

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 – DECEMBER 14, 2009

**CLOSED SESSION – DECEMBER 14, 2009
CITY HALL CONFERENCE ROOM - 5:00 P.M.
595 HARBOR ST., MORRO BAY, CA**

CS-1 GOVERNMENT CODE SECTION 54957.6; CONFERENCE WITH LABOR NEGOTIATOR. Conference with the City's Designated Representative, for the purpose of reviewing the City's position regarding the terms and compensation paid to employees groups and giving instructions to the Designated Representative.

CS-2 GOVERNMENT CODE SECTION 54956.8; REAL PROPERTY TRANSACTIONS: Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property.

Property: 781 Market Street and the Corner of Pacific Street and Market Street.
Negotiating Parties: George Salwasser and the City of Morro Bay.

Negotiations: Purchase and Sale Conditions.

**IT IS NOTED THAT THE CONTENTS OF CLOSED SESSION MEETINGS
ARE CONFIDENTIAL AND EXEMPT FROM DISCLOSURE.**

**PUBLIC SESSION – DECEMBER 14, 2009
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
MAYOR AND COUNCILMEMBERS ANNOUNCEMENTS & PRESENTATIONS
CLOSED SESSION REPORT

PUBLIC COMMENT PERIOD - Members of the audience wishing to address the Council on City business matters (other than Public Hearing items under Section B) may do so at this time.

To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Mayor, please come forward to the podium and state your name and address for the record. Comments are to be limited to three minutes.
- All remarks shall be addressed to Council, as a whole, and not to any individual member thereof.
- The Council respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in City Council meetings is welcome and your courtesy will be appreciated.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (805) 772-6205. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT CALENDAR

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

A-1 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING OF NOVEMBER 9, 2009, AND THE SPECIAL MEETING OF NOVEMBER 30, 2009; (ADMINISTRATION)

RECOMMENDATION: Approve minutes as submitted.

A-2 RESOLUTION NO.57-09 APPOINTING THE CITY TREASURER AND CITY ENGINEER; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 57-09 appointing Susan Slayton as the City Treasurer and Robert Livick as the City Engineer.

A-3 AUTHORIZATION TO SURPLUS AND SELL FIRE ENGINE #5381; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Designate Fire engine #5381 as surplus property, and request the Administrative Services Director sell the vehicle and remove it from the City's fleet.

A-4 RESOLUTION TO APPROVE INTERIM LEASE AGREEMENT FOR LEASE SITE 96/96W LOCATED AT 945 EMBARCADERO - WHALE'S TAIL; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 58-09.

A-5 RESOLUTION TO APPROVE AMENDMENT #4 TO THE LEASE AGREEMENT FOR LEASE SITE 87-88/87W-88W LOCATED AT 833 EMBARCADERO - OUTRIGGER RESTAURANT; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 59-09.

A-6 APPROVAL OF RESOLUTION AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO ABANDONED WATERCRAFT ABATEMENT FUND CONTRACT WITH THE DEPARTMENT OF BOATING AND WATERWAYS; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 60-09 authorizing the City to enter into an Abandoned Watercraft Abatement Fund contract with the Department of Boating & Waterways.

A-7 RESOLUTION AUTHORIZING AND DELEGATING AUTHORITY TO THE UTILITIES/CAPITAL PROJECTS MANAGER FOR THE PURSUIT OF A PROPOSITION 84 WATER TREATMENT GRANT; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution No. 61-09.

A-8 RESOLUTION AUTHORIZING STAFF TO SUBMIT THE ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PROGRAM APPLICATION TO THE CALIFORNIA ENERGY COMMISSION FOR GRANT FUNDS TO EXECUTE THE PROPOSED IMPROVEMENTS IDENTIFIED IN THE CALIFORNIA ENERGY COMMISSIONS ENERGY AUDIT LETTER REPORT; (RECREATION & PARKS)

RECOMMENDATION: Adopt Resolution No. 62-09 allowing the City to accept grant monies for the execution of the improvements identified in the California Energy Commission Energy Audit Letter Report.

A-9 STATUS REPORT ON APPLICATIONS FOR ECONOMIC STIMULUS FUNDING; (ADMINISTRATION)

RECOMMENDATION: Receive for information.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 DISCUSSION ON FISCAL YEAR 2009/10 TRANSPORTATION DEVELOPMENT ACT FUNDING CUT TO TRANSIT AND CONSIDERATION OF MORRO BAY DIAL-A-RIDE SERVICE OPTIONS; (PUBLIC SERVICES)

RECOMMENDATION: Discuss and direct staff accordingly.

B-2 CONSIDERATION OF PARTICIPATION IN A COUNTYWIDE AB 811 CONTRACTUAL ASSESSMENT PROGRAM (CALIFORNIAFIRST) TO FINANCE ENERGY EFFICIENCY IMPROVEMENTS AND DISTRIBUTED RENEWABLE ENERGY; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution No. 63-09 authorizing the City to become a participating member agency in the CaliforniaFIRST Program.

B-3 ADOPTION OF RESOLUTION NO. 65-09 APPROVING THE REAL ESTATE AGREEMENT FOR THE SALE OF CITY-OWNED PROPERTY AT 781 MARKET AND THE CITY-OWNED PROPERTY AT THE CORNER OF PACIFIC AND MARKET IN MORRO BAY, CALIFORNIA; (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution No. 65-09.

B-4 DISCUSSION AND DIRECTION REGARDING PLACING A MEASURE ON THE JUNE 2010 GENERAL ELECTION BALLOT APPROVING AN INCREASE OF THE CITY'S TRANSIENT OCCUPANCY TAX (TOT); (CITY ATTORNEY)

RECOMMENDATION: Provide direction to staff regarding placing a measure on the June 8, 2010 ballot increasing the TOT from 10% to 12%.

C. UNFINISHED BUSINESS

- C-1 ENDING THE DECLARATION OF A WATER EMERGENCY FOR THE STATE WATER SHUTDOWN AND REPEAL OF THE MANDATORY CONSERVATION REQUIREMENT AND ADOPTION OF A STANDING WATER EMERGENCY DURING REDUCED OR NON STATE WATER DELIVERY PERIODS; (PUBLIC SERVICES)

RECOMMENDATION: Repeal Resolution No. 50-09 declaring a water emergency during the State Water Project annual maintenance shutdown and instituting mandatory conservation requirements; and, adopt Resolution No. 64-09 declaring a water emergency during periods of time when State Water Project deliveries are below 35%.

- C-2 STATUS REPORT ON THE FLOOR-AREA-RATIO (FAR) FORMULA TO PROJECTS FROM MAY TO OCTOBER 2009; (PUBLIC SERVICES)

RECOMMENDATION: Receive and file as status report, or provide direction to staff.

D. NEW BUSINESS

- D-1 DISCUSSION ON WATER QUALITY TESTING IN MORRO BAY'S DRINKING WATER; (PUBLIC SERVICES)

RECOMMENDATION: This item was pulled from the agenda.

- D-2 UPDATE ON THE WORK PROGRAM FOR DEVELOPING A PRELIMINARY CLIMATE ACTION PLAN; (PUBLIC SERVICES)

RECOMMENDATION: Receive and file this update of activities related to state, county, and /or local programs and updates to regulatory codes and standards.

- D-3 DISCUSSION ON USING IN-LIEU FUNDS FOR CAPITAL PROJECT STUDIES SUCH AS THE HOUSING ELEMENT OR GENERAL PLAN UPDATE; (PUBLIC SERVICES)

RECOMMENDATION: Review the use of affordable housing in-lieu fees as an appropriate funding source for plans, studies and reports on a case-by-case basis; and, authorize the City Manager to commission up to \$5,0000 annually for affordable housing project costs for plans, studies, reports or participation in key affordable housing alliances with other affordable housing providers; and/or direct staff accordingly.

D-4 DISCUSSION ON OPTIONS FOR FUNDING THE CAL POLY VISIONING PROJECT FOR THE DOWNTOWN AREA; (PUBLIC SERVICES)

RECOMMENDATION: Evaluate the options provided for funding of the Cal Poly Visioning Project, and direct staff accordingly.

D-5 REQUEST FOR A DECREASE IN THE PARKING IN-LIEU FEES FOR 600 MORRO BAY BOULEVARD; (PUBLIC SERVICES)

RECOMMENDATION: Review the request to reduce the parking in-lieu fees for 600 Morro Bay Boulevard, and direct staff accordingly.

D-6 SCHEDULE DATE FOR INTERVIEWS OF COMMISSIONER/ADVISORY BOARD VACANCIES; (ADMINISTRATION)

RECOMMENDATION: Advise staff on advertising efforts to fill upcoming vacancies on the City's Commissions and Advisory Boards.

E. DECLARATION OF FUTURE AGENDA ITEMS

F. ADJOURNMENT

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 772-6200 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.

MINUTES - MORRO BAY CITY COUNCIL
CLOSED SESSION – NOVEMBER 9, 2009
CITY HALL CONFERENCE ROOM - 5:00 P.M.

Mayor Peters called the meeting to order at 5:00 p.m.

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember

STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney

CLOSED SESSION

MOTION: Councilmember Grantham moved the meeting be adjourned to Closed Session. The motion was seconded by Councilmember Smukler and unanimously carried. (5-0)

Mayor Peters read the Closed Session Statement.

CS-1 GOVERNMENT CODE SECTION 54956.8; REAL PROPERTY TRANSACTIONS. Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property.

- Property: 781 Market Street and the Corner of Pacific Street and Market Street.
Negotiating Parties: George Salwasser and the City of Morro Bay.
Negotiations: Purchase and Sale Conditions.
- Property: Outfall Lease.
Negotiating Parties: City and Dynegy.
Negotiations: Lease Terms and Conditions.
- Property: Lease Site 87-88/87W-88W; 833 Embarcadero
Negotiating Parties: City and Caldwell and/or Leage
Negotiations: Lease Terms and Conditions.

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 5:50 p.m.

MOTION: Councilmember Grantham moved the meeting be adjourned. The motion was seconded by Councilmember Borchard and unanimously carried. (5-0)

The meeting adjourned at 5:50 p.m.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – NOVEMBER 9, 2009
VETERANS MEMORIAL HALL - 6:00 P.M.

Mayor Peters called the meeting to order at 6:13 p.m.

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Bridgett Bauer	City Clerk
	Rick Algert	Harbor Director
	Bruce Ambo	Public Services Director
	John DeRohan	Police Chief
	Mike Pond	Fire Chief
	Susan Slayton	Administrative Services Director
	Dylan Wade	Utilities/Capital Projects Manager
	Kathleen Wold	Senior Planner
	Joe Woods	Recreation & Parks Director

ESTABLISH QUORUM AND CALL TO ORDER

PLEDGE OF ALLEGIANCE

MAYOR AND COUNCIL MEMBERS REPORTS, ANNOUNCEMENTS &
PRESENTATIONS

CLOSED SESSION REPORT - City Attorney Robert Schultz reported the City Council met in Closed Session, and no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Jeff Eckles, President of Morro Bay 4th, stated Morro Bay 4th is a non-profit organization whose mission is to celebrate Independence Day with a family-friendly, alcohol-free traditional 4th of July picnic, celebration and firework show in Morro Bay. He said their organization is seeking volunteers and provided their contact information.

Ani Lyne announced Morro Bay 4th will be holding a town hall meeting to discuss the 4th of July festivities on November 17th at Top Dog Coffee Bar, and they will have a table at Farmers Market on Saturday November 20th.

Keith Taylor invited the community to an Open House at the Fire Station on November 14th to see the new rescue vehicle, and meet the paramedic firefighters that serve our community.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – NOVEMBER 9, 2009

Jim Nance handed out excess phone books to the City Council that he collected in his neighborhood and noted what a waste of the environment these books cause; he requested the City consider controlling this situation.

Dani Tope referred to the RUDAT plan that was adopted by the City Council in 1997. She said she has a team of developers who are interested in developing a conference center/hotel in Morro Bay that would fit in with the RUDAT plan.

Ric Deschler stated he has known Jude Long for many years and in order to honor her retirement, a Peace Pole is being erected at the library. He noted contributions can be made towards the Peace Pole to the Morro Bay Friends of the Library.

Mayor Peters closed the hearing for public comment.

Mayor Peters called for a break at 7:00 p.m.; the meeting resumed at 7:10 p.m.

A. CONSENT CALENDAR

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

A-1 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETINGS OF OCTOBER 12, 2009 AND OCTOBER 26, 2009; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 QUARTERLY FINANCIAL STATUS REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Accept the report as presented.

A-3 AUTHORIZATION FOR THE CITY OF MORRO BAY TO ENTER INTO GRANT AGREEMENT #08-127-949 WITH THE DEPARTMENT OF BOATING AND WATERWAYS FOR STATE PARK MARINA MAINTENANCE DREDGING; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 54-09 authorizing the City to enter into grant agreement with the Department of Boating and Waterways to fund maintenance dredging of the State Park Marina.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – NOVEMBER 9, 2009

A-4 UPDATE ON MANDATORY WATER CONSERVATION REQUIREMENTS;
(PUBLIC SERVICES)

RECOMMENDATION: Receive this report for information and file.

A-5 PROCLAMATION THANKING JUDE LONG FOR HER DEDICATION AND
SERVICE AS LIBRARIAN OF THE MORRO BAY LIBRARY;
(RECREATION & PARKS)

RECOMMENDATION: Adopt Proclamation.

A-6 PROCLAMATION REQUESTING THE FEDERAL GOVERNMENT TO
CONDUCT A COMPREHENSIVE ASSESSMENT OF THE CALIFORNIA
GRAY WHALE; (ADMINISTRATION)

RECOMMENDATION: Adopt Proclamation.

Councilmember Borchard pulled Item A-2 from the Consent Calendar, Councilmember Smukler pulled Item A-4, and Mayor Peters pulled Item A-5.

MOTION: Councilmember Grantham moved the City Council approve Items A-1, A-3 and A-6 of the Consent Calendar. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

A-2 QUARTERLY FINANCIAL STATUS REPORT FOR THE FISCAL YEAR
ENDED SEPTEMBER 30, 2009; (ADMINISTRATIVE SERVICES)

Councilmember Borchard requested clarification on the Harbor Fund Revenues and the City Attorney Expenditures.

Administrative Services Director Susan Slayton responded there is a difference in the Harbor Fund Revenues due to monthly lease site agreements. She did not have information on the City Attorney Expenditures and noted she would investigate and return to Council.

MOTION: Councilmember Borchard moved the City Council approve Item A-2 of the Consent Calendar. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – NOVEMBER 9, 2009

A-4 UPDATE ON MANDATORY WATER CONSERVATION REQUIREMENTS;
(PUBLIC SERVICES)

Councilmember Smukler requested clarification on the water efficiency landscaping ordinance from the State, and how that works with the City's water conservation requirements.

Utilities/Capital Projects Manager Dylan Wade responded the State water efficiency landscaping ordinance refers to 2,500 square feet of impervious landscape area, which is fairly large compared to the City's standards.

MOTION: Councilmember Smukler moved the City Council approve Item A-4 of the Consent Calendar. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

A-5 PROCLAMATION THANKING JUDE LONG FOR HER DEDICATION AND
SERVICE AS LIBRARIAN OF THE MORRO BAY LIBRARY;
(RECREATION & PARKS)

Mayor Peters pulled this item in order to present Jude Long with a Proclamation thanking her for her dedication and 29 years of service as Morro Bay's Librarian.

MOTION: Councilmember Winholtz moved the City Council approve Item A-5 of the Consent Calendar. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 APPROVAL OF RESOLUTION NO. 55-09 ACCEPTING \$100,000 GRANT
FROM THE STATE OF CALIFORNIA CITIZENS OPTION FOR PUBLIC
SAFETY (COPS) PROGRAM; (POLICE)

Police Chief John DeRohan stated since 1996, the Citizen's Option for Public Safety (COPS) established by AB 1913 and codified as Government Code Section 30061, has been distributing State grant funds to local law enforcement agencies to supplement "front line law enforcement services." These funds are also known as Supplemental Law Enforcement Services Funding (SLESF). The legislation requires a report in September to the City Council on how the funds are proposed for use by the Police Department and annual reporting to the County Oversight Committee on the proposed use and actual expenditures of COPS funds. However, this report requirement was delayed this year due to the State budget adoption delay and uncertainty of the grant funding. The State

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – NOVEMBER 9, 2009

Legislature has indicated that local law enforcement agencies are still scheduled to receive a minimum of \$100,000 in COPS grant funds. The City Council is required to hold a public hearing and consider whether the recommendation submitted by the Police Chief complies with the requirements of the Government Code. Once adopted, the recommendation is then forwarded to the County Oversight Committee who then distributes the COPS funds to the local jurisdictions. The funds can then be expended and/or encumbered by the police department. The entire amount is proposed to be spent on equipment to include: training equipment (media center & projector for briefing room); larger employee lockers to include electrical outlets for charging issued safety equipment (current ones are too small to house this equipment and gear bags); computer replacements not funded by Measure Q funds; more AED's for police vehicles; patrol bicycle replacements; additional tasers not funded by Measure Q funds; office furniture replacements (chairs, etc.); and other miscellaneous tools and equipment. Chief DeRohan recommended the City Council open the hearing for public comment and adopts Resolution No. 55-09 authorizing the proposed spending plan for the \$100,000 that will be received from the COPS grant program.

Mayor Peters opened the hearing for public comment; there were no comments, and Mayor Peters closed the public comment hearing.

