



# CITY OF MORRO BAY CITY COUNCIL AGENDA

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*The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.*

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## Regular Meeting Tuesday, June 14, 2022 – 5:30 P.M. Held Via Teleconference

*Pursuant to Assembly Bill 361 (2021-22) and Government Code section 54953 this Meeting will be conducted telephonically through Zoom. Ways to participate, watch, and submit public comment for this meeting are provided below.*

### **Public Participation:**

*Remote public participation is allowed in the following ways:*

- *Members of the public may watch the meeting and speak during general Public Comment or on a specific agenda item by logging in to the Zoom webinar using the information provided below. Please use the “raise hand” feature to indicate your desire to provide public comment.*

*Please click the link below to join the webinar:*

- <https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcwTHIRTk9xaTlmWVNWRFUQT09>  
Password: 135692
- *Or Telephone Attendee: 1 (408) 638-0968 or 1 (669) 900 6833 or 1 (346) 248 7799; Webinar ID: 827 2274 7698; Password: 135692; Press \*9 to “Raise Hand” for Public Comment*
- *Alternatively, members of the public may watch the meeting either on cable Channel 20 or as streamed on the City [website](#).*
- *Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the City Council at [council@morrobayca.gov](mailto:council@morrobayca.gov) prior to the meeting. Agenda Correspondence received at [council@morrobayca.gov](mailto:council@morrobayca.gov) by 10 a.m. on the meeting day will be posted on the City website.*

ESTABLISH QUORUM AND CALL TO ORDER  
MOMENT OF SILENCE  
PLEDGE OF ALLEGIANCE  
RECOGNITION  
CLOSED SESSION REPORT  
MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS  
CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

PRESENTATIONS

- Proclamation honoring Former Council Member Bill Peirce
- Juneteenth Proclamation

PUBLIC COMMENT

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

A. CONSENT AGENDA

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

A-1 APPROVAL OF MINUTES FOR THE MAY 18, 2022, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (CITY CLERK)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL OF MINUTES FOR THE JUNE 8, 2022, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (CITY CLERK)

**RECOMMENDATION: Approve as submitted.**

A-3 REVIEW AND RATIFICATION OF RINCON CONSULTANTS EIR CONTRACT AND AMENDMENTS 1 AND 2 FOR THE VISTRA BATTERY ENERGY STORAGE SYSTEM (BESS) PROJECT AT 1290 EMBARCADERO; (COMMUNITY DEVELOPMENT DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council review the staff report and ratify the EIR contract and amendments 1 and 2 for the Vistra Battery Energy Storage System (BESS) project at 1290 Embarcadero.**

A-4 ADOPTION OF RESOLUTION NO. 49-22 APPROVING THE ASSIGNMENT AND ASSUMPTION AND CONDITIONALLY AUTHORIZING THE MAYOR TO EXECUTE DOCUMENTS NECESSARY FOR THE ASSIGNMENT AND ASSUMPTION AT LEASE SITE 90/90W (PORT HOUSE RESTAURANT, 885 EMBARCADERO ROAD); (HARBOR DEPARTMENT)

**RECOMMENDATION: Staff recommend the City Council adopt Resolution No. 49-22 allowing the Mayor to authorize the assignment and assumption, and authorizing the Mayor to execute necessary documents, as-approved by the City Attorney, regarding the sale of the leasehold interest at Lease Site 90/90W to Callender Commercial Properties, LLC (Cliff Branch).**

- A-5 RESOLUTION MAKING FINDINGS RELATED TO THE CONTINUED EXISTENCE OF A STATE OF EMERGENCY DUE TO COVID-19 AND RE-AUTHORIZING FOR PUBLIC HEALTH AND SAFETY THE CONDUCT OF PUBLIC MEETINGS OF THE LEGISLATIVE BODIES OF THE CITY VIA REMOTE TELECONFERENCING (INCLUDING PARTIALLY REMOTE) FOR A CONTINUED 30-DAY PERIOD PURSUANT TO THE RALPH M. BROWN ACT AS AMENDED BY ASSEMBLY BILL NO. 361; (CITY ATTORNEY)

**RECOMMENDATION:** Staff recommends Council consider adoption of attached Resolution No. 50-22 reauthorizing for public health and safety the conduct of public meetings of the legislative bodies of the City via remote teleconferencing (including partially remote) for 30 days, thereby allowing the City Council and the City's advisory bodies to meet remotely (including partially remote) through July 14, 2022.

