1141	1183
2015	0	0	138	952	1088

** R/O Plant Production numbers include both Morro Groundwater treated via Brackish Water Reverse Osmosis (BWRO) as well as Sea Water Reverse Osmosis (SWRO).

TABLE 4

TOTAL HISTORIC WATER PRODUCTION & RAINFALL FOR THE CITY OF MORRO BAY						
Year	Rainfall	City Population	Production in acre feet	Production in millions of gallons	Average daily production in millions of gallons	Average use in gallons per capita per day
1960	10.48	5,599	894	291	0.8	142
1961	8.6	*	842	274	0.75	*
1962	17.22	*	999	326	0.89	*
1963	18.52	*	840	274	0.75	*
1964	11.26	*	881	287	0.79	*
1965	16.08	6,400	1000	326	0.89	140
1966	11.24	6,500	1188	387	1.06	163
1967	20.09	6,600	1194	389	1.07	161
1968	9.64	6,750	1298	423	1.16	172
1969	28.74	6,900	1255	409	1.12	162
1970	9.84	7,109	1534	500	1.37	193
1971	14.2	7,450	1533	500	1.37	184
1972	7.41	7,517	1547	504	1.38	184
1973	27.51	7,725	1424	464	1.27	165
1974	22.35	7,942	1482	483	1.38	167
1975	14.43	8,165	1510	492	1.35	165
1976	11.38	8,394	1574	513	1.41	167
1977	8.35	8,525	1249	407	1.12	131
1978	29.68	8,625	1430	466	1.28	148
1979	17.06	9,150	1614	526	1.44	157
1980	20.99	9,064	1651	538	1.47	162
1981	13.11	9,206	1727	563	1.54	168
1982	20.01	9,297	1586	517	1.42	152
1983	35.01	9,435	1534	500	1.37	145
1984	10.08	9,599	1669	544	1.49	155
1985	10.02	9,747	1691	551	1.51	155
1986	17.17	9,881	1614	526	1.44	146
1987	12.29	9,819	1655	539	1.48	150
1988	15.01	9,975	1648	537	1.47	147
1989	10.88	10,133	1559	508	1.39	137
1990	8.78	9,664	1527	498	1.36	141
1991	16.01	9,806	1256	410	1.12	114
1992	19.63	9,736	1319	430	1.18	121
1993	24.21	9,979	1391	452	1.24	124
1994	11.05	10,071	1414	462	1.26	126
1995	40.01	9,518	1418	462	1.27	133
1996	15.47	9,687	1501	462	1.34	138
1997	18.56	9,696	1535	489	1.37	141
1998	18.01	9,845	1326	432	1.18	120
1999	13.11	9,871	1393	454	1.24	126
2000	19.63	10,410	1400	456	1.25	120
2001	16.04	10,486	1410	459	1.26	118
2002	9.36	10,510	1454	474	1.3	123
2003	13.75	10,485	1421	466	1.28	122
2004	9.48	10,522	1477	481	1.32	125
2005	30.19	10,270	1361	444	1.22	118
2006	18.9	10,491	1371	447	1.23	117
2007	7.24	10,436	1446	471	1.29	118
2008	13.34	10,548	1439	469	1.23	122
2009	12.25	10,555	1448	472	1.29	120
2010	17.26	10,608	1259	410	1.12	106
2011	12.99	10,234	1243	405	1.11	108
2012	10.16	10,327	1203	392	1.07	105
2013	4.05	10,370	1349	440	1.21	117
2014	12.62	10,234	1183	385	1.05	103
2015	8.55	10,544	1088	354	0.97	92

a: [average] determined from metered water sold, not water produced

TABLE 5

COMPUTATIONS: UNACCOUNTED FOR WATER LOSS TABLE - 2015
ACRE FEET (AF)

	AF
<u>WATER PRODUCED</u>	
From the City of Morro Bay Public Services	1,088
<u>WATER SOLD</u>	
From the City of Morro Bay Finance Department	1,037
<u>DIFFERENCE</u>	51
<u>CITY WATER USE/LOSS (Unmetered & Estimated)</u>	
Fire Hydrant Flushing	
Fire Training	0.4
Fire Fighting	
Sweeper	0.3
Hydrocleaner	0.0009
Dead End Flushing, Water Leaks, Fire Hydrant/Line Breaks	1
TOTAL	1.7
<u>UNACCOUNTED FOR WATER LOSS¹</u>	49.3
<u>LOSS AS PERCENT OF PRODUCTION</u>	4.6%