MOTION: Councilmember Grantham moved the City Council adopt Resolution No. 55-09 authorizing the proposed spending plan for the \$100,000 that will be received from the Citizen's Option for Public Safety grant program. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

B-2 2009 HOUSING ELEMENT UPDATE; (PUBLIC SERVICES)

Senior Planner Kathleen Wold stated according to state law, each jurisdiction must update its Housing Element (one of the seven required elements of the General Plan) approximately every five to seven years, with specific deadlines established by the State Department of Housing and Community Development (HCD). The revised 2009 Housing Element as presented is a document which reflects collaborative input from the Planning Commission, City Council and the State Department of Housing and Community Development. Ms. Wold recommended the City Council adopt Resolution No.56-09 approving Negative Declaration SCH #200908104 and amending the Housing Element of the City of Morro Bay, and direct staff to submit the 2009 Housing Element to the State Department of Housing and Community Development for the 90 day review period and certification.

Cynthia Deane-Alviso, PMC, reviewed the Initial Study and Negative Declaration for the City of Morro Bay 2009 Housing Element Update.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – NOVEMBER 9, 2009

Mayor Peters opened the hearing for public comment.

John Barta addressed secondary housing units and noted: “the legislature finds and declares that second units are a valuable form of housing in California. Second units provide housing for family members, students, the elderly, in-home care providers, the disabled and others at below market prices within existing neighborhoods.” He said it is the intent of the legislature that any second unit ordinance that is adopted by local agencies has the effect of providing for the creation of second units, and that provisions in these ordinances are relating to matters including unit size, parking, fees and other requirements are not so arbitrary excessive or burdensome so as to unreasonably restrict the ability of homeowners to create second units in zones which they are authorized by local ordinance. Mr. Barta requested the City Council reconsider its ordinance on secondary units, and make it consistent with state law.

Jack McCurdy noted Resolution No. 56-09 as well as the attachments cited in the staff report were not posted on the City’s website. He said public participation is difficult without diligent outreach efforts by staff. Mr. McCurdy expressed concern with the Housing Element and whether the update meets the legal requirements and the standards of Council Members as elected representatives. He said given the very serious deficiencies it seems any Council Member who values the need to make the residents aware of such important matters, and who should recognize their constituents deserve to have the opportunity to become informed on issues such as this will not vote to adopt Resolution No. 56-09 until a respectable outreach plan is put into effect and carried out, and until critically important documents are made available and explained at public meetings.

Dorothy Cutter stated the only areas that qualify for affordable housing are mobilehome parks and similar areas, and noted this proposed document does not clearly address affordable housing. She said this document is a giant loophole for developers.

Melody DeMeritt stated the development standards in this town are ridiculous. She said if the City gives up on commercial zones, it also gives up transient occupancy tax, property tax and sales tax. Ms. DeMeritt stated this document may be prepared for state mandates, but Council should consider Council Members who will be faced with developers in the future.

Jim Nance stated this document does not have enough substance to protect the community against developers, and the ability for mobilehome parks and low income families who cannot afford to live here.

Mayor Peters closed the public comment hearing.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – NOVEMBER 9, 2009

Councilmember Winholtz stated she does not agree with the 80% mixed use residential. She said she would like to change the restriction of second units from 1,200 square feet to 900 square feet permanently. Councilmember Winholtz stated she would like time to consider this item and would like to continue it to the next Council meeting.

Councilmember Smukler stated 46% of the City's housing stock is more than 40 years old, which affirms half of the community's housing will go through a transition and possible new construction in the next 10-20 years. Based on that, he said within the next 4-5 years, the City needs to consider and encourage development that works with neighborhood character and existing compatibility of the community. Councilmember Smukler stated it is important to identify very low and low income projects and would like to pursue discussions on mobilehomes in the futures.

Councilmember Grantham expressed concern with mobilehome conversions and that there is still affordable property for low-income housing. He said moderate income people need to be considered as well as low income when it comes to the housing force in the City.

Councilmember Borchard stated she would like to revisit the mobilehome conversion issue at another time. She said second units and granny units are considered low-income housing for most people, and when meeting density requirements, a property owner has to go up instead of out especially with the loss of sphere of influence and the limit to expand beyond the boundaries.

MOTION: Councilmember Borchard moved the City Council adopt Resolution No. 56-09 approving Negative Declaration SCH #200908104, including the revisions made by the City Council, and amending the Housing Element of the City of Morro Bay; and, direct staff to submit the 2009 Housing Element to the State Department of Housing and Community Development for the 90 day review period and certification. The motion was seconded by Councilmember Grantham and carried with Councilmember Winholtz voting no. (4-1)

Mayor Peters called for a break at 9:00 p.m.; the meeting resumed at 9:08 p.m.

C. UNFINISHED BUSINESS – NONE.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – NOVEMBER 9, 2009

D. NEW BUSINESS

D-1 AUTHORIZATION TO ADD AND HIRE A COLLECTIONS MAINTENANCE
WORKER II; (ADMINISTRATIVE SERVICES)

Utilities/Capital Projects Manager Dylan Wade stated the work tasks that will be assigned to this position, have already been committed to with the City Council's adoption of the State mandated Sanitary Sewer Management Plan (SSMP) on June 8th of this year. In the June 4th staff report for the adoption of the SSMP staff underscored the importance of this position noting that, "Implementation of the plan will lead to larger operational expenditures, larger capital expenditures, and potentially larger staffing levels to meet the minimal standards of the General Waste Discharge Requirements." Staff is now requesting that an additional person be added to help cover these added work tasks. Mr. Wade recommended the City Council authorize the addition and hiring of a new Maintenance Worker II for the Waste Water Collections Department.

MOTION: Councilmember Grantham moved the City Council authorize the addition and hiring of a new Maintenance Worker II for the Waste Water Collections Department. The motion was seconded by Mayor Peters.

Councilmember Winholtz stated every department in the City is overworked. She said she would prefer this come back at mid-budget review and does not support hiring a new person at this time.

Councilmember Smukler stated he has voted against new hires due to economics. He does agree this department is overworked but he must stay consistent until adjustments are made financially.

VOTE: The motion failed with Councilmembers Borchard, Smukler and Winholtz voting no. (2-3)

D-2 CONSIDERATION OF AN AMENDMENT TO MORRO BAY MUNICIPAL
CODE CHAPTER 3.08 ADDING SECTION 3.08.105 ESTABLISHING A
LOCAL BUSINESS PREFERENCE PROGRAM; (CITY ATTORNEY)

City Attorney Robert Schultz stated Councilmembers have expressed interest in implementing a local vendor program as a way to help stimulate the local economy and support the formation/retention of local jobs. Programs giving preference to qualified local businesses are increasingly common among local governments. The draft ordinance would provide further clarification and importance on giving competitive preference to local industries and businesses doing business with the City.

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REGULAR MEETING – NOVEMBER 9, 2009

Mr. Schultz recommended the City Council review the proposed Local Business Preference Program and direct staff to return this item as an Ordinance for Introduction and First Reading with any changes suggested by Council.

MOTION: Councilmember Smukler moved the City Council direct the City Attorney to bring back an Ordinance for Introduction and First Reading based on the amendment to Morro Bay Municipal Code Chapter 3.08, and adding Section 3.08.105 establishing a Local Business Preference Program with the adjustments as discussed by Council. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Smukler requested to agendize a discussion on secondary units; Council agreed to receive a memorandum from staff.

Councilmember Smukler requested to agendize a discussion on the public housing retrofit program; Council concurred.

Councilmember Smukler requested to agendize a discussion on a special zone for mobilehome unit conversions - City Attorney to meet with Mobilehome Sub-Committee and Commissioner Diodati.

Councilmember Smukler requested to agendize a discussion on maximizing zones in the Housing Element; Councilmember Winholtz to prepare a report.

ADJOURNMENT

The meeting adjourned at 9:49 p.m.

Recorded by:

Bridgett Bauer
City Clerk

AGENDA NO: A-1

MEETING DATE: 12/14/09

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL MEETING – NOVEMBER 30, 2009
VETERANS MEMORIAL HALL - 6:00 P.M.

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Andrea Lueker	City Manager
	Bruce Ambo	Public Services Director
	Christine Rogers	Housing Programs Coordinator
	Dylan Wade	Utilities/Capital Projects Manager

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Peters called the meeting to order at 6:00 p.m.; Councilmember Smukler attended the meeting via teleconference.

PUBLIC COMMENT

Mayor Peters opened Public Comment on the Water Emergency Declaration. Seeing no further comments, Mayor Peters closed Public Comment.

Ending the Declaration of a Water Emergency for the State Water Shutdown and Repeal of the Mandatory Conservation Requirements

Utilities/Capital Projects Manager Dylan Wade presented the staff report and an update noting the State Water Shutdown occurred between November 1st and November 23rd. He received a phone call this evening that the Pumping Station had experienced some problems, necessitating a short term State Water Shutdown anticipated continuing several days. His recommendation was to take action as proposed, but to delay implementation until Monday, December 7th. He clarified that as State Water is restored, the City may exit the emergency period. The request is to rescind emergency conditions and restore normal water deliveries.

MOTION: Councilmember Grantham moved the City Council direct staff to return to Council with an analysis regarding an appropriate level of conservation and associated findings at its December 14, 2009 City Council meeting. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

The meeting adjourned at 6:15 p.m.

RESOLUTION NO. 57-09

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MORRO BAY, CALIFORNIA
APPOINTING THE CITY TREASURER AND CITY ENGINEER**

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

WHEREAS, the City of Morro Bay's Municipal Code Section 2.12.090 does not grant to the City Manager the power to appoint the City Treasurer or the City Engineer; and

WHEREAS, the City has determined that Susan Slayton possesses the skills and abilities necessary to be an effective City Treasurer; and

WHEREAS, the City has determined that Robert Livick possesses the skills and abilities necessary to be an effective City Engineer.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the following appointments are made:

Susan Slayton	City Treasurer
Robert Livick	City Engineer

PASSED AND ADOPTED, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 14th day of December 2009, by the following vote:

AYES:

NOES:

ABSENT:

Janice Peters, Mayor

Bridgett Bauer, City Clerk

Fire Engine #5381 has several features that will make it attractive to the right party. It was made by Pierce Manufacturing, a firm known for its quality craftsmanship and high-grade materials. It is smaller and lighter than many municipal fire engines, yet carries 500 gallons of water.

The three selling venues that have been researched are listed below.

Fire Trader

Fire Trader publishes a monthly classified ad-type of magazine for fire apparatus and equipment. Its circulation is 45,000 each month, has an easy-to-use web site. The charge for selling a vehicle is only for publishing the ad; there is no percentage-of-sale-price charge. Also, there is no charge to set up the graphics and layout of the ad.

Fire Trader charges \$350 per month for the smallest listing (about 2" x 3"). The cost to sell the vehicle would depend on how long it takes.

Proposed advertisement in Fire Trader:



1983 Pierce/International C1850
International DT466/210 HP,
Allison MT643, Waterous 750 gpm, 500
gal tank. Only 49,000 miles.
Very reliable.
Call Jeff Olson of Morro Bay FD at
(805) 772-6242 or
jolson@morro-bay-ca.us

eBay

When this staff report was prepared, there were seven listing of somewhat comparable fire engines on eBay. eBay charges a single \$125 “successful listing” fee if the vehicle sells. There is a \$2 charge to include up to 24 pictures in the listing. Fire engines are listed in eBay as “Motors.”

Ken Porter Auctions

The City has a contract with Ken Porter Auctions, and has used them in the past to sell vehicles and equipment. They generally hold auctions twice monthly, and generally charge the seller up to 5% of the sales price. A representative stated that these types of vehicles are often purchased, then “parted out.”

In order to continue operation of a viable business on Lease Site 96/96W during the permitting, design and approval process the City is proposing an interim Lease Agreement with Mr. Van Beurden. The three-year and four month term will allow operation of a restaurant on the site and includes the following terms:

Term: Three years and four months, terminating June 20, 2013.

Rent: Minimum Rent: \$15,000 or 5% of gross sales, whichever is higher.

Maintenance and Insurance: City Master Lease Standards

Section 13.01 Tenant's Obligation to Redevelop Site

May 31, 2010: Completion of interim repairs and re-opening of a restaurant on the site.

December 31, 2011: Tenant to obtain Coastal Commission permits.

December 31, 2012: Tenant to obtain City precise plan approval.

March 31, 2013: Tenant to obtain City building permit for said project.

This interim lease will allow Mr. Van Beurden to specify through the Concept Plan approval process the scope and costs of the new project, at which time Staff expects to negotiate a new long-term lease for City Council consideration that will obligate Mr. Van Beurden to complete the redevelopment project and allow him to finance the improvements.

Unlike the proposal process for Lease Site 87-88/87W-88W, where the existing tenant had submitted a proposal and was named as secondary proposer and where the existing lease had two and a half years remaining; the current lease for Lease Site 96/96W expires January 31, 2010 approximately 3 months after designation of the primary proposer.

The existing tenant at the Whale's Tail, Ms. Mandella, has indicated that she is trying to relocate her business and potentially would like to vacate the site in January 2010, approximately one month before the expiration of the lease. The recommended resolution also authorizes a mutually agreeable early termination of the lease if Ms. Mandella finds an alternate location for her business in the month of January 2010.

CONCLUSION:

In an effort to keep a viable business in operation on Lease Site 96/96W during the redevelopment permitting process, Staff recommends that the City Council adopt Resolution #58-09 approving an interim Lease Agreement for Lease Site 96/96W, located at 945 Embarcadero with Stan Van Beurden.

RESOLUTION NO.58-09

**APPROVAL OF AN INTERIM LEASE AGREEMENT
FOR LEASE SITE 96/96W, LOCATED AT 945 EMBARCADERO,
WITH STAN VAN BEURDEN**

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

WHEREAS, the City of Morro Bay is the lessor of certain properties on the Morro Bay Waterfront described as Lease Site 96/96W; located at 945 Embarcadero; and,

WHEREAS, the Morro Bay City Council directed staff to put out a request for proposals for development of said Lease Site; and,

WHEREAS, on July 21, 2009 three qualified proposals were received at City Hall; and,

WHEREAS, on September 14, 2009 the City Council approved Resolution #48-09 designating Stan Van Beurden as the primary proposer for Lease Site 96/96W and designating Held Family as secondary proposer for Lease Site 96/96W; and,

WHEREAS, the existing lease agreement for Lease Site 96/96W expires on January 31, 2010 and the current tenant is seeking another location for operation of their business; and,

WHEREAS, to provide for interim improvements and for operation of a viable business on the Lease Site during the permitting process, the City of Morro Bay and Stan Van Beurden have agreed to enter into an interim three-year and four month Lease Agreement for Lease Site 96/96W during which time Mr. Van Beurden will operate a restaurant on the site and complete the permitting process for the Lease Site 96/96W redevelopment plan.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the interim Lease Agreement for Lease Site 96/96W between the City of Morro Bay and Flying Dutchman Enterprises, Stan Van Beurden sole shareholder is hereby approved and that the Mayor is hereby authorized to execute said Lease Agreement.

BE IT FURTHER RESOLVED, that the City Council hereby authorizes early termination of the existing lease agreement with Danielle Mandella in the month of January 2010 if Ms. Mandella so desires.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of December, 2009 on the following vote:

AYES:

NOES:

ABSENT:

JANICE PETERS, Mayor

ATTEST:

BRIDGETT BAUER, City Clerk



AGENDA NO: A-5

MEETING DATE: 12/14/09

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 14, 2009

FROM: Harbor Director

SUBJECT: Resolution to Approve Amendment #4 to the Lease Agreement for Lease Site 87-88/87W-88W, Located at 833 Embarcadero (Outrigger Restaurant)

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution #59-09 approving Amendment #4 to extend the existing Lease Agreement one year for Lease Site 87-88/87W-88W, located at 833 Embarcadero.

MOTION: I move that the City Council adopt Resolution #59-09 approving Amendment #4 to the Lease Agreement for Lease Site 87-88/87W-88W, located at 833 Embarcadero.

FISCAL IMPACT:

Amendment #4 will extend the term of the existing lease for one year, keeping successful businesses in operation on the waterfront and providing percentage of gross sales rent in addition to the minimum rent on the sites pending completion of redevelopment plans for a proposed conference center on the site.

SUMMARY:

The existing lease for this site would terminate on March 31, 2010 and staff recommends that we extend that lease for one year while the Conference Center proposal works through the permitting and lease development process.

BACKGROUND:

Violet Leage is the existing Tenant on LS 87-88/87W-88W. In 2007 the City requested proposals for potential future developers on these Lease sites. In September 2007 the City selected a proposal from Doug Redican and Burt Caldwell to combine LS 87-88/87W-88W with LS 86/86 W (Embarcadero Grill Building) in a proposed new Conference Center on the waterfront. In September 2008 the partnership obtained City Council concept level approval of their

Prepared By: _____ Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

redevelopment plans, and the project proposal has been slowly working through Coastal Commission permitting issues. During this period the partnership dissolved and Burt Caldwell is now the sole owner of 801 Embarcadero LLC, the holder of the lease at LS 86/86W and on the Conference Center application.

DISCUSSION:

Staff feels that Mr. Caldwell and his design development team have actively pursued the Conference Center project application, but it is apparent that the project cannot be fully permitted within the next year. The City desires to retain existing businesses on LS 87-88/87W-88W while the Conference Center proposal is working through permitting, design and development and recommends that the City Council amend the existing lease for LS 87-88/87W-88W with Violet Leage to extend that lease for one year.

RESOLUTION NO.59-09

**APPROVAL OF AMENDMENT #4 TO THE LEASE AGREEMENT FOR
LEASE SITE 87-88/87W-88W, LOCATED AT 833 EMBARCADERO**

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

WHEREAS, the City of Morro Bay is the lessor of certain properties on the Morro Bay Waterfront described as Lease Site 87-88/87W-88W; located at 833 Embarcadero; and,

WHEREAS, in 2007 the Morro Bay City Council directed staff to put out a request for proposals for development of said Lease Site; and

WHEREAS, on September 24, 2007 the City Council designated Burt Caldwell and Doug Redican as primary proposer for said Lease Site; and

WHEREAS, Mr. Caldwell is still working on permitting and plans for the redevelopment; and

WHEREAS, the existing lease agreement with Violet Leage expires on March 31, 2010; and

WHEREAS, Ms. Leage has requested a one-year extension to the term of the lease agreement for said Lease Site in order to maintain two successful waterfront business operations on the site while the redevelopment plans are being processed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that Amendment #4 to the lease agreement for Lease Site 87-88/87W-88W extending the term of the lease through March 31, 2011 is hereby approved.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of December, 2009 on the following vote:

AYES:

NOES:

ABSENT:

JANICE PETERS, Mayor

ATTEST:

BRIDGETT BAUER, City Clerk



AGENDA NO: A-6

MEETING DATE: 12/14/09

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 14, 2009
FROM: Harbor Director
SUBJECT: Approval of Resolution Authorizing the City of Morro Bay to Enter Into Abandoned Watercraft Abatement Fund Contract with the Department of Boating and Waterways

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution #60-09 authorizing the Harbor Director to execute the attached \$13,500 Abandoned Watercraft Abatement Fund (AWAF) contract agreement #09-214-503 with the Department of Boating and Waterways (DBW) for assistance with demolition of abandoned/derelict vessels and hazards to navigation.

MOTION: I move that the City Council approve resolution 60-09 authorizing the City of Morro Bay to enter into Abandoned Watercraft Abatement Fund contract with the Department of Boating and Waterways.

FISCAL IMPACT:

Approval of this \$13,500 grant agreement provides funding for demolition of several abandoned/derelict vessels. City is required to provide a 10% funding match, or \$1,350, which is budgeted for in the Harbor Fund.

BACKGROUND:

The Abandoned Watercraft Abatement Fund (AWAF) was established in 1997, and provides funds to public agencies to remove, store, and dispose of abandoned, wrecked, or derelict vessels or other submerged objects which pose a hazard to navigation, from navigable waterways or adjacent public property. In 2008 the Harbor Operations Manager received \$30,000 in AWAFF grant funding for removal/abatement of several vessels and some hazards to navigation. That grant amount was amended down to \$17,000 as there was not sufficient time to expend the entire amount before the grant expired. Those funds have been expended.

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

DISCUSSION:

The City will prioritize the vessels that need to be removed from the Harbor and put projects out to bid as they arise for the new grant. The City will remove as many vessels as possible within the scope of the \$13,500 grant agreement and will use existing budgeted funds for derelict vessel demolition to supplement the grant as required by the 10% match.

CONCLUSION:

Staff recommends that the City Council adopt Resolution #60-09, authorizing the City to enter grant agreement #09-214-503 with DBW for removal of abandoned/derelict vessels and hazards to navigation. Staff also recommends that the City Council authorize the Harbor Director to execute the grant and to act as the City's Authorized Agent for the grant agreement.

RESOLUTION NO.60-09

**AUTHORIZATION FOR THE CITY OF MORRO BAY TO
ENTER INTO ABANDONED WATERCRAFT ABATEMENT FUND CONTRACT
WITH THE DEPARTMENT OF BOATING AND WATERWAYS**

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

WHEREAS, City of Morro Bay (City) applied for a grant from the Department of Boating and Waterways (DBW) under the Abandoned Watercraft Abatement Fund (AWAF); and

WHEREAS, DBW awarded a grant of \$13,500 under the AWAF program to the City for removal of derelict/abandoned vessels and hazards to navigation; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the City of Morro Bay is hereby authorized to enter into AWAF Contract #09-214-503 for the removal of derelict/abandoned vessels and hazards to navigation in the amount of \$13,500.

BE IT FURTHER RESOLVED, that the Harbor Director is hereby authorized to act as the City's agent in regards to all aspects of the grant agreement.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of December, 2009 on the following vote:

AYES:

NOES:

ABSENT:

JANICE PETERS, Mayor

ATTEST:

BRIDGETT BAUER, City Clerk



AGENDA NO: A-7

MEETING DATE: December 14, 2009

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 7, 2009
FROM: Bruce Ambo, Public Services Director
Dylan Wade, Utilities/Capital Projects Manager
SUBJECT: Resolution Authorizing and Delegating Authority to the Utilities/Capital
Projects Manager for the Pursuit of a Proposition 84 Water Treatment Grant

RECOMMENDATION:

It is recommended that the City Council adopt Resolution No. 61-09 authorizing and delegating authority to the Utilities/Capital Projects Manager to file a grant application and enter into a grant agreement to pursue a Proposition 84 grant for the BWRO and Energy Recovery upgrades to the Desal Plant.

MOTION: I move that the City Council adopt Resolution No. 61-09 authorizing and delegating authority to the Utilities/Capital Projects Manager to file an application and enter into a grant agreement to pursue Proposition 84 funding.

FISCAL IMPACT:

Staff has requested a grant in the amount of \$1,186,835.00. The City would provide a match of \$1,211,835.00 from the \$1,400,000 of water operations funds allocated to this project. The funds for these upgrades would otherwise come completely from the water division operations fund, or the upgrades would not be performed. If a grant agreement can be entered into the City's water operations fund would realize a savings of \$1,186,835.00.

BACKGROUND:

The nitrate pollution observed in both the Morro and the Chorro groundwater basins has impacted the ability of the City to provide adequate and safe drinking water. These constraints lead to a nitrate episode in November 2006. The purpose of the grant would be to pursue retroactive funding for the installation of the BWRO treatment trains and to also acquire funding to complete the energy recovery and other appurtenance upgrades to the Morro Bay Desal Plant.

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

RECOMMENDATION:

It is recommended that the City Council adopt Resolution No. 61-09 authorizing the Utilities/Capital Projects Manager to file a grant application and enter into a grant agreement to pursue a Proposition 84 grant for the installation of additional treatment equipment into the Desal Plant.

RESOLUTION NO.61-09

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AUTHORIZING AND DELEGATING AUTHORITY TO THE UTILITIES/CAPITAL
PROJECTS MANAGER FOR THE PURSUIT OF A PROPOSITION 84 WATER
TREATMENT GRANT**

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

WHEREAS, the City of Morro Bay has the authority to construct, operate, and maintain the City of Morro Bay Water System; and

WHEREAS, the City of Morro Bay desires to preserve the provision and protection of the drinking water supplied to the consumers of the City of Morro Bay Water System, therefore;

NOW, THEREFORE, BE IT RESOLVED by the Morro Bay City Council that, pursuant and subject to all of the terms and provisions of The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) and all amendments thereto, application be made to the State of California for funding; and

BE IT FURTHER RESOLVED that the Utilities/Capital Projects Manager of said City of Morro Bay is hereby authorized and directed to cause the necessary data to be prepared, investigations to be performed and application to be signed and filed with the State of California.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of, December 2009 on the following vote:

AYES:
NOES:
ABSENT:

JANICE PETERS, Mayor

ATTEST:

BRIDGETT BAUER, City Clerk



AGENDA NO: A-8

MEETING DATE: 12/14/2009

Staff Report

TO: Honorable Mayor and City Council **DATE:** 12/14/2009

FROM: Mike Wilcox, Maintenance Superintendent

SUBJECT: Resolution Authorizing Staff To Submit The Energy Efficiency And Conservation Block Grant Program Application To The California Energy Commission For Grant Funds To Execute the Proposed Improvements Identified In The California Energy Commissions Energy Audit Letter Report

RECOMMENDATION:

Staff recommends Council review the Energy Audit Letter Report prepared by the California Energy Commission, and authorize staff to submit the application for Energy Efficiency and Conservation Block Grant Funds.

The successful completion of the Energy Audit Letter Report recommendations would satisfy the Council's goal of reducing overall energy costs, and developing fiscal conservation to eliminate nonessential expenditures.

MOTION: I move that the City Council authorize the execution of Resolution No. 62-09 allowing the City of Morro Bay to accept grant monies for the execution of the improvements identified in the CEC Energy Audit Letter Report dated November 19, 2009.

FISCAL IMPACT:

The EECBG application will request grant funds totaling \$55,983 of which 100% is reimbursable by the State through the EECBG Small City and County Grant Program. Additionally, staff may be requesting General Fund monies to supplement the grant funds to complete recommendations identified in the CEC's Energy Audit Letter.

SUMMARY:

This EECBG grant opportunity was brought to the attention of staff by the PG&E account representative for the City of Morro Bay in early August 2009. This is a short turn around process, and staff has maintained rigorous involvement with the CEC in order to retain eligibility and meet deadlines. Staff hosted an audit by the CEC on 10/27/09 to identify projects eligible under the grant guidelines. Staff received a final

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

draft of the Energy Audit Letter Report on 11/19/09. The grant program has provisions for two types of applications, Direct Equipment Purchases or Energy Efficiency Projects. Staff will be applying for funding for direct equipment purchases as they have a higher and more immediate return per dollar invested.

BACKGROUND:

The Federal Energy Independence and Security Act of 2007 (EISA) established the EECBG program to assist eligible entities in creating and implementing strategies to: 1) reduce fossil fuel emissions in a manner that is environmentally sustainable and, to the maximum extent practicable, maximizes benefits for local and regional communities; 2) reduce the total energy use of the eligible entities; and 3) improve energy efficiency in the building sector, the transportation sector, and other appropriate sectors.

On February 17, 2009, President Obama signed into law ARRA which, for the first time, appropriated funds to the U.S. Department of Energy (DOE) for the EECBG program.

On June 25, 2009, the Energy Commission submitted an application to DOE to receive authority to expend EECBG funds for eligible projects. DOE awarded the EECBG grant to the Energy Commission on September 14, 2009.

This solicitation is governed by the revised EECBG Program Guidelines which were adopted by the Energy Commission on October 7, 2009.

The application process must be completed by January 12, 2010.

DISCUSSION:

The direct equipment purchase items determined to be of higher and more immediate return will have return on capital expenditure of approximately twenty-five percent.

CONCLUSION:

This grant opportunity is designed to preserve and create jobs and promote economic recovery. The items identified by the CEC audit team as eligible projects for the City of Morro Bay, will have direct and immediate impact toward this design. The choice to work within the parameters of the Direct Equipment Purchase program allows for local vendors and installation professional to participate and benefit directly.

RESOLUTION NO.62-09

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AUTHORIZING STAFF TO SUBMIT THE ENERGY EFFICIENCY AND
CONSERVATION BLOCK GRANT PROGRAM APPLICATION TO THE CALIFORNIA
ENERGY COMMISSION FOR GRANT FUNDS TO EXECUTE THE PROPOSED
IMPROVEMENTS IDENTIFIED IN THE CALIFORNIA ENERGY COMMISSIONS
'ENERGY AUDIT LETTER REPORT'**

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

WHEREAS, the City Council of the City of Morro Bay, California recognizes that it is in the interest of the regional, state, and national economy to stimulate the economy; create and retain jobs; reduce fossil fuel emissions; and reduce total energy usage and improve energy efficiency within our jurisdiction; and

WHEREAS, Energy Efficiency and Conservation Block Grant (EECBG) funds are available through the California Energy Commission's EECBG Program for grants to eligible local governments for cost-effective energy efficiency projects; and

WHEREAS, the City Council of the City of Morro Bay, California is eligible for EECBG funding under the California Energy Commission's EECBG Program; and

WHEREAS, the City Council of the City of Morro Bay, California is proposing to implement the energy efficiency project described in the CEC Energy Audit Letter Report dated November 19, 2009 in order to qualify for EECBG funds from the California Energy Commission; and

WHEREAS, the City Council of the City of Morro Bay, California has considered the application of the California Environmental Quality Act (CEQA) to the approval of the energy efficiency project described in the CEC Energy Audit Letter Report dated November 19, 2009; and

NOW, THEREFORE, BE IT RESOLVED, that in compliance with the California Environmental Quality Act (CEQA), City Council of the City of Morro Bay, California finds that the approval of the energy efficiency project described in the CEC Energy Audit Letter Report dated November 19, 2009 is considered a "project" under CEQA and is exempt pursuant to Section 15301 (Existing Facilities), Class 1 of the CEQA Guidelines because the project consists of the repair, maintenance, and minor alteration of existing public structures, facilities, and mechanical equipment involving negligible or no expansion of the existing use.

BE IT ALSO RESOLVED, that the City Council of the City of Morro Bay, California authorizes the submittal of the application to the California Energy Commission's EECBG Program for funds to execute the proposed project described in the CEC Energy Audit Letter Report dated November 19, 2009.

BE IT ALSO RESOLVED, if recommended for funding by the California Energy Commission, the City Council of the City of Morro Bay, California authorizes the City of Morro Bay to accept a grant award up to the amount of this application for \$ 55,983, and, that the Recreation and Parks Director acting for the City of Morro Bay is hereby authorized and empowered to execute in the name of the City of Morro Bay, all necessary contracts and agreements, and amendments hereto, to implement and carry out the purposes specified in the application.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of December, 2009 on the following vote:

AYES:
NOES:
ABSENT:

JANICE PETERS, Mayor

ATTEST:

BRIDGETT BAUER, City Clerk

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov



November 19, 2009

Mr. Mike Wilcox
Maintenance Supervisor
City of Morro Bay
1001 Kennedy Way
Morro Bay, CA 93442

SUBJECT: ENERGY AUDIT LETTER REPORT - CITY OF MORRO BAY FACILITIES

Dear Mr. Wilcox:

In response to a request for technical assistance from the City of Morro (City), staff from the California Energy Commission (Commission) conducted an energy audit on October 27, 2009, of the following facilities: City Hall, Public Service Building, Community Center, Waste Water Treatment Plant, and City Parks. This audit focused primarily on potential energy efficiency projects that could be funded by Direct Purchase provisions of the American Recovery and Reinvestment Act's (ARRA) Small Community Block Grant being administered by the Commission. The City has an ARRA allocation of \$55,983 available for energy projects. Described below are our recommendations for each City facility that can be implemented using ARRA Direct Purchase. Specific information related to the recommendations discussed below such as building-by-building lamp and light fixture counts, facility annual energy use, project energy savings, equipment costs, and costs are attached as an appendix to this letter report.

City Hall

Office interior lighting consist of a number of 4 foot 32 watt T8 (first generation type) fluorescent lamps with electronic ballasts, and 4 foot 40 watt T12 fluorescent lamps with magnetic ballasts installed in two lamp fixtures. A few incandescent lamps are also in use as well as five (5) older fluorescent exit signs. Building exterior lighting consists of six (6) wall-mounted 120 watt high pressure sodium (HPS) fixtures (wall paks) and a single 150 watt PAR-type halogen lamp illuminating the flagpole. It is recommended that all existing 4 foot fluorescent lamps be replaced on a one-for-one basis with current generation 28 watt T8 lamps. The electronic ballasts serving the existing T8 lamps may be reutilized with the newer T8 lamps, but new electronic ballasts will be needed for those T8 lamps replacing the T12 lamps. All incandescent lamps in the building should be replaced with screw-in compact fluorescent lamp (CFL) equivalents. A 60 watt incandescent requires a 13 watt CFL equivalent; 75 watts requires an 18 watt CFL; and a 100 watt lamp would need a 23 watt CFL. Existing fluorescent exit signs should be replaced with new 5 watt light-emitting diode (LED) signs. Exterior HPS wall paks

should be replaced on a one-for-one basis with new 40 watt induction wall packs. The halogen flagpole light should be replaced with a 50 watt metal halide lamp and fixture. Implementing these lighting projects is estimated to save 3,953 kilowatt hours (kWh) and \$455 each year in energy costs. The estimated installed cost of this project is \$2,628. The City Hall facility consumes 57,345 kWh of electricity that costs \$9,157 each year. The savings from the lighting project represents about 7% of this total.

The heating, ventilating, and air conditioning (HVAC) system in City Hall consists of a single older York rooftop-mounted dual package air conditioning/gas furnace unit. This unit has a cooling capacity of 5 tons and an estimated seasonal energy efficiency rating (SEER) of 9.0. The unit's heating output is 135,000 British thermal units (Btu) per hour. Six (6) different interior zones of the building are served by this unit. Each zone is controlled by its own independent nonprogrammable thermostat. Due to the age of the unit, it is recommended that it be replaced with a new energy-efficient SEER 14 air conditioner and new 365-day programmable thermostats to control the new units. It is also recommended that zone dampers in the ductwork controlling airflow to the various zones be inspected as part of the installation to verify that they are set correctly and readjusted if necessary. When implemented, the air conditioner replacement project is estimated to save 6,541 kWh and \$968 in electric energy costs each year with an estimated implementation cost of \$5,000. Installing new programmable thermostats is estimated to save 10% of the energy used for air conditioning, or 1,434 kWh and \$165 a year in electric costs. The estimated cost of the thermostats is \$600. Combined, savings from the air conditioner and thermostat replacement projects represents about 14% of the electricity used annually at City Hall.