¹ Includes meter error from under registering mechanical water meters

TABLE 6

UNACCOUNTED FOR WATER LOSS (Acre Feet - AF)						
Year	Water Produced	Water Sold	Difference	City Water Use/Loss	Unaccounted for Water Loss	Percent of Production
1985	1690	1411	280	73	207	12.2%
1986	1610	1330	281	69	212	13.1%
1987	1655	1370	259	70	189	11.4%
1988	1641	1386	255	71	184	11.2%
1989	1559	1343	216	47	170	10.9%
1990	1527	1249	279	47	232	15.2%
1991	1256	1008	248	45	203	16.2%
1992	1319	1068	250	36	215	16.3%
1993	1391	1178	213	0.8	213	15.3%
1994	1414	1194	220	33	187	13.2%
1995	1418	1173	245	60	184	13.0%
1996	1501	1194	307	33	274	18.2%
1997	1535	1247	288	49	239	15.6%
1998	1326	1131	195	17	178	13.4%
1999	1393	1185	208	17	191	13.7%
2000	1400	1206	194	27	167	11.9%
2001	1410	1251	159	29	130	9.2%
2002	1454	1269	185	24	161	11.1%
2003	1421	1258	162	25	138	9.7%
2004	1477	1264	213	26	187	12.7%
2005	1361	1219	143	22	121	8.9%
2006	1371	1219	152	19.2	133	9.7%
2007	1446	1276	171	21.6	149	10.3%
2008	1439	1306	133	67.3	66	4.6%
2009	1448	1264	184	84.9	99	6.8%
2010	1259	1255	4	1.4	3	0.2%
2011	1243	1173	70	1.7	68	5.5%
2012	1203	1163	40	1.4	38.6	3.2%
2013	1246	1186	60	1.7	58.3	4.7%
2014	1183	1137	46	2.1	43.9	3.7%
2015	1088	1037	51	1.7	49.3	4.6%

Statewide unaccounted for water loss in municipal systems varies between 1 to 20 percent. The median is 10 to 15 percent.

November 2015 Water Conservation Report by Supplier (by hydro region, then R-GPCD)

405 suppliers reporting

TABLE 7

Supplier Name	Hydrologic Region	Cumulative Savings (June 2015 - November 2015)*		Monthly Savings (November 2015)		
		Conservation Standard	Cumulative Percent Saved (as compared to 2013)	Monthly Percent Saved (as compared to Nov-13)	Estimated Monthly R-GPCD	Total Population Served
Santa Cruz City of	Central Coast	8%	28.6%	29.1%	34.5	95,224
Cambria Community Services District	Central Coast	8%	36.5%	31.2%	37.0	6,032
California Water Service Company King City	Central Coast	12%	22.5%	28.8%	38.1	15,007
Soquel Creek Water District	Central Coast	8%	30.1%	28.6%	46.7	37,720
Goleta Water District	Central Coast	12%	26.7%	17.3%	49.8	86,946
San Luis Obispo City of	Central Coast	12%	22.0%	22.2%	50.2	45,802
California-American Water Company Monterey District	Central Coast	8%	17.7%	25.6%	50.5	100,623
Watsonville City of	Central Coast	20%	22.8%	22.5%	52.0	65,739
Scotts Valley Water District	Central Coast	16%	28.1%	30.9%	53.5	10,509
Marina Coast Water District	Central Coast	12%	32.8%	34.1%	55.4	32,375
California Water Service Company Salinas District	Central Coast	16%	26.0%	20.2%	57.7	109,489
Gilroy City of	Central Coast	24%	31.2%	29.6%	58.6	53,626
Morro Bay City of	Central Coast	12%	18.1%	13.9%	60.7	10,234
Santa Maria City of	Central Coast	16%	17.4%	20.4%	60.7	102,087
Lompoc City of	Central Coast	12%	25.0%	32.6%	61.9	41,541
Grover Beach City of	Central Coast	8%	33.9%	33.9%	62.5	13,156
Hollister City of	Central Coast	20%	20.6%	-40.4%	64.5	20,635
Santa Barbara City of	Central Coast	12%	34.6%	30.3%	66.7	93,091
Soledad, City of	Central Coast	24%	19.1%	23.8%	67.3	16,729
Carpinteria Valley Water District	Central Coast	20%	32.2%	30.9%	68.9	14,616
Arroyo Grande City of	Central Coast	28%	35.7%	40.7%	71.5	17,121
Atascadero Mutual Water Company	Central Coast	28%	30.4%	29.9%	71.7	31,462
Pismo Beach City of	Central Coast	24%	25.0%	29.7%	73.6	7,861
Paso Robles City of	Central Coast	28%	31.9%	32.1%	79.9	30,450
Morgan Hill City of	Central Coast	28%	31.5%	18.0%	80.8	41,779
Sunnyslope County Water District	Central Coast	28%	35.1%	27.3%	81.9	19,189
Alco Water Service	Central Coast	24%	24.5%	26.1%	88.7	29,179
Nipomo Community Services District	Central Coast	28%	32.4%	33.6%	94.9	12,512
Golden State Water Company Orcutt	Central Coast	32%	38.2%	36.3%	101.8	31,872
Montecito Water District	Central Coast	32%	45.3%	40.8%	173.8	13,500
Hi-Desert Water District	Colorado River	16%	7.7%	4.6%	64.3	23,760
Coachella City of	Colorado River	24%	21.0%	18.8%	79.4	43,917
Joshua Basin Water District	Colorado River	28%	23.8%	-3.2%	83.7	9,514

* Cumulative savings is used to assess supplier compliance with mandatory 25 percent statewide conservation.