During the site visit, it was observed that exit signs were not posted on the two public doors leading to the building's exterior. To ensure personnel safety in the event of a need to quickly evacuate the building, exit signs should be installed over these doors. It is recommended that these signs be of the new energy-efficient light emitting diode (LED) type. The estimated bare cost of the signs is \$30 each with the cost of labor and miscellaneous electrical hardware being variable depending upon proximity of an accessible electric circuit to power the signs. The cost of the new exit signs was not factored into the cost of the overall project due to the variability of labor and material costs. There would only be a slight energy penalty to the City for operating these signs as they are rated at only 5 watts each. The estimated annual energy use and electric costs for these signs are 88 kWh and \$10 each year.

Public Service Building

The lighting system in this single-story building consists mainly of 4 foot 32 watt T8 fluorescent lamps housed in 2-, 3- and 4-lamp recessed fixtures in the enclosed office spaces and in 2-lamp surface-mounted fixtures in the hallways and . Only one (1) frequently-used incandescent lamp was noted. The building's seven (7) exit signs are of the older fluorescent variety. It is recommended that the existing 4 foot 32 watt T8 lamps be changed out one-for-one with the newer energy-efficient 4 foot 28 watt T8 fluorescent lamps. The existing electronic ballasts are compatible with the new lamps

and can be retained. Some of the office areas were also greatly overlit. Measurements taken with a foot-candle meter showed an illumination level of 100 footcandles (f.c.). Recommended lighting levels for office areas are in the 35 to 45 f.c. range. There is an opportunity to delamp some of the lighting fixtures in some of the office areas area to save energy. This should be done on a case-by-case basis receiving employee input before reducing their lighting level. The incandescent lamp should be replaced with a new efficient 13 watt compact fluorescent lamp (CFL) and a motion sensor switch installed to control its operation. All of the existing exit signs should be converted to the energy-efficient LED type. The estimated annual energy savings and electricity cost savings are 2,256 kWh and \$259, respectively. Estimated project cost is \$1,291. The Public Service facility consumes 28,080 kWh of electricity that costs \$4,637 each year. The estimated savings from the lighting project represents about 8% of this total.

Heating and cooling for the building is provided by six (6) older Goodman rooftop-mounted dual gas-electric package units ranging in size from 2- to 3 tons of cooling capacity and unknown heating capacity. Units of this age have an estimated cooling energy efficiency of SEER 9. Each unit serves a specified building interior zone and each zone is controlled by its own non-programmable setback thermostats. The Public Service Building is constructed of several single-wide portable classroom-type structures integrated together to form a single large building. The air conditioning units were not accessed by Commission staff during the course of the audit due to structural concerns about the building's sheet steel roof. Several City staff working in the building who were interviewed during the audit stated that the office was either too cold or too hot most of the time and that the air inside felt "stuffy" causing windows to be opened on warmer days. These units are thirteen years old and due to their age it is recommended that they be replaced with new, energy-efficient SEER 14 units and the existing setback thermostats replaced with new 7-day programmable units. At their rated cooling capacities, it is estimated that 5,242 kWh and \$603 in electric energy cost savings can be achieved annually by replacing them with the more energy-efficient units. The estimated installation cost for this air conditioner replacement project is \$14,000. New programmable thermostats are estimated to save 10% of the energy used for air conditioning, or an additional 927 kWh and \$107 in electric costs each year. The new thermostats are estimated to cost \$600. Combined, these two projects are estimated to save over 20% of the electricity currently being used by the building.

Community Center

Interior lighting in this relatively new two-story building built in 1989 is provided mainly by first generation 4 foot 32 watt T8 fluorescent lamps and electronic ballasts. The last reported group re-lamping of the light fixtures was about eight years ago so the existing lamps are at the end of their useful life. There are a number of incandescent lamps also in use in the Game Room for billiard table lighting and as a wall wash in the second floor hallway. Exit signs are all of the older fluorescent variety. Exterior lighting for the building is provided primarily by HPS wall paks ranging in size from 70 to 150 watts. There are also a number of 150 watt HPS Bollard decorative light standards that provide pathway and accent lighting. The City desires to convert these to solar-

powered LED lights. A discussion of this conversion and how it may fit into this project is given later in this report.

It is recommended that all of the original 4 foot 32 watt T8 lamps be replaced on a one-for-one basis with the newer, more energy-efficient 28 watt variety. The original electronic ballasts may be retained as they are compatible with the newer lamps. All incandescent lamps in the facility should be replaced with their CFL equivalents: a 13 watt CFL replaces a 60 watt incandescent lamp; 18 watts replaces 75 watts; and 23 watts replaces 100 watts. All of the existing exit signs should be replaced with the new, energy-efficient light-emitting diode (LED) type. Exterior HPS lighting should be replaced with new lower wattage induction-type fixtures. When implemented, the lighting projects are estimated to save 12,565 kWh and \$1,445 each year in electric costs. The estimated cost for implementing these projects is \$3,165. The Community Center uses 66,800 kWh each year at a cost of \$10,835. The estimated savings from the lighting project represents nearly 19% of the electricity used by the facility annually.

Six (6) York package air conditioning/gas furnace dual pack units ranging in cooling capacity from 4 to 7.5 tons and heating output from 60,000 to 116,000 Btu per hour provide cooling and heating to different zones of the building. Seven-day programmable thermostats control the operation of each of the units. According to specifications for these units provided by the City, the efficiency of all of these units is SEER 8.5. It is recommended that these older, less efficient air conditioners be replaced with new high efficiency SEER 14 units. The existing programmable thermostats may be retained. Estimated energy and cost savings from implementing this project are 10,700 kWh and \$1,231 each year while the estimated project cost is \$34,000. This represents 16% of the electricity used each year by the facility.

Veteran's Hall

This building is intermittently occupied. The main activities are biweekly City Council meetings and social events on some evenings and weekends. Interior lighting for the lobby, Meeting Room, restrooms, and commercial kitchen consists of older 4 foot 32 watt T8 fluorescent and 2 foot 32 watt T8 U-tube lamps with electronic ballasts. Meeting Room incandescent lamps on dimmer circuits are in use as well as a 23 watt T12 "Circline" lamps in the hallway leading to the stage. All of the exit signs are of the 40 watt incandescent variety. Exterior lighting consists of 150 watt HPS and metal halide wall pak fixtures that illuminate the building, parking lot, and flagpole. There are also a number of 150 watt halogen PAR lamps illuminating the barbeque pit area and outdoor patio, but these are infrequently used. It is recommended that all of the older 4 foot 32 watt T8 fluorescent lamps be replaced on a one-for-one basis with the newer generation 4 foot 28 watt T8 fluorescent lamps. The existing electronic ballasts may be retained as they are compatible with the new T8 lamps. All incandescent lamps not on a dimmer circuit and the Circline fluorescent lamps should be replaced with their CFL equivalents. All of the exit signs should be replaced with new LED exit signs. All of the HPS wall paks illuminating the building exterior and parking lot should be replaced with the new energy-efficient induction lighting technology. Implementing these lighting

projects is estimated to save 6,374 kWh and \$733 each year in energy costs. The estimated cost of the lighting project is \$2,836. This facility uses 24,280 kWh of electricity each year at a cost of \$3,945. The estimated savings represents over 26% of the electricity used by the facility.

Waste Water Treatment Plant (WWTP)

Although the City requested that the WWTP lighting project not be included within the scope of ARRA funding, the summary information is being provided in this report as a convenience for the City when it pursues the project through their electric utility's Public Goods Charge-funded energy efficiency program. Lamp and fixture counts, energy savings, and project cost estimate totals have been removed from the main calculation spreadsheets used to analyze the project and will not count against the City's ARRA allocation. The totals for the WWTP lighting project have been broken out separately and included in the report appendix as a reference for the City.

The interior lighting systems in this facility consist mainly of the older 4 foot 40 watt T12 fluorescent lamps with magnetic ballasts. Some incandescent lamps are also in use. There are a number of infrequently-occupied locations in some of the facility's buildings where lights may be inadvertently being left on. Most of the exterior lighting is in the process of being converted to more energy-efficient types. It is recommended that all of the old 4 foot 40 watt T12 lamps and magnetic ballasts be replaced on a one-for-one basis with new, energy-efficient 4 foot 28 watt T8 lamps and electronic ballasts. All incandescent lamps should be replaced with their CFL equivalents. Motion sensors should be installed to control lighting of infrequently-used spaces like the MCC and pump rooms. This lighting project is estimated to save 7,991 kWh and \$919 each year in electric costs when implemented. The estimate cost of this project is \$3,185. The WWTP is City's largest energy consumer using 1,074,900 kWh of electricity each year at a cost of \$117,014. The estimated savings from the lighting project represents about 1% of the total facility electric use.

City Park Restrooms

Existing restroom lighting in the City's twelve (12) City Parks consists of the first generation 4 foot 32 watt T8 fluorescent lamps mounted in surface-mounted 2-lamp fixtures. Each park has a single restroom facility. Each men's and women's restroom has two of these two-lamp fixtures. Operation of the lights is controlled manually by City maintenance personnel. It is recommended that all of these lamps be replaced on a one-for-one basis with the newer, more energy-efficient 4 foot 28 watt T8 lamps. The existing electronic ballasts may be retained (it was discovered during the audit that some ballasts may be of the magnetic type and should to be changed). Implementing this project can save 1,717 kWh and \$197 in energy costs each year. Since City staff can easily accomplish this task, there are no labor costs assumed for this project.

Police Department

Cooling and heating of the building is provided by two roof-mounted Amana electric/gas dual package units. One of them is rated at 5 tons of cooling capacity and the other 4 tons. Heating capacities of both units is 73,600 Btu/hr. The efficiency of these units is estimated to be SEER 9. Due to the age of these units, it is recommended that they be replaced with new, more energy-efficient SEER 14 units of equivalent capacities. When installed, these units are estimated to save 7,215 kWh and \$830 each year in energy costs. The estimated installation cost of the new units is \$9,000. The Police Department facility (old and new combined) uses a total of 80,162 kWh of electricity each year at a cost of \$12,793. The estimated savings from the air conditioner replacement project represents 9% of the facility energy use.

Cost-Effectiveness Determination of Other Requested Projects

Those projects that are not fundable under Direct Purchase provisions of ARRA may still be eligible for funding as “Energy Efficiency Projects” if they demonstrate that they are cost-effective to install. The cost-effectiveness criterion for this category of funding is that a project must save at least 10 million Btus of energy for each \$1,000 of ARRA funds invested. This is equivalent to approximately 1 kWh per \$1 invested.

The City requested that we investigate the possibility of purchasing new reach-in commercial refrigerators (reefers) for the Community Center and Veteran’s Hall kitchens. According to most electric utility literature, the new energy-efficient reefers are at least 25% more efficient than a standard type. At the Veteran’s Hall, it is estimated that refrigeration accounts for about 50% of the facility’s total annual electric use of 24,200 kWh/yr, or 12,100 kWh/yr. Assuming that a new reefer is 25% more efficient, the annual energy savings is estimated to be 3,025 kWh and at the average annual electric rate of \$0.115/kWh paid by the City, the energy cost savings would be \$348 per year. It is estimated that a new reefer would cost \$4,000 to \$5,000 to purchase. The cost-effectiveness for this project would then be $(3,025 \text{ kWh})/(\$4,000) = 0.756 \text{ kWh}/\$$ invested and does not meet ARRA’s funding criterion as an “Energy Efficiency Project”. The numbers for a new reefer at the Community Center would probably be very similar.

Also requested was an analysis to see if ARRA funding could be used to convert the existing 150 watt HPS Bollard lights at the Community Center and City Parks to new solar/LED lights. Assuming that the existing HPS Bollard lights operate 9 hours each night, 365 days a year, the estimated annual energy use for a single light is 493 kWh/yr. The annual energy cost associated with this is \$57 per light. Converting the existing HPS lamp to solar/LED would avoid this energy use and cost altogether. Using an estimated cost of \$700 for each light conversion, the cost-effectiveness of this retrofit is $(493 \text{ kWh})/(\$700) = 0.704 \text{ kWh}/\1 invested and does not meet ARRA’s criterion.

New explosion-proof lighting fixtures are needed at the City’s Wastewater Treatment Plant (WWTP) in the Screening Pit area. Due to corrosive gases emitted by the process, the casings of the existing fixtures are corroded and can no longer be opened

to service the lamps. These lights are required to operate 24 hours a day. The City requested that the Commission make a determination to see if changeover of these lights can be ARRA-funded as an “Energy Efficiency Project”. To save the most energy, the six (6) existing lights should be converted to the new explosion-proof LED fixture type. These draw only 5 watts of power and are extremely long-lived. However, they are also extremely expensive, costing about \$3,000 each. Assuming that the existing lights are 150 watt HPS, converting all six to the LED type is estimated to save 7,611 kWh/yr and \$875 in electricity costs each year. The cost effectiveness of this project is $(7,611 \text{ kWh}) / (6 \times \$3,000) = 0.423 \text{ kWh}/\1 invested and does not meet ARRA criteria.

Project Summaries

Summarized below in Table 1 are the estimated annual energy and cost savings and project costs for the projects eligible for Direct Purchase.

Table 1 - Direct Purchase Project Summary

Project Type	Annual kWh Savings	Annual Energy Cost Savings	Estimated Project Cost
Lighting	26,865	\$3,090	\$10,370
HVAC Replacement	29,698	\$3,416	\$62,600
Programmable Thermostats	2,361	\$272	\$1,200
Totals	58,924	\$6,778	\$74,170

*Before available utility energy efficiency incentives are applied

Energy efficiency incentives from Pacific Gas and Electric may be available for installing many of these projects. Please contact your account representative to determine eligibility requirements before implementing any of the projects.

Table 2 below shows the effect on overall cost-effectiveness of rolling in “Energy Efficiency Project” types with Direct Purchase projects.

Table 2 - Direct Purchase and Energy Efficiency Project Combined Summary

Project Type	Annual kWh Savings	Annual Energy Cost Savings	Estimated Project Cost
Lighting	26,865	\$3,090	\$10,370
HVAC Replacement	29,698	\$3,416	\$62,600
Programmable Thermostats	1,689	\$194	\$1,200
New Reefers (2)	6,050	\$696	\$8,000
Solar/LED Bollard Lights (15)	7,395	\$850	\$10,500
Explosion-Proof LED Lights (6)	7,611	\$875	\$18,000
Totals	79,308	\$9,121	\$110,670
Project Cost Effectiveness	0.72 kWh per \$1 invested		

*Before available utility energy efficiency incentives are applied

Conclusions

It is recommended that the City pursue only the Direct Purchase projects for implementation that are shown in Table 1. Melding the non-Direct Purchase projects

with the Direct Purchase projects as shown in Table 2 to qualify the entire package as an “Energy Efficiency Project” is not feasible because it results in a project cost-effectiveness of 0.72 kWh per \$1 invested and does not meet the ARRA minimum of at least 1 kWh per \$1 invested.

The total of the identified Direct Purchase-eligible projects (see Table 1) of \$74,170 exceeds the City’s ARRA allocation of \$55,983 by \$18,187. Using the energy savings and cost information provided in the appendix, the City should carefully choose the right combination of individual projects and their level of implementation to bring the project total cost within the maximum funding allowed by ARRA. The City may want to consider taking out a 3% low-interest loan from the Commission to finance the additional \$18,187 to complete all of the identified Direct Purchase projects. Information on our loan program can be found on our website at:

<http://www.energy.ca.gov/efficiency/financing/index.html>

All that is required for projects to be eligible for financing is that they demonstrate a 10-year or less simple payback. It does not appear that any of the non-Direct Purchase items would be eligible on their own.

Acknowledgements

The Commission would like to acknowledge and thank the following individuals for their assistance and support during the energy audit:

City of Morro Bay

- Mr. Mike Wilcox, Maintenance Superintendent
- Mr. Les Girvin, WWTP Supervisor
- Mr. Dan Robertson, Building Maintenance

It was a pleasure providing this service for you. Please feel free to contact us if you have any questions or need more information.

Best Regards;

Donald B. Kazama, P.E., C.E.M.
Senior Mechanical Engineer

cc: Les Girvin, City of Morro Bay
Lance Shaw
Serena Fong
Jacob Orenberg
Amir Ehyai

Attachments: Appendix



AGENDA NO: A-9

MEETING DATE: 12/14/09

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 8, 2009
FROM: Andrea K. Lueker, City Manager
SUBJECT: Status Report on Applications for Economic Stimulus Funding

RECOMMENDATION:

No action.

FISCAL IMPACT:

Not Applicable.

SUMMARY:

No changes to the Status Report have occurred since the last review in October 2009.

BACKGROUND:

On February 17, 2009 President Barack Obama signed into law the American Recovery and Reinvestment Act (ARRA) of 2009. The stated purpose of the ARRA is:

- (1) *To preserve and create jobs and promote economic recovery.*
- (2) *To assist those most impacted by the recession.*
- (3) *To provide investments needed to increase economic efficiency by spurring technological advances in science and health.*
- (4) *To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.*
- (5) *To stabilize state and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.*

The ARRA provides funds for investments in many programs, including health care, energy, infrastructure, education, and public safety. The total cost of the package is \$787 billion, and consists of nearly \$355 billion for upgrades to transportation, infrastructure, construction, health care programs, education and housing assistance, and energy efficiency projects, \$144 billion in state and local fiscal relief, and \$288 billion in personal and business tax credits.

Specifically in California, the League of California Cities has compiled a “City Funding Book” to assist cities in their pursuit for funding. There will be regular updates made available on the League’s website at www.cacities.org as more information becomes available.

Prepared By: AL

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: B-1

MEETING DATE: December 14, 2009

Staff Report

TO: Honorable Mayor and Council **DATE:** December 9, 2009

FROM: Janeen Burlingame, Management Analyst

SUBJECT: Discussion of FY 2009/2010 Transportation Development Act (TDA) Funding Cut to Transit and Consideration of Morro Bay Dial-A-Ride (MBDAR) Service Options

RECOMMENDATION:

Staff recommends the City Council do the following:

1. Approve use of up to 10% of the City's awarded American Recovery and Reinvestment Act (ARRA) 5311 grant and revenue from the sale of the 1985 trolley to compensate for the TDA funding cut to the City's 2009/2010 fiscal year transit allocation.
2. Approve using general accumulation funds to retain existing levels of Dial-A-Ride service for fiscal year 2009/2010 only if the ARRA 5311 grant and revenue from the trolley sale in recommendation #1 do not make up the entire cut to the City's fiscal year 2009/2010 TDA allocation.
3. If recommendations 1 and 2 are not approved, approve reducing Monday through Friday MBDAR service days by six (6) hours each day to be effective between January 15, 2010 and June 30, 2010 to compensate for the TDA funding cut to the City's 2009/2010 fiscal year transit allocation.

MOTION – Recommendation #1: I move that the City Council approve the use of up to 10% of the City's awarded American Recovery and Reinvestment Act (ARRA) 5311 grant and proceeds from the sale of the 1985 trolley to compensate for the TDA funding cut to the City's 2009/2010 fiscal year transit allocation.

MOTION – Recommendation #2: I move that the City Council approve using general accumulation funds to retain existing levels of Dial-A-Ride service for fiscal year 2009/2010 only if the ARRA 5311 grant and revenue from the trolley sale do not make up the entire cut to the City's fiscal year 2009/2010 TDA allocation.

MOTION – Recommendation #3: I move that the City Council reduce Monday through Friday MBDAR service days by six (6) hours each day to be effective between January 15, 2010 and June 30, 2010 to compensate for the TDA funding cut to the City's 2009/2010 fiscal year transit allocation.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

FISCAL IMPACT:

The 12.3% cut in TDA for fiscal year 2009/2010 results in a \$44,000 loss in transit funding to the City with which operate MBDAR.

BACKGROUND:

The TDA provides two sources of funding for transportation programs. The first, the Local Transportation Fund (LTF), is derived from 1/4 cent of each 7.75 cents collected in retail sales taxes. The second, State Transit Assistance (STA), is derived from the statewide sales tax on vehicle fuel.

Annually SLOCOG apportions Transportation Development Act (TDA) funds based on estimates provided by the State. These funds include Local Transportation Funds (LTF) and State Transit Assistance (STA) and as you are aware, the Governor’s adopted budget eliminated STA funds in fiscal year 2009/10.

Actual LTF revenue generated this year have been less than estimated by the State. At the October meeting, the SLOCOG Board approved decreasing the estimated revenue by 15% and reducing the contingency, resulting in a 12.3% decrease to the LTF apportionment to the cities and County. In addition, the SLOCOG Board requested the Regional Transit Authority (RTA) either amend their approved budget to include a decrease in their TDA draw from the cities and County or reaffirm their budget as adopted. On November 4th, the RTA reaffirmed their budget with no changes or reductions. Per a Joint Powers Agreement with the cities and County, the RTA is funded with an allocation of TDA from each city and the County that is taken off the top of the agency’s apportionment before receiving TDA for use on local transit service.

DISCUSSION:

There are essentially two options available to the City to combat the loss in transit funding for this fiscal year: find alternative revenue sources in the amount of the funding loss or implement service cuts if alternative funding cannot be identified to compensate for all or part of the funding shortfall.

Alternative Revenue Sources

Potential alternative revenue sources could include: fare increase, general fund, proceeds from the sale of the 1985 trolley, previously awarded ARRA 5311 grant, and general accumulation funds.

Fare Increase: The City raised fares by \$0.50 July 1, 2009. An additional fare increase would not be considered a viable option as the amount of funding loss is too high to be made up with increased fares and would decimate ridership as the core riders for MBDAR are in the low income category and the fare increase in July has had an impact on these riders with some not using the service as intensively as they had in the past because it is not as affordable for them as it had in the past, particularly given the state of the economy.

General Fund: Using general funds would not be considered a viable option as the Administrative Services Director has indicated there are no general funds available for use at this time.

Surplus 1985 Trolley Sale: Council has authorized the surplus and sale of the 1985 trolley. The City

will hold a bid process in December for the sale of the trolley and had an appraisal of the vehicle performed to use as a baseline for the minimum bid. The 1985 trolley was appraised at \$25,000. Using revenue from the trolley sale is a viable option as these funds have not be previously allocated to any other project or service and would make up a little over half of the transit funding cut that will occur this fiscal year.

ARRA 5311 Grant: Previously the City has been awarded an ARRA 5311 grant for the purchase of two replacement vehicles (one trolley and one dial-a-ride). During the grant application process, the Federal government indicated the ARRA transit funds could only be used for capital projects; however, after the San Luis Obispo region went through the grant application and award process, the Federal government indicated that up to 10% of ARRA funds could be used for operations.

As the ARRA 5311 grant had already been awarded, the only possibility the City has for using these grant funds for operations is if there are cost savings from the two replacement vehicle purchases that could be applied to operations through a requested modification to the grant contract with the State.

Regarding the trolley purchase, on December 2, the City received bid proposals for the purchase of a replacement trolley and is in the process of reviewing bids. Since ARRA funds are being used, the bids must also be reviewed by the State before award and staff is targeting the first Council meeting in January 2010 for consideration of bid award. After an initial evaluation of the proposals submitted, the bids are under the \$160,000 project estimate so there may be a small amount of surplus funds available for use towards operations.

Regarding the dial-a-ride purchase, the City is piggy-backing on a procurement contract from SamTrans and is waiting to receive the vehicle cost from the vendor. This is the same contract and vendor the City used to purchase two replacement dial-a-ride vehicles in 2008 and it is likely that the vehicle cost will be well under the \$69,000 project estimate so there would be surplus funds available for use towards operations.

The potential surplus from both vehicle purchases is estimated to be \$15,000-\$18,000 and would be a viable option to use these funds to compensate for the mid-year cut in transit funds.

General Accumulation Fund: Using general accumulation funds is a viable option as the Administrative Services Director has indicated there are funds available for use if approved by the City Council. Proceeds from the sale of the 1985 trolley and potential surplus from the ARRA 5311 grant projects are estimated to generate 91%-98% of the cut in 2009/2010 transit funding. General accumulation funds could be used for the remaining loss in transit funding and could range from approximately \$4,000-\$29,000 (best case scenario surplus trolley sells in January 2010/worst case scenario surplus trolley does not sell in January 2010 and takes additional time to sell).

MBDAR Service Reduction

Should the City Council not want to use the identified alternative funding sources to compensate for the \$44,000 cut in fiscal year 2009/2010 transit funding, the only option remaining is to reduce MBDAR service, effective after a 30-day rider notification, from January 18 through June 30, 2010. As the transit funding cut comes in the middle of the fiscal year rather than spread out over a twelve month

period, the amount of service that would need to be cut to make up for the funding loss is overwhelming. The major operating expenditures relate to providing service (driver/dispatching, fuel, and maintenance) and other expenditures are fixed regardless of how many hours in the day are operated (telephone, electricity, natural gas, and water). The \$44,000 cut in transit funding would translate to a 53% cut in MBDAR service hours for the remaining 5.5 months of the fiscal year, with Monday through Friday service days reduced by six hours each day.

Transit Efficiencies Group Update

The City has been participating in the Transit Efficiencies Group formed by the SLOCOG and has met several times over the last ten months to identify current services as well as gaps in service along the north coast between Morro Bay, Los Osos, and Cayucos in order to develop service and financial plans for consideration. Staff will continue to update the Council as new information becomes available.

CONCLUSION:

Given that there are three viable alternative funding sources that could be used to compensate for the \$44,000 transit funding cut that is to occur in the City's current fiscal year transit apportionment, with two of those funding sources having the potential to make up for almost the entire funding cut, staff recommends the City Council do the following in order to avoid having to implement large service cuts to MBDAR for the remainder of the 2009/2010 fiscal year:

1. Approve use of 10% of the City's awarded American Recovery and Reinvestment Act (ARRA) 5311 grant and revenue from the sale of the 1985 trolley to combat the TDA funding cut to the City's 2009/2010 fiscal year transit allocation; and
2. Approve using general accumulation funds to retain existing levels of Dial-A-Ride service for fiscal year 2009/2010 only if the ARRA 5311 grant and revenue from the trolley sale in recommendation #1 do not make up the entire cut to the City's fiscal year 2009/2010 TDA allocation.



AGENDA NO: B-2
MEETING DATE: December 14, 2009

Staff Report

TO: City Council **DATE:** December 9, 2009

FROM: Bruce Ambo, Public Services Director
Christine Rogers, Housing Programs Coordinator

SUBJECT: Consideration of Participation in a Countywide AB 811 Contractual Assessment Program (CaliforniaFIRST) to Finance Energy Efficiency Improvements and Distributed Renewable Energy

RECOMMENDATION:

It is recommended that the City Council consider participation in the CaliforniaFIRST pilot program and direct staff to continue the process to implement the CaliforniaFIRST program within the City.

MOTION: I move that the City Council adopt Resolution No. 63-09 authorizing the City of Morro Bay to become a participating member agency in the California First Program and direct staff to continue the process to implement the CaliforniaFirst Program within the City.

FISCAL IMPACT:

The County is applying for a grant for the individual City’s portion of the pilot program start up fees, which are estimated at \$10,000. It is unknown at this time what the actual level of participation and/or cost share would be at this time for the City. In addition, the City’s will have a responsibility for participation in program development, marketing and outreach. There is an “opt out” provision for the City by the adoption of a resolution withdrawing from the program. There is certainly a “local stimulus” implication associated with the construction/retrofitting work that will be advanced by this program.

A California Energy Commission State Energy Program (SEP) grant application in the amount of \$16.5 million is in process, sponsored by the California Statewide Communities Development Authority (“California Communities”), to include 14 counties and 146 cities. The grant funds will be used to offset initial fees associated with bond issuance, start-up costs, an interest rate buy-down, local marketing/education/training/outreach/coordination and grant administration.

SUMMARY:

The CaliforniaFIRST Program is being instituted by California Communities, a joint powers authority sponsored by the League of California Cities and the California State Association of

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

Counties, to allow owners of property in participating cities and counties to finance renewable energy, energy efficiency and water efficiency improvements on their property. If a property owner chooses to participate, the improvements will be financed by the issuance of bonds by California Communities. California Communities will levy “contractual assessments” on the owner’s property to repay the portion of the bonds issued to finance the improvements on that property.

BACKGROUND:

San Luis Obispo County has initiated action to participate in the program and is considering formal adoption of the resolutions to participate in the program later this month. As requested, the City Manager has sent a letter to the California Energy Commission (CEC) expressing the City’s interest in participating in the program by November 20 deadline. The program also requires the adoption of a resolution of participation (sample provided by the CEC) by the City Council prior to January 18, 2010.

DISCUSSION:

There has been lots of activity on developing this program and it seems to be in a constant state of refinement. The general advantage of the program is that the City can work through the overall State program and that the majority of the program administration would be covered by outside resources (Renew Fund and RBC Capital Markets). The City already has an ambitious energy conservation component to its affordable housing rehabilitation program, but this is only available to households that income qualify. Similarly, conventional financing may also be available at lower rates than through this program. More detailed program information is provided in the City of San Luis Obispo and County staff reports that are provided in Attachment 1. A snap shot of the overall advantages, disadvantages and unknowns of the program follows below:

Advantages

- Economies of scale will be realized which would not occur in a city-wide program, resulting in lower costs to the property owner.
- Financial risk will be borne by Renewable Funding. The City has no obligation to repay the bonds issued by California Communities or to pay the assessments levied on the participating properties.
- California Communities handles all assessment administration, bond issuance and bond administration functions.
- SEP Grant funding will reduce implementation costs, allow for professional oversight by others, and funding of a portion of the marketing and outreach.

Disadvantages

- For households with utility bills in the lower tiers, it is questionable whether a positive return on investment can be achieved in residential utility cost savings with the proposed program fees.

- The ease in which funding can be obtained through the CaliforniaFIRST Program may result in low income households encumbering their homes at a higher rate than is necessary, with minimal utility cost savings realized.

Unknown

- Grant Award - Should the grant not be awarded the City will have the option of identifying an alternate funding source, or rescinding the Resolution to join the CaliforniaFirst program.
- Interest Rate - Market conditions to determine the interest rate on bonds issued to finance the program A fixed assessment installation schedule will be established (calculated based upon the amount of financial assistance and an identified interest rate), prior to executing a contract.
- Level of Participation – The interest level within the City of Morro Bay may be a consideration if the grant is not funded and it is necessary to identify a funding source for participation.
- HERS Professionals – The Third Tier of the California Comprehensive Residential Building Retrofit Program, which incorporates renewable energy systems, requires a California Home Energy Rating (HERS) or California Energy Audit under this Tier. There is some question whether there will be a sufficient number of HERS professionals to meet the initial demand. A number of programs are being developed countywide to increase education and certification opportunities.

CONCLUSION:

While there are financial resources available that may be more cost effective for some residential households, staff supports participation in the CaliforniaFIRST Program to enable those households, commercial and industrial establishments that are appropriate for the program to benefit from these resources. Community members should be provided with information on alternative funding, rebates and incentives in the City's implementation of the program locally. It is also in the broader general interest of the public to efficiently conserve resources and reduce green house gas production and global warming.

Attachments:

1. City of San Luis Obispo Staff Report dated December 1, 2009
2. Resolution No. 63-09 Joining the CaliforniaFIRST Energy Efficiency Improvements Financing Pilot Program

Exhibit A
California Energy Commission State Energy Program
CaliforniaFIRST Collaborative Proposal
Summary of Proposal Scope & Budget Framework

Description of Program Proposal

Under the lead applicant, Sacramento County, the 14 counties eligible to participate in the pilot stage of the CaliforniaFIRST Program are collaborating on a proposal to the California Energy Commission State Energy Program for a grant of up to \$16.5 million. The grant funds will be used to offset initial fees associated with bond issuance, start-up costs for the 14 counties and all incorporated cities, an interest rate buy-down, local marketing/education/training/outreach, local coordination, and grant administration to support the launch of the CaliforniaFIRST municipal financing program.

CaliforniaFIRST Program County Participants and Proposal Collaborators

- | | | | |
|------------|-------------------|---------------|-----------|
| ✓ Alameda | ✓ Sacramento | ✓ San Mateo | ✓ Ventura |
| ✓ Fresno | ✓ San Benito | ✓ Santa Clara | ✓ Yolo |
| ✓ Kern | ✓ San Diego | ✓ Santa Cruz | |
| ✓ Monterey | ✓ San Luis Obispo | ✓ Solano | |

Budget Basics

1. CaliforniaFIRST financing costs and fees (~\$6M)

Guided by California Communities and the CaliforniaFIRST Program Administrator Renewable Funding, this program element will:

- buy-down the interest rate on the initial round(s) of projects financed by the CaliforniaFIRST Program,
- cover fixed costs associated with initial bond counsel, bond disclosure, fiscal agent and bond rating,
- cover legal and validation costs, and
- cover the deployment of technology (web portal) to support local programs.

2. Grant/Contract Administration & Steering Committee Liaison: (~\$2.0M)

On behalf of the applicant agency, grant/contractor administration duties include gathering relevant reporting information from all partner jurisdictions and CaliforniaFIRST, financial oversight and invoicing, contract administration, tracking, monitoring, and oversight of deliverables. In addition, the grant administrator will serve as the partner liaison between all participating steering committees to maintain coordination and consistency on the local marketing efforts between parties as well as provide marketing and contract technical assistance, training, and advice to participating agencies. The Grant Administrator will also coordinate local efforts with those programs funded under the California Comprehensive Residential Building Retrofit Program.

3. Regional Program Coordination & Marketing: (~\$8.5M)

In line with the overall project goals, funding has been budgeted on a regional basis to each of the six primary program regions in the following amounts, based on total number of Counties:

- Capitol Region (Sacramento/Yolo): \$1,800,000

- Central Valley Region (Fresno/Kern): \$1,150,000
- Bay Area Region: (Alameda/San Mateo/Santa Clara/Solano): \$2,300,000
- North Central Coast Region: (Monterey/Santa Cruz/San Benito): \$1,725,000
- South Central Coast Region: (Ventura/San Luis Obispo): \$1,150,000
- Southern California Region: (San Diego): \$575,000

This final program element serves to provide each region with the resources necessary to help facilitate the rapid adoption of energy efficiency and renewable energy generation system installations throughout the target area by connecting property owners to any and all available on-the-ground or proposed resources, and services, providing a streamlined framework for easy navigation, reduced out-of-pocket expenses, and overall increased cost effectiveness for both participants and the program overall. The focus of the program will be to create region-wide (or county-wide, where appropriate) cooperative project design, implementation, marketing, and coordination to maximize economies of scale, take advantage of overlapping markets, and ultimately allow each dollar to go further to benefit all parties.

Financing Costs and Fees

A. Financing Costs

As Program Administrator of the California Communities CaliforniaFIRST Program, Renewable Funding will coordinate and provide program administration, financing, and legal services to support a robust statewide municipal financing program. Specific financing costs are concentrated at the start of the program and result in increased fees to a program participant, and therefore a higher effective interest rate. In order to lower the interest rate, the SEP funds will be used to cover bond disclosure counsel, bond rating fees, and a bond fiscal agent. In addition, a direct interest rate buy-down will be employed to achieve a bond rate that is equivalent to an A-rated bond, which is likely to be the bond rating later in the program.

B. Set-up Fees

A funding request equivalent to the city and county set-up fees will be included in the proposal. The costs for initial legal work and validation proceedings will be covered by this request. Additionally, the costs of establishing county web portals, importing local assessor's data, and maintaining the website will be part of this funding request.

Suggested Major Marketing Program Coordination & Marketing Program Elements

A. Agency Coordination / Steering Committee Participation

In recognition of the additional coordination time required to get new programs off the ground, individual counties may elect to include a modest amount of staff time for agency representatives to participate in the program steering committee and other activities to drive marketing program design, educational/marketing material development, form and protocol development, etc. By investing this time at the onset, we are able to develop a self-sustaining program for the long term. County agencies (that is, auditor/tax collector/controller) will receive a small percentage, incorporated into each loan, to cover regular ongoing program administration costs associated with maintaining the tax roll and collecting annual assessments in years beyond the grant term. Some jurisdictions may instead wish to contribute this time as project leveraged funds/resources to increase overall program cost effectiveness based on their individual needs and resources. Regional partnership may also elect to use a portion of the resources from this program element toward informal or formalized staff/personnel training within their jurisdictions.

B. Education / Outreach/ Marketing

Successful program adoption requires thoughtful design, convenient procedures, and a robust program education component to encourage and energize program participation. Achieving this goal, the project team will create clear, consistent, and thematic program branding imagery, educational and recruitment tools such as program brochures. The program will be supported by the CaliforniaFIRST web portal and links to new and existing partner and complementary websites, frequently asked questions, applications, and/or other program materials. In addition, the project will engage a wide-stretching network of partners to promote, recruit, and disseminate program information utilizing existing mechanisms of door-to-door outreach, community event tabling, workshops and presentations, or other appropriate energy efficiency and complementary program participation activities. Major elements might include:

- ✓ Outreach Promotional Materials: Brochures, Door-hangers, Postcard Mailers, Bill Inserts, etc.
- ✓ Program Marketing Advertisements: Print Ads, Radio/TV Ads, PSA Production
- ✓ Promotional Outreach Events, Trade Shows or Community Workshops
- ✓ Homeowner/Business/Contractor/Staff Training Seminars
- ✓ Sustainability Site Signage
- ✓ Green Building and/or LEED Certification Technical Assistance

C. Community Coordinator / Partner Liaison / Supplies

The community coordinator is envisioned to serve as the single point regional program coordinator to unify, inform, collaborate, and engage all program parties in relation to local coordination and marketing efforts; respond to public inquiries; facilitate the education, outreach, marketing, recruitment; and promote program adoption by the target community. In addition the coordinator is responsible for coordinating with the grant administrator, tracking/reporting necessary progress and metrics, meeting/exceeding grant milestones and targets, incorporating required complementary program components, and working with CaliforniaFIRST to assure QA/QC measures are applied to all participating properties. Specific tasks will be driven by the overall project goals as well as the specific needs of each region and may include:

- ✓ **Coordination** with Grant Administrator/Steering Committee Liaison
- ✓ **Marketing Coordination** with CaliforniaFIRST Municipal Finance District
- ✓ **Facilitation** of local Regional Steering Committee Members and Partners
- ✓ **Assist** with Implementation Strategy, Documents, Procedures & Protocols Development
- ✓ **Guide** Promotion, Marketing, Education, Recruitment & Program Information Dissemination
- ✓ **Link** Program Participants to Regional Energy Efficiency & Complementary Programs
- ✓ **Connect** to Concurrent Complementary Workforce Development Training/Graduates
- ✓ **Administer** Regional Program Budget, Competitive Bidding, Other Program Transparency Reqs
- ✓ **Track** and/or compile, Monitor & Evaluate Program Progress, Energy Savings, GHG Reductions Achieved, Partner Leveraged Funds and Ancillary Environmental Benefits

Sample County Budget

A sample budget based on the above framework is provided below. Please note that these amounts are subject to change based on the actual needs of each participating jurisdiction as well as feedback obtained regarding funder and partner thresholds for competitiveness.

<i>Component</i>	<i>% Overall</i>	<i>Gross Benefit Per County</i>	<i>Net Benefit Per County</i>
1. CaliforniaFIRST Costs & Fees	39%	\$ 428,571.43	-
2. Grant Administration & Technical Assistance	10%	\$ 107,142.86	-
3A. Steering Advisory Committee	10%	\$ 115,000.00	\$ 115,000.00

3B. Education, Outreach, Incentives, Marketing	23%	\$ 258,750.00	\$ 258,750.00
3C. Community Coordination	18%	\$ 201,250.00	\$ 201,250.00
Total	100%	\$ 1,110,714.29	\$ 575,000.00

Grant Development Team:

- **County of Sacramento**—Lead Agency (Applicant), will oversee grant writing, provide final edits and required signatures, and submit finalized proposal on behalf of entire collaborative team based on the approved proposed program scope and budget framework
- **Ecology Action**—Partner Grant Writer (Lead on Marketing), will develop narrative based on proposed program scope and budget framework, especially as it pertains to local coordination and marketing project administration, marketing/contract technical assistance, regional coordination, and marketing, to meet all grant requirements and maximize proposal competitiveness.
- **Renewable Funding**—Partner Grant Writer (Lead on Finance), will develop narrative based on proposed program scope and budget framework, especially for CaliforniaFIRST Program finance-related program elements, to meet all grant requirements and maximize proposal competitiveness.



AGENDA NO: B-3

MEETING DATE: 12/14/09

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 9, 2009
FROM: Rob Schultz, City Attorney
SUBJECT: Adoption of Resolution No. 65-09 Approving the Real Estate Agreement for the Sale of City-Owned Property at 781 Market and the City-Owned Property at the Corner of Pacific and Market in Morro Bay, California.

RECOMMENDATION:

Adopt Resolution 65-09 approving the Real Estate Agreement for the Sale of City-Owned Property at 781 Market and at the Corner of Pacific and Market in Morro Bay, California.

FISCAL IMPACT:

As you can see from the Real Estate Purchase Agreement that is attached to Resolution 65-09, the City has received an offer to purchase the City-owned property at 781 Market and at the Corner of Pacific and Market in Morro Bay, California for \$1,500,000.00. The offer is within the appraised value of the property. The down payment is \$245,000, and the remaining balance of the Total Purchase Price, in the amount of \$1,255,000, shall be financed by the City over 10 years. The Agreement also requires the Buyer to design, engineer, and install, prior to May 1, 2011, a Lift Station (capable of carrying a minimum of at least 6 individuals) for public access to the Embarcadero and Market Street.

DISCUSSION:

The City obtained ownership of the property located at the Northeast Corner of Market Avenue and Pacific Street in 2001. The real property is a ±14,387 square foot parcel currently improved with an asphalt-paved 40 space automobile parking lot. The property was purchased for \$500,000 using parking in lieu funds. The City will need to reimburse the parking in lieu fund \$500,000 unless the funds are reallocated to another project.

The City obtained ownership of the property located at 781 Market Street in 2002. The real property is a ±6,769 square foot parcel and is currently improved with a vacant masonry building previously used as a restaurant. General Fund monies were used for the purchase of the property. The purchase of the property at 781 Market was part of a purchase that also included the property at 714 Embarcadero. Since 2002, the City has unsuccessfully issued a series of RFPs to develop the properties into a hotel/conference center.

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

Although in general, and as a concept, it is not a good idea for a public entity to sell real property, the Council has determined that the properties are surplus and that there is no need for the property. Therefore, pursuant to Government Code section 37421 and Resolution 51-09, the City notified the citizens of its intention to sell the City-owned property referenced above. At the October 12, 2009 Council Meeting, having received no protests to the sale of the property, the Council by unanimous vote authorized staff to proceed with procuring a buyer for the property.

The Buyer, George Salwasser, has accepted the terms and conditions of the Real Estate Agreement that is attached to Resolution 65-09. Mr. Salwasser will purchase the property at 781 Market Street and at the Corner of Pacific and Market for \$1,500,000.00.

CONCLUSION:

Staff recommends that you approve the Real Estate Agreement and adopt Resolution 65-09, approving the sale of City-owned property located at 781 Market Street and at the Corner of Pacific and Market for \$1,500,000.00.

RESOLUTION NO. 65-09

**RESOLUTION APPROVING THE REAL ESTATE AGREEMENT
FOR THE SALE OF CITY-OWNED PROPERTY LOCATED AT 781 MARKET
AND AT THE CORNER OF PACIFIC AND MARKET IN MORRO BAY, CALIFORNIA**

**The City Council,
City of Morro Bay, California**

WHEREAS, the City purchased real property located at the Corner of Pacific and Market Streets, Morro Bay, California in 2001 for \$500,000.00; and

WHEREAS, the City purchased real property located at 781 Market Street, Morro Bay, California in 2002 as part of a purchase that also included the property at 714 Embarcadero for \$2,700,000.00; and

WHEREAS, pursuant to Government Code section 37350, the City wishes to sell City-owned real properties located at the Corner of Pacific and Market and at 781 Market Street, Morro Bay, California for the common benefit of its citizens; and

WHEREAS, pursuant to Government Code section 37421, and Resolution 51-09, the City notified its citizens of its intention to sell City-owned properties located at the Corner of Pacific and Market and at 781 Market Street, Morro Bay, California; and

WHEREAS, the City designated the real properties at the Corner of Pacific and Market and at 781 Market Street, California for sale at the Open Session Council Meeting on September 28, 2009 and held a public hearing on October 12, 2009, and after receiving no protests passed and adopted Resolution 51-09 by a unanimous vote; and

WHEREAS, the City has negotiated the attached Real Estate Agreement with the Buyer of the properties for \$1,500,000.00.

NOW, THEREFORE, be it resolved that the City Council of the City of Morro Bay does hereby approve the attached Real Estate Purchase Agreement for the sale of the City-owned real property located at the Corner of Pacific and Market and at 781 Market Street, Morro Bay, California.

PASSED AND ADOPTED by the City Council, City of Morro Bay at a regular meeting thereof held on the 14th day of December 2009, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JANICE PETERS, Mayor

ATTEST:

BRIDGETT BAUER, City Clerk

REAL ESTATE AGREEMENT

This Agreement, by and between Mr. George Salwasser (hereinafter “Buyer”) and the City of Morro Bay (hereinafter “Seller”), a municipal corporation, whereby the Seller hereby agrees to sell and convey and Buyer hereby agrees to purchase that certain real property and all improvements located thereon situated at real property located at 781 Market and at the Corner of Pacific and Market in Morro Bay, California, pursuant to the following terms and conditions.

1. The Total Purchase Price for the Premises shall be \$1,500,000. The purchase price for the property located at 781 Market Street shall be \$935,155 and the purchase price of the property located at the corner of Pacific and Market shall be \$564,845.
2. Buyer shall deposit, immediately upon the opening of escrow, the amount of \$20,000. Said deposit shall be released to the Seller 30 days from the opening of escrow and shall be credited towards the purchase price set forth in Paragraph 1. The parties agree that the deposit amount, plus all accrued interest, if any, is a reasonable sum for liquidated damages should Buyer fail to complete this transaction, in that it would be impractical or extremely difficult to fix the actual damages and both parties agree that the foregoing deposit constitutes liquidated damages and not a forfeiture or penalty.
3. Buyer shall deposit into escrow, within sufficient time to close escrow, an additional amount of \$225,000, payable as a down payment to Seller. Said amount shall be credited towards the purchase price set forth in Paragraph 1.
4. The remaining balance of the Total Purchase Price, in the amount of \$1,255,000, shall be financed by the Seller. Buyer agrees to execute a note, secured by a first deed of trust in favor of the Seller, and said note and deed of trust shall not at any time be subordinate to any other in encumbrances on the properties.
5. The remaining balance of the note, in the amount of \$1,255,000, shall be paid on or before February 1, 2020. Annual payments shall be made beginning February 1, 2011. Buyer shall pay to Seller an interest only payment, at 3%, in the amount of \$37,650 on or before February 1, 2011. Buyer shall pay to Seller an interest only payment, at 4%, in the amount of \$50,200 on or before February 1, 2012. Buyer shall pay to Seller a principal and interest payment at 5% amortized over 20 years in the amount of \$99,389.28 on or before February 1 of each year from 2013 to 2019. Buyer shall pay to Seller the remaining balance of the note, in the amount of \$948,669.20 on or before February 1, 2020.
6. Upon mutual execution of this Contract, the parties shall execute escrow instructions to the escrow holder in accordance with the terms and provisions hereof. The provisions hereof shall constitute joint instructions to the escrow holder; provided, however, that the parties shall execute such additional instructions as requested by the escrow holder not

inconsistent with the provisions hereof. Said escrow shall provide for a closing date within 45 days of completion of the lot-line adjustment as set forth in Paragraph 22. Buyer and Seller shall immediately execute said instructions.

7. Buyer and Seller shall each pay one half of escrow fee. All real estate transfer, documentation costs and title policy shall be paid by the Buyer.
8. As soon as reasonably possible following the opening of the escrow, Seller shall pay for and furnish to Buyer a Preliminary Title Report on the subject property, together with full copies of all Exceptions set forth therein, including but not limited to covenants, conditions, restrictions, reservations, easements, rights and rights of way record, liens and other matters of record. Buyer shall have twenty (20) days after receipt of said Preliminary Title Report, together with full copies of said Exceptions, within which to notify the Seller and the escrow, in writing, of Buyer's disapproval of any Exceptions shown in said Title Report. In the event of such disapproval, Seller shall have until the date for closing of escrow within which to attempt to eliminate any disapproved Exception(s) from the Policy of Title Insurance to be issued in favor of Buyer, and if not eliminated, then the escrow shall be canceled unless Buyer then elects to waive its prior disapproval. Failure of Buyer to disapprove any Exception(s) within the aforementioned time limit shall be deemed an approval of said Preliminary Title Report.
9. Title shall be determined in escrow.
10. Within thirty (30) calendar days from the date of the opening of escrow, Seller shall furnish Buyer with a structural pest control report. However, if any preventive or corrective work is recommended in such report, the same shall be done at Buyer's option at Buyer's expense, and Seller shall have no responsibility for the same.
11. Buyer is purchasing the subject property in an "as is" condition, without warranty, and Seller shall not be required to perform any corrective repairs to the property.
12. Within sixty (60) calendars days after Buyer's acceptance, Buyer shall have the right, at Buyer's expense, to select a qualified professional to make tests, surveys, or other studies ("acts") of the subject property. The acts shall be conducted at the sole cost and expense of the Buyer and Buyer shall indemnify and hold harmless from any costs or liability resulting from the acts. All claimed defects concerning the condition of the property shall be in writing, supported by written reports, and delivered to Seller within thirty (30) calendar days after Buyer's acceptance of the acts. However, if any preventive or corrective work is recommended in such report, the same shall be done at Buyer's option and at Buyer's expense, and Seller shall have no responsibility for the same.
13. Buyer and Seller agree that fixtures, fittings and personal property set forth on the attached Inventory Exhibit and located on the real property are part of the purchase price.

14. The taxes and assessments of the City, in which the Premises are situated, will be apportioned, in accord with local custom, as of the date of the closing of title. Should any tax, assessment, or rate be undetermined on the date of the closing of title, the last determined tax, assessment, or rate shall be used for the purpose of the apportionment.
15. Throughout the period between the date of this Offer and the date of the closing of title, the Seller shall maintain existing liability insurance on the Premises.
16. Possession shall be delivered to Buyer on close of escrow.
17. The Contract, resulting from Buyer's acceptance hereof, supersedes any and all Offers, except those referenced in this agreement. Neither Buyer nor Seller shall be bound by any understanding, offer, promise, representation, or stipulation, express or implied, not specified herein.
18. Any addendum attached hereto and either signed or initialed by the parties shall be deemed as a part hereof.
19. Upon close of Escrow, Seller agrees to pay compensation for services at two and one-half percent (2.5%) of purchase price to Bayshore Realty, Buyer's Broker.
20. There shall be no Appraisal Contingency.
21. Title Company shall be Fidelity National Title, Morro Bay.
22. Seller agrees to process a lot line adjustment so that the property line for the property located at 781 Market extends from the Northwest corner of the lot to Pacific Street parallel to Embarcadero Street and shall incorporate the entire bluff into the 781 Market Street real property. Buyer agrees to pay for legal surveys in order to process the lot line adjustment.
23. In consideration of the lot-line adjustment and the approximate additional 3000 square footage that will added to the property at 781 Market Street, the Buyer agrees to design, engineer, and install, prior to May 1, 2011, a Lift Station to provide access to the Embarcadero and Market Street. The Lift Station design shall be approved by the City and shall be located on the west side of the building next to the centennial staircase. The Lift Station shall be open to the public to obtain access from and to the Embarcadero and Market Street and be capable of carrying a minimum of at least 6 individuals. Buyer and Seller agree to negotiate and execute an operations and maintenance agreement for the Lift Station.
24. In order to ensure the performance of Paragraph 23, the Buyer agrees to post a Performance Bond or Letter of Credit prior to the close of escrow in an amount and form acceptable to Seller.

BUYER:
Mr. George Salwasser
Individual

SELLER:
CITY OF MORRO BAY

By: _____
George Salwasser

By: _____
Andrea Lueker, City Manager



AGENDA NO: **B-4**

MEETING DATE: 12/14/09

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 9, 2009
FROM: Rob Schultz, City Attorney
SUBJECT: Discussion and Direction Regarding Placing a Measure on the June 2010
General Election Ballot Approving an Increase of the City's Transient
Occupancy Tax (TOT)

RECOMMENDATION:

Staff requests direction from Council regarding placing a measure on the June 8, 2010 ballot increasing the Transient Occupancy Tax (TOT) from 10% to 12%. The deadline for submittal of such a measure to the County is February 24, 2010.

FISCAL IMPACT:

If the Council decides to move forward with a Transient Occupancy Tax (TOT) ordinance and the voters pass the measure, the City could expect to receive an additional \$375,000 in TOT revenue per year.

SUMMARY:

At the June 23, 2009 meeting, City Council directed staff to draft enabling documents to submit a tax measure increasing the City's TOT on the June 8, 2010 ballot for voter approval as part of the general municipal election. Staff has prepared draft documents for review and comment.

DISCUSSION:

Transient Occupancy Tax (TOT) at a rate of 10% per rental is currently collected by all entities renting lodging for 30 days or less. Those taxes are remitted monthly to the City, and that revenue stream accounts for approximately 18% of the General Fund's revenues before transfers in. TOT is the second largest revenue source to the City. (Property tax is the largest.)

In order to increase TOT, the City must hold an election at the same time that that an election is held

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

where members of the City Council will be elected. In addition, pursuant to State law, any increase of the tax rate must first be approved by a 2/3 vote (4 members) of the City Council and then a majority vote of the City's voters who vote at a regular Municipal Election.

Attached hereto is the draft ordinance, which will increase the City's existing Transient Occupancy Tax by 2% (from 10% to 12%), placing the ordinance on the ballot for the June 8, 2010 election. The City Council must also adopt Resolution ___-09 calling for an election on the proposed tax. The resolution calling the election must include the type of tax, the tax rate, the method of collection, and the date of the election. The resolution may also direct the City Attorney to prepare an impartial analysis of the proposed tax and may include reference to procedures for submitting arguments and rebuttal arguments both supporting and opposing the proposed tax. In order to meet the deadlines for the June 8, 2010 general municipal election, Council needs to take the actions by February 24, 2010 calling for the measure to be placed on the June 8, 2010 ballot.

As previously reported to Council, the national economic crisis has badly impacted City revenues and created a long term projection revenue/expenditure gap. Although the FY10 budget is currently balanced due to budget reductions, the City must do more to maintain fiscal stability in the future. Furthermore, it is anticipated that the State of California will address its continuing shortfall by taking even more money from local entities.

Staff's long term financial projections suggest a revenue/expenditure gap that can only be bridged through further reductions or by finding additional and expanding existing sources of revenue. Therefore, on June 23, 2009, Council directed the City Attorney to draft the appropriate documents to place an ordinance on the ballot for the upcoming Municipal Election that will increase the rate of the City's existing Transient Occupancy Tax ("TOT") by 2%. Staff has prepared draft documents for review and comment.

CONCLUSION:

Staff requests that Council review this report and provide direction to Staff.

RESOLUTION NO. ____-09

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY
ORDERING THAT A MEASURE RELATED TO INCREASING THE CITY'S
TRANSIENT OCCUPANCY TAX BE SUBMITTED TO THE VOTERS AT THE
REGULAR MUNICIPAL ELECTION ON JUNE 8, 2010**

**THE CITY COUNCIL OF THE CITY OF MORRO BAY DOES RESOLVE AND ORDER AS
FOLLOWS:**

Section 1. The City Council, pursuant to its right and authority, does hereby order submitted to the voters at the Regular Municipal Election to be held on June 8, 2010 the following measure:

<i>Shall an ordinance be adopted to increase the rate of the City's existing transient occupancy tax from ten percent (10%) to twelve percent (12%)?</i>	<i>YES</i> _____	<i>NO</i> _____
--	---------------------	--------------------

Section 2. The text of the proposed ordinance to be submitted to the voters is attached hereto as Exhibit "A" and incorporated herein by reference.

Section 3. The ballots to be used at the election shall be in form and content as required by law.

Section 4. The San Luis County election department is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election and is authorized to canvass the returns of the election.

Section 5. The polls for the election shall be open at seven o'clock a.m. on the day of the election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, except as provided in California Elections Code Section 14401.

Section 6. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

Section 7. The City Clerk is hereby directed to file a certified copy of this Resolution with the Board of Supervisors and the election department of the County of San Luis Obispo, not later than February 24, 2010.

Section 8. The City Clerk shall certify to the passage and adoption of this Resolution and shall enter it into the book of original resolutions.

Passed and Adopted by the City Council, City of Morro Bay at a regular meeting thereof held on the ____ day of _____ 2010, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

JANICE PETERS, Mayor

Attest:

BRIDGETT BAUER, City Clerk

ORDINANCE NO. ____

**AN ORDINANCE OF THE CITY OF MORRO BAY AMENDING
THE PROVISIONS OF MUNICIPAL CODE SECTION 3.24.030 TO INCREASE
THE RATE OF THE CITY'S EXISTING TRANSIENT OCCUPANCY TAX
FROM TEN PERCENT (10%) TO TWELVE PERCENT (12%)**

**THE CITY COUNCIL OF THE CITY OF MORRO BAY DOES ORDAIN AS
FOLLOWS:**

Section 1. Section 3.24.030 of Chapter 3.24 of Title 3 of the Morro Bay Municipal Code is hereby amended to read as follows:

For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the amount of twelve percent (12%) of the rent charged by the operator. The tax constitutes a debt owed by the transient to the city which is extinguished only by payment to the operator or to the city. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient ceasing to occupy space in the hotel. If, for any reason, the tax due is not paid to the operator of the hotel, the tax administrator may require that such tax shall be paid directly to the tax administrator.

Section 2. Notwithstanding Section 9217 of the California Elections Code, without a vote of the people, the City Council may do any and all of the following: (i) repeal this Ordinance; (ii) reduce the rate of the transient occupancy tax below twelve percent (12%); or (iii) increase the rate of the transient occupancy tax to twelve percent (12%) if it has been previously reduced below such rate. In no event shall the City Council increase the rate of the transient occupancy tax in excess of twelve percent (12%) without approval by a majority of the voters voting in an election on the increase.

Section 3. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The City Council of the City of Morro Bay hereby declares that it would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

Section 4. If adopted, this Ordinance will increase the rate of the City's existing Transient Occupancy Tax, which is a general tax of the City, by 2%. This Ordinance was proposed by the City Council of the City of Morro Bay through the approval and introduction of the Ordinance and the adoption of Resolution ____-09 by the affirmative votes of not less than four of its Members as required by Government Code Section 53724(b).

Section 5. The Mayor is hereby authorized to attest to the adoption of this Ordinance by signing where indicated below. This Ordinance shall take effect ten (10) days following certification of the vote by the City Council.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morro Bay, on the _____ day of _____, 2010 by the following vote to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

JANICE PETERS, Mayor

ATTEST:

BRIDGETT BAUER, City Clerk



AGENDA NO: C-1

MEETING DATE: December 14, 2009

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 8, 2009

FROM: Bruce Ambo, Public Services Director
Dylan Wade, Utilities/Capital Projects Manager

SUBJECT: Ending the Declaration of a Water Emergency for the State Water Shutdown and Repeal of the Mandatory Conservation Requirement and Adoption of a Standing Water Emergency During Reduced or Non State Water Delivery Periods

RECOMMENDATION:

It is recommended that the City Council repeal Resolution No. 50-09 declaring a water emergency during the State Water Project annual maintenance shutdown and instituting mandatory conservation requirements. It is also recommended that the City Council adopt Resolution No. 64-09 declaring a water emergency during periods of time when State Water Project deliveries are below 35% and authorizing the Public Services Director to implement mandatory conservation requirements as outlined in the municipal code.

MOTION: : I move that the City Council repeal Resolution No. 50-09 declaring a water emergency during the State Water Project annual maintenance shutdown and instituting mandatory conservation requirements. I also move that the City Council adopt Resolution No. 64-09 declaring a water emergency during periods of time when State Water Project deliveries are below 35% and authorizing the Public Services Director to implement mandatory conservation requirements.

FISCAL IMPACT:

There should be no direct impact to the General Fund apart from payment for water and sewer services used. There may be indirect impacts to the General Fund to the extent that revenue generating activities are curtailed through variations in water usage.

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

BACKGROUND:

The City of Morro Bay has four main sources of water supply. Water sources include the State Water Project, Chorro groundwater, Morro groundwater, and a Desalination Plant. The State Water Project has become the primary source of supply. Each year the State Water Project undergoes a maintenance shutdown. During this time the primary water supply source for the City of Morro Bay is unavailable. The contamination of our groundwater resources with nitrates, by agricultural activities in both the Morro and Chorro groundwater basins have further impacted the City’s water supplies. During the State Water shutdown, or periods of greatly reduced deliveries, it is necessary to blend our groundwater sources with water from other sources to reduce nitrate levels in the distribution system. When blending high nitrate sources, having a reduction in demands helps to keep high nitrate sources of water offline which in turn keeps system nitrate levels at an acceptable level. In order to reduce water demands during critical water supply periods the Council can declare an emergency and thereby authorize the Public Services Director to institute Mandatory Water Conservation Requirements as outlined in the municipal code.

Mandatory Water Conservation Requirements

Municipal Code Section 13.04.345 sets for the “Mandatory Water Conservation Requirements” with varying levels of water supply emergency or severity that is tied to increasing degrees of mandatory conservation ranging from: Level A) Normal Water Supply Conditions to level E) Emergency Water Supply Conditions. Details of how these restrictions should be regulated by Public Works (Services) Director are specified in Section 13.04.340 of the Municipal Code

During the recent State Water Shutdown the City Council instituted mandatory water conservation through the adoption of Resolution 50-09. Those requirements continue in effect to date. At the November 30th Special Council Meeting the Council directed staff to make the necessary findings to continue the water emergency.

DISCUSSION:

The water supply emergency because of both the scheduled and the unanticipated State Water shutdowns has passed. For the duration of 2009 normal water deliveries should occur enabling the Council to lift the mandatory conservation measures.

With the minimal projected deliveries next year (2010), implementation of mandatory conservation measures will likely be a necessity. Normal State Water deliveries are not likely to occur next year, but the level of deliveries, and the water supply conditions can rapidly vary. In order to have the ability to quickly respond to the dynamic conditions staff is recommending following the procedure outlined in the municipal code:

Council adopts a resolution declaring a water emergency whenever water deliveries from the State Water Project are below 35% since that is the delivery percentage at which normal deliveries are available.

The Public Works (Services) Director sets the emergency level to match the changing conditions and provides necessary fliers and notifications to the community. The Public Services Director is

authorized to enforce the adopted conservation measures with termination of water service as a potential outcome for non compliance. If conservation or emergency measures beyond the levels outlined in the code become necessary these will have to be approved by Council.

CONCLUSION:

It is recommended that the City Council repeal Resolution No. 50-09 declaring a water emergency during the State Water Project annual maintenance shutdown and instituting mandatory conservation requirements. It is also recommended that the City Council adopt Resolution No. 64-09 declaring a water emergency during periods of time when State Water Project deliveries are below 35% and authorizing the Public Services Director to implement mandatory conservation requirements as outlined in the municipal code.

RESOLUTION NO.64-09

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
ENDING THE DECLARATION OF A WATER EMERGENCY FOR THE
STATE WATER SHUTDOWN AND REPEAL OF THE MANDATORY CONSERVATION
REQUIREMENT AND ADOPTION OF A STANDING WATER EMERGENCY DURING
REDUCED OR NON STATE WATER DELIVERY PERIODS**

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

WHEREAS, the annual maintenance period for the State Water Project shutdown during 2009 has been completed; and

WHEREAS, it is in the interest of the health, safety and general welfare of the residents of the City of Morro Bay to conserve the City's water supply during future State Water Project shutdowns; and

WHEREAS, it is in the interest of the health, safety and general welfare of the residents of the City of Morro Bay to conserve the City's water supply during future State Water Project deliveries of 35 % or less; and

WHEREAS, in May 1993 the City of Morro Bay proactively established preparations for impending water supply shortages and emergencies by adopting Mandatory Water Conservation Requirements in the Morro Bay Municipal Code Section 13.04.320 et sec; and

WHEREAS, in accordance with Section 13.04.340 the City of Morro Bay Public Works (Services) Director is hereby authorized and directed to take any or all of the necessary actions, which in his judgment will best conserve water during the duration of the emergency.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that resolution 50-09 is hereby repealed; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the City Council of the City of Morro Bay, California, that it is in the public interest to institute Mandatory Water Conservation Requirements during future State Water Project shutdowns; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the City Council of the City of Morro Bay, California, that it is in the public interest to institute Mandatory Water Conservation Requirements during State Water Project deliveries of 35% or less; and

Resolution No. 64-09

Page Two

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the City Council of the City of Morro Bay, California, that the Public Services Director is hereby authorized and directed to take any and all actions outlined in Section 13.04.340 of the Morro Bay Municipal Code that will best conserve water during the State Water Project shutdown or State Water Deliveries below 35%.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of December, 2009 on the following vote:

AYES:

NOES:

ABSENT:

JANICE PETERS, Mayor

ATTEST:

BRIDGETT BAUER, City Clerk



AGENDA NO: C-2

MEETING DATE: December 14, 2009

Staff Report

TO: Mayor and Councilmembers

DATE: December 4, 2009

FROM: Bruce Ambo, Public Services Director

SUBJECT: Status Report on the Floor Area Ratio (FAR) Formula to Projects from May to October 2009

RECOMMENDATION:

It is recommended that the City Council receive and file this status report, or provide further direction to staff.

MOTION: I move that the City Council receive and file this status report (or provide further direction to staff).

FISCAL IMPACT:

There is no direct fiscal impact associated with this action other than the administrative costs for staff support in preparing the report for this item.

BACKGROUND/DISCUSSION:

At the March 30, 2009 joint City Council/Planning Commission meeting, the Council directed staff to include a paragraph in the staff reports for the Planning Commission on how the Floor to Area Ratios (FAR) compiled by a Citizens Committee (Attachment 1) would compare on the projects. There has been considerable analysis and community debate on the subject of FARs and numerous community meetings, Planning Commission and City Council hearings dating back to 2007.

In September 2007 the City Council enacted an interim urgency ordinance requiring the review and approval of a Conditional Use Permit at the Planning Commission for any residence exceeding 2,500 square feet (excluding a 400 sq. ft. allowance for the garage) in the R-1, Single Family Residential zone. This interim ordinance was again extended in September 2008, and has now lapsed. There have only been five projects that triggered this threshold of review are the subject of this status report. A comparison between the actual FARs and FARs that a citizens grouped has developed is provided in Attachment 2. It is recommended that the City Council receive and file this report or provide further direction to staff.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

**Floor to Area Ratio Comparison
May through October, 2009**

<u>Address</u>	<u>Lot Coverage</u>	<u>Actual FAR</u>	<u>Citizens Group FAR</u>
2930 Elm St.	36%	0.49	0.48
570 Olive St.	30%	0.38	0.37
560 Bernado Ave.	31%	0.43	0.42
180 Terra St.	49%	0.49	0.41
2754 Indigo Circle	25%	0.25	0.36



AGENDA NO.: D-1
Meeting Date: 12/14/09

THIS ITEM HAS

BEEN PULLED FROM

THE AGENDA



AGENDA NO: D-2

Meeting Date: 12/14/09

Staff Report

TO: City Council **DATE:** December 8, 2009
FROM: Bruce Ambo, Public Services Director
Christine Rogers, Housing Programs Coordinator
SUBJECT: Update on the Work Program for Developing a Preliminary Climate Action Plan

RECOMMENDATION

Staff recommends that the City Council receive and file this update of activities to be undertaken related to state, county, and/or local programs and updates to regulatory codes and standards.

MOTION: I move that the City Council receive and file this update.

FISCAL IMPACT

There is no direct fiscal impact associated with this action other than the administrative costs for staff support at this meeting. However, the staff time required for the administration of these project and program activities outlined in this update easily amount to an approximate average of about 20 hours each month.

BACKGROUND/DISCUSSION

The purpose of this working program is to identify all of the unfunded environmental and energy efficiency programs that are mandated by the State, establish some sort of timing and order to accomplishing the implementation of them, and efficiently allocate staff resources. The work program is a living document, and must respond to frequent changes in the regulatory and environmental framework, as well the availability of pertinent data and improved methodologies. A review of the work program identifies the program activities, target dates, responsible department, outcome and progress to date.

Attachment:

1. Work Program for Developing a Preliminary Climate Action Plan



AGENDA NO: D-3

MEETING DATE: December 14, 2009

Staff Report

TO: Mayor and Councilmembers

DATE: December 2, 2009

FROM: Bruce Ambo, Public Services Director

SUBJECT: Discussion on Using In-Lieu Funds for Capital Project Studies Such as the Housing Element or General Plan Update

RECOMMENDATION:

It is recommended that the City Council:

- A. Determine that the use of in-lieu fees (park, housing, parking) is an appropriate funding source for project costs for plans, studies and reports on a case-by-case basis, and
- B. Authorize the City Manager to commission up to \$5,000 annually for affordable housing project costs for plans, studies, reports, or participation in key affordable housing alliances with other affordable housing providers including the San Luis Obispo County Housing Trust Fund, San Luis Obispo Homeless Coalition and the like; and/or
- C. Provide further direction to staff.

MOTION: I move that the City Council: a) determine that the use of in-lieu fees is an appropriate funding source for project costs for plans, studies and reports on a case-by-case basis; b) authorize the City Manager to commission up to \$5,000 annually for affordable housing project costs for plans, studies, reports, or participation in alliances with other affordable housing providers (SLO County Housing Trust Fund, SLO Homeless Coalition, etc.); and/or c) provide further direction to staff.

FISCAL IMPACT:

There is no direct fiscal impact associated with this action other than the administrative costs for staff support at the meeting. If these in-lieu funds are not used as the funding source for these plans, studies and reports, the funding will need to come from another funding source which is likely to be the General Fund.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

BACKGROUND:

This item was placed on the agenda by Councilmember Winholtz, presumably out of concerns that funds from the affordable housing in-lieu fees were being spent on plans, studies and/or reports instead of affordable housing projects. The provisions for the use of affordable housing in-lieu fees are set forth in the Zoning Ordinance as follows:

“Section 17.50.060 B. Fees accepted for affordable housing shall be used by the City to construct or assist in the construction of housing for rent or sale to very low, low and moderate income families or to purchase land for the purpose of affordable housing or to assist very low, low and moderate income families to afford adequate housing or for other measures to provide housing for low and moderate income families. The City may, at its option, transfer in-lieu fees to another public agency as a nonprofit housing provider for the purpose of providing affordable housing in the City of Morro Bay.” (Underline added)

However, staff is asking the City Council to address the issue more globally to look at all in-lieu funds. For example, the City Council recently approved the funding of a feasibility study with park in-lieu funds.

DISCUSSION:

More than \$640,000 is available in the Affordable Housing In-Lieu Fund. Before a project can get to “bricks and mortar” or unconventional financing secured for participation in an existing project, any number of preliminary studies, financial analysis, appraisals, environmental reports, and actual plans have to be developed, which are commonly referred to as “soft costs.” In exercising prudent fiduciary responsibility, the City Council will normally base its decision to fund an affordable housing project largely based upon this “preliminary” due diligence information, especially the real estate financial pro forma analysis.

Affordable Housing In-Lieu Fee Expenditures

Unfortunately there have not been many requests for affordable housing project financing. The most recent request in several years was made last year when the City Council approved financial assistance from the in-lieu fee fund for the Sea Shell Retirement Home project at 1405 Teresa. In October 2009, the City Council instituted an “application fee for affordable housing project financing” at a \$500 base fee plus actual expenses in conducting real estate financial pro forma analysis. Until this fee was instituted, these minor soft cost expenses were covered from the affordable housing in-lieu fee fund and there was no reimbursement of the staff time expenses.

The Role of Preliminary Studies in Real Estate Development

Property appraisals, surveys, environmental studies, building condition reports, and the like are all necessary components in the development process. This first step is perhaps the most important in the development process because known and unknown factors can be identified that directly impact the development potential of a property. There are a number of complicated and technical environmental factors, not the least of which is soil contamination, archaeological resources,

property line disputes, utilities, and many others that ultimately affect the cost of developing the project.

A good example of this was the 10-acre (including a 93 mile pipeline) Navy Fuel Depot property off Panorama Drive that was surplus by the General Services Administration for the Federal Government. Even though this property seemed or may indeed be developable, there were and are many unknowns about the property relative to contamination and remediation costs, demolition costs, asbestos/lead paint abatement, and so forth that required considerable due diligence in up front studies that could easily range over \$100,000 before a knowledgeable decision could be made to go forward on the project. Providing staff the ability to commission these minor studies (less than \$5,000) would provide an added incentive for affordable housing developers to engage the City at the early stages of project inception in developing a true public/private partnership.

Affordable Housing Resources and Alliances

The City participates with other key affordable housing providers including the SLO County Housing Trust Fund, and the SLO Homeless Coalition, and others. Strengthening these alliances and working partnerships leverages our mutual resources and improves our effectiveness and efficiency in providing services. Expenditures from the Affordable Housing In-Lieu Fee Fund to participate in these important housing coalitions would in the interest of providing a broader range affordable housing opportunities.

CONCLUSION:

A key component of a successful affordable housing project is the up front due diligence analysis. In staff's opinion, it is important to retain the ability to provide incentives to potential affordable housing developers to financially assist them to conduct these plans, studies and reports. Therefore, staff is recommending that Council review and approves expenditures from the affordable housing in-lieu fee fund, and there be no prohibition against expenditures for plans, studies and reports for affordable housing projects as well as no similar restrictions for other in-lieu funds. Authorizing the City Manager to commission these studies at up to \$5,000 a year would allow staff and affordable housing developers to work more efficiently in developing the projects in the early stages, and also draw upon other affordable housing resource agencies in the County.

motioned for staff to bring back options for funding the project, an approximate \$10,000 cost. Staff has identified 4 possible funding sources, including:

1. The Accumulation Fund/Reserve Fund;
2. Unallocated Measure Q funds;
3. Unrestricted CDBG funding; or
4. Council's savings of \$16,879 (decreased health care & contingency funds).

Staff is firmly aware that the City Council has had various discussions about their preference for the use of some of the funding sources presented above; however, staff's direction was to provide possible funding sources, and those mentioned above are all potential sources for the funding of this project.

u.w.council.staff report 12 09 cal poly downtown visioning

CITY OF MORRO BAY

DRAFT DOWNTOWN MORRO BAY SPECIFIC PLAN PROPOSAL

California Polytechnic State University, San Luis Obispo

College of Architecture and Environmental Design

City and Regional Planning Department

CRP 553 Project Planning Laboratory – Spring Quarter 2009

DRAFT PROJECT PROPOSAL

1. PROJECT TEAM

Principal Investigators: Umut Toker, PhD., Assistant Professor, and Chris Clark, City and Regional Planning Department, California Polytechnic State University, San Luis Obispo

Student Assistants: Two students (graduate) to be identified.

2. PROJECT / COURSE DESCRIPTION AND OBJECTIVES

This proposed work program to prepare Draft Downtown Morro Bay Specific Plan Proposals (project area depicted in Figure 1) is based on the Cal Poly Team's (CRP 553 Community Design Laboratory students under supervision of Dr. Umut Toker and Chris Clark) understanding of the City's needs and familiarity with the community. Envisioned is a collaborative planning effort with California Polytechnic State University, San Luis Obispo and the City of Morro Bay, CA. This work program assumes the completion of **Draft** Downtown Morro Bay Specific Plan Proposals, and does not include the preparation of any environmental documentation pursuant to the California Environmental Quality Act. This project is conducted for educational purposes only.

All project area data and graphical information (i.e. maps, drawings, public data) in GIS, CAD and other formats, including previous plans and documentation shall be provided by the City of Morro Bay.



Figure 1. Project area: Downtown Morro Bay highlighted in red.

2.1. PROJECT DURATION

Project will start on April 01, 2010 and will end on July 15, 2010.

2. DEFINITION OF TASKS

The class is envisioned to have 12 students enrolled. The class assignment will request three teams of four students to develop one Specific Plan Proposal each, adding up to a total of three proposals from the class. Each of the student teams will complete the following tasks.

2.1. TASK 1. UNDERSTANDING OF THE CITY'S NEEDS: EXISTING CHARACTERISTICS AND CITY DOCUMENTS (WEEK 1)

- Presentation of project overview, city objectives, Downtown Morro Bay issues, concerns and needs by City of Morro Bay Council members and Staff (on Cal Poly campus).
- CRP 553 field trip to Downtown Morro Bay for site inventory and site analysis
- Analysis of the existing plan documents provided by the City of Morro Bay.
- Data collection on the following items:
 - Land Use
 - Natural Resources and Hazards

- Infrastructure
- Population and Housing

2.2. TASK 2. CASE STUDIES, VISIONING AND CONCEPTUAL DEVELOPMENT (WEEK 2)

- Analysis of similar scale specific plans.
- Visioning and conceptual development based on the reviewed documents and case studies.

2.3. TASK 3. SPECIFIC PLAN DEVELOPMENT (WEEKS 3-6)

Development of a Specific Plan Proposal Document for the project area, to include the following aspects of the proposal:

1. Introduction
2. Site Inventory and Analysis
3. Case Studies
4. Conceptual Development
5. Land Use, Circulation and Public Spaces
6. Conceptual Design of the Selected Proposal Area
7. Form-based Codes: Urban Form, Visual Quality and Massing Guidelines / Codes
8. Implementation

2.4. TASK 4: DRAFT DOWNTOWN MORRO BAY SPECIFIC PLAN PROPOSAL DOCUMENT

- A written document that reports the process completed, and summarizes the findings and recommendations. The report will include brief written explanations of the proposal aspects identified in Task 3.
- A presentation of the proposal City of Morro Bay City Council and Planning Department.

3. DELIVERABLES

- One draft Downtown Morro Bay Specific Plan document per student team in printed and electronic (PDF on CD-ROM) format.
- Digital poster files of the proposals aspects identified in task 3 (PDF format).

4. PROJECT BUDGET

Please see attached budget proposal.

Morro Bay, CA	MORRO BAY DRAFT DOWNTOWN SPECIFIC PLAN - CRP 553 - CITY AND REGIONAL PLANNING DEPARTMENT, CAL POLY SLO
Project Term: 04/01/2010 - 07/15/2010	-
Reference Number:	GDO # - *** DRAFT ***

Personnel			
Project Director: Umut Toker	No faculty time charged to project.		\$0
Project Co-Director: Chris Clark	No faculty time charged to project.		\$0
Project Administrator, TBD	20 hours @ \$20.00 /hr		\$400
Student Assistants (2) @ 80 hrs each	160 hours @ \$14.00 /hr [average]		\$2,240
	Subtotal Personnel		\$2,640
Fringe Benefits			
Faculty OC	9.70%		\$0
Project Administrator	47.10%		\$188
Students	5.80%		\$130
	TOTAL Fringe Benefits		\$318
	TOTAL Personnel Services		\$2,958
Travel			
Mileage: SLO TO Morro Bay	30 miles round trip, 5 cars, 5 trips, \$0.585/mile		\$439
	TOTAL Travel		\$439
Equipment (> \$5,000)			
	TOTAL Equipment		\$0
Supplies (< \$5,000)			
Program supplies (printing and high resolution aerial photos)			\$3,500
Telephone calls to Morro Bay [estimated]			\$200
	TOTAL Supplies		\$3,700
Other Operating Costs			
	TOTAL Other Operating Costs		\$0
Contractual			
	TOTAL Contractual (Subcontracts)		\$0
TOTAL DIRECT COSTS:			\$7,097
Indirect Costs @	40% of Modified Total Direct		\$2,839
	TOTAL ESTIMATED PROJECT COSTS		\$9,936

Personnel
The rates shown are budgetary figures; actual costs may vary. Salaries will be charged to the project at the actual rate in effect at the time service is provided. Lead Project Director's compensation may be drawn as summer or overload compensation. Co-Project Director's salary is based on the Project Director's salary; however, final determination will be established by the CalPoly Corporation salary scales, and the total expense will not exceed line item cost.

Benefits
Faculty benefits for OC or summer salary do not include retirement or medical. The percentages used for this budget are based on historical averages. Actual rates in effect at the time the service is performed will be charged to the project.

Travel
Travel costs will be reimbursed at the Cal Poly Corporation approved rates in effect at the time trip is made.

Supplies
Program stationary and supplies.

Equipment
N/A

Indirect Costs
Indirect costs are applied at the DHHS negotiated rate of 40% of MTDC (Modified Total Direct Costs), effective July 1, 2005. MTDC excludes equipment, capital expenditures, charges for patient care, tuition remission, rental costs of off-site facilities, scholarships, and fellowships, as well as a portion of each subgrant and subcontract in excess of \$25,000 (regardless of the period covered).



AGENDA NO: D-5

MEETING DATE: December 14, 2009

Staff Report

TO: Mayor and Councilmembers

DATE: December 7, 2009

FROM: Bruce Ambo, Public Services Director

SUBJECT: Request for a Decrease in the Parking In-Lieu Fees for 600 Morro Bay Boulevard

RECOMMENDATION:

It is recommended that the City Council review this request for lowering the project parking in-lieu fees at 600 Morro Bay Boulevard and provide direction to staff.

MOTION: I move that the City Council reduce/not reduce the parking in lieu fee for 600 Morro Bay Boulevard.

FISCAL IMPACT:

The parking in-lieu fees for this project are \$165,000, of which \$16,500 has already been paid. Lowering the fee to the current fee amount of \$2,000 would reduce the total in-lieu fees to \$22,000. Monies accumulated in the fund are to be used for the planning, design, acquisition or lease of land for the provision of public parking facilities. Even though the fee has technically been reduced, the project was scheduled to come online at a higher fee amount, and a reduction in the fee amount would have a corresponding reduction in the parking fund for the provision of off-site parking facilities.

BACKGROUND/DISCUSSION:

The 600 Morro Bay Boulevard project (16-unit residential/3,330 sq. ft. commercial mixed use) is unoccupied and recently constructed. The project proponents have signed the parking in-lieu fee agreement and they are in the process of finalizing their subdivision map to record. There are several fairly minor issues left to be resolved before the Certificate of Occupancy can be issued and the subdivision map recorded that the applicant is well aware of and working towards with staff.

At the November 30, 2009 Special City Council meeting Councilmember Borchard asked that a discussion be scheduled on the fee reduction request (Attachment 1). For more background detail on the fluctuations in the parking in lieu fee amounts over the years please see the May 2008 staff report from the City Attorney (Attachment 2). There is no procedure for reducing the parking in-lieu fees outlined in the parking in-lieu program or ordinance. Therefore, staff recommends that the Council consider the request for a fee reduction and provide direction to staff.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: D-6

MEETING DATE: 12/14/09

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 8, 2009
FROM: Bridgett Bauer, City Clerk
SUBJECT: Schedule Date For Interviews Of Commissioner/Advisory Board Vacancies

RECOMMENDATION

Advise staff on advertising efforts to fill vacancies on the City's Recreation & Parks Commission, Harbor Advisory Board, Community Promotions Committee, and Citizens Oversight Committee; and, schedule a date and time to interview applicants.

DISCUSSION

Attached is a list of City Commissions and Advisory Boards reflecting upcoming term expirations.

Prepared By: B. Bauer

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

CITY OF MORRO BAY

COMMISSIONS AND BOARDS

PLANNING COMMISSION (5)

Nancy Johnson	Chair	01-31-09	01-31-13
Jamie Irons	Commissioner	10-05-09	01-13-12
John Diodati	Commissioner	01-31-09	01-31-13
Michael Lucas	Commissioner	01-31-07	01-31-11
Gerald Luhr	Commissioner	01-31-07	01-31-11

RECREATION AND PARKS COMMISSION (7)

<u>Name</u>	<u>Title</u>	<u>Appointed</u>	<u>Expires</u>
Christi Hale	Chair	02-28-06	01-31-12
Johnny Munoz	Vice-Chair	01-31-09	01-31-13
Karen Croley	Commissioner	01-31-09	01-31-12
Siobhan O'Toole	Commissioner	07-13-09	01-31-13
(vacant)	Commissioner		01-31-10
Judy Mahan	Commissioner	01-31-06	01-31-10
Drew Sidaris	Commissioner	07-13-09	01-31-13

HARBOR ADVISORY BOARD (7)

Jim Phillips Marine-Oriented Business	Chair	01-31-09	01-31-13
William Luffee Member-at-Large	Vice-Chair	05-14-09	01-31-13
Michele Leary Recreational Boating	Member	01-31-07	01-31-11
Gene Doughty Los Osos/Baywood	Member	01-31-02	01-31-10
Judith Meissen Member-at-Large	Member	01-31-06	01-31-10
Brett Cunningham Commercial Fisherman Association	Member	01-31-09	01-31-13
Barbara Strassel Waterfront Leaseholders Assoc.	Member	01-31-09	01-31-11

PUBLIC WORKS ADVISORY BOARD (7)

<u>Name</u>	<u>Title</u>	<u>Appointed</u>	<u>Expires</u>
Bill Olson	Chair	01-31-09	01-31-11
Matt Makowetski	Vice-Chair	01-31-08	01-31-12
Jenny Brantlee	Member	01-31-09	01-31-13
June Krystoff-Jones	Member	01-31-08	01-31-12
Susan Shaw	Member	01-31-09	01-31-13
Richard Rutherford	Member	01-31-09	01-31-13
John Zweemer	Member	03-17-08	01-31-12

COMMUNITY PROMOTIONS COMMITTEE (7)

Heather Osgood Merchants Association	Chair	01-31-06	01-31-10
Edward Krovitz Member-at-Large	Vice-Chair	07-29-04	01-31-10
Liz Bednorz Motel/Restaurant	Member	07-13-09	01-31-11
Joyce Lundy Chamber of Commerce	Member	01-31-08	01-31-11
Traci Neil Member-at-Large	Member	01-31-09	01-31-13
Susan Stewart Member-at-Large (Special Events Representative)	Member	01-31-07	01-31-11
Bill Stafford Embarcadero Business	Member	01-31-06	01-31-10

TOURISM BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD (7)

Joan Solu Member-at-large	Chair	05-26-09	01-31-12
Michele Jacquez 51 or more rooms	Vice-Chair	05-26-09	01-31-13
Karen Biaggini 50 or less rooms	Member	05-26-09	01-31-13
Mike Casola 51 or more rooms	Member	05-26-09	01-31-11
Valerie Seymour 22 or less rooms	Member	07-13-09	01-31-12
Nick Mendoza Member-at-large	Member	07-13-09	01-31-11

CITIZEN OVERSIGHT COMMITTEE (5)

<u>Name</u>	<u>Title</u>	<u>Appointed</u>	<u>Expires</u>
Homer Alexander	Chair	01-31-07	01-31-13
Graham Pask	Vice-Chair	01-31-07	01-31-13
Joyce Lundy	Member	01-31-07	01-31-10
Cheryl Taylor	Member	01-31-07	01-31-10
Lanny McKay	Member	01-31-07	01-31-10