- A-6 ADOPTION OF RESOLUTIONS APPROVING THE TENTATIVE AGREEMENT AND MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MORRO BAY AND SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 620, APPROVING NEW AND AMENDED JOB CLASSIFICATIONS, AND ESTABLISHING COMPENSATION AND BENEFITS FOR UNREPRESENTED MANAGEMENT AND CONFIDENTIAL, AND DEPARTMENT HEAD EMPLOYEES OF THE CITY OF MORRO BAY; (CITY MANAGER/CITY CLERK/HR MANAGER)

**RECOMMENDATION:** Staff recommends the City Council:

1. Adopt Resolution No. 52-22 approving the 2022-24 Tentative Agreement and the 2022-24 Memorandum of Understanding between the City of Morro Bay ("City") and the Service Employees International Union Local 620 ("SEIU"), and
2. Adopt Resolution No. 53-22 approving new and amended job classifications and job descriptions, and
3. Adopt Resolution No. 54-22 amending and restating compensation and benefits for unrepresented Confidential Employees of the City of Morro Bay, and
4. Adopt Resolution No. 55-22 amending and restating compensation and benefits for unrepresented Management Employees of the City of Morro Bay, and
5. Adopt Resolution No. 56-22 amending and restating maximum compensation and benefits for Department Head Positions.

- A-7 PROCLAMATION EXPRESSING APPRECIATION FOR THE DEDICATION AND PUBLIC SERVICE OF FORMER COUNCIL MEMBER BILL PEIRCE; (ADMINISTRATION)

**RECOMMENDATION:** Approve as submitted.

- A-8 PROCLAMATION DECLARING SATURDAY, JUNE 18, 2022 AS JUNETEENTH DAY, 2022; (ADMINISTRATION)

**RECOMMENDATION:** Approve as submitted.

B. PUBLIC HEARING ITEMS

- B-1 PUBLIC HEARING TO REPORT ON DELINQUENT SOLID WASTE COLLECTION ACCOUNTS AND ADOPT RESOLUTION NO. 57-22 AUTHORIZING SAN LUIS OBISPO COUNTY ASSESSOR TO ASSESS AMOUNTS DUE ON DELINQUENT SOLID WASTE COLLECTION ACCOUNTS AS TAX LIENS AGAINST THE PROPERTIES; (PUBLIC WORKS DEVELOPMENT)

**RECOMMENDATION:** This item is to be continued to a date certain, June 28, 2022 Regular Meeting, which will be held via teleconference and as public health and safety allows may also be at the Veteran's Hall.

- B-2 REQUEST FOR AN AMENDMENT TO THE LAND USE MAP WITHIN THE GENERAL PLAN/LOCAL COASTAL PROGRAM ADOPTED IN 2021 AND RECEIPT AND FILING OF AN ADDENDUM TO THE RELATED ENVIRONMENTAL IMPACT REPORT. THE CHANGE FROM DISTRICT COMMERCIAL TO COMMUNITY COMMERCIAL IS CONSISTENT WITH THE PROPOSED NEW ZONING DESIGNATION FOR THE SITE. THE SITE IS ADJACENT TO SIMILARLY DESIGNATED SITES ALONG MAIN STREET; (COMMUNITY DEVELOPMENT)

**RECOMMENDATION: Request City Council (i) adopt Resolution No. 47-22 approving the MAJ21-006 for a change in the Land Use Map included in the General Plan (GP)/Local Coastal Program (LCP), Land Use Plan from District Commercial to Community Commercial for this parcel and (ii) receive and file the addendum.**

C. BUSINESS ITEMS

- C-1 PREPAREDNESS/OPERATIONAL READINESS RELATED TO MORRO BAY POLICE DEPARTMENT (MBPD) RESPONSE TO CRITICAL INCIDENTS (INCLUDING ACTIVE SHOOTER); (POLICE DEPARTMENT)

**RECOMMENDATION: Receive and discuss the update on operational readiness, with no action requested at present time.**

- C-2 CALTRANS HIGHWAY 1 PAVEMENT REHABILITATION AND IMPROVEMENTS PROJECT; (PUBLIC WORKS DEPARTMENT)

**RECOMMENDATION: Receive presentation on upcoming Highway 1 (SR-1) Pavement Rehabilitation and Improvements project from Caltrans and provide feedback and recommendations for improvements to be considered with project design.**

- C-3 AUTHORIZE THE CITY MANAGER TO EXECUTE 1) AMENDMENT NO. 2 TO CONTRACT WITH COGSTONE RESOURCE MANAGEMENT; 2) AMENDMENT NO. 7 TO CONTRACT WITH FAR WESTERN ANTHROPOLOGICAL RESEARCH GROUP, INC.; 3) AMENDMENT NO. 4 TO CONTRACT WITH ANVIL BUILDERS FOR THE WRF LIFT STATION AND OFFSITE PIPELINES CONSTRUCTION PROJECT.; AND 4) AMENDMENT NO. 6 TO CAROLLO ENGINEERS, INC.; (PUBLIC WORKS DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council authorize the City Manager to execute the following:**

- 1. Amendment No. 2 to the agreement with Cogstone Resource Management (Cogstone) for cultural resources monitoring services during construction of the WRF Lift Station and Offsite Pipelines project for a total amount of \$347,210, plus an additional \$43,060 of optional, as-needed services for cultural resources monitoring, as directed by the City's Public Works Director, resulting in a total not to exceed amount of \$1,395,991.22. Allocation of Cogstone Amendment No. 2 between Q4 FY 21/22 and Q1 FY 22/23 is described in the Fiscal Impact section below.**
- 2. Amendment No. 7 to the agreement with Far Western Anthropological Research Group, Inc. (Far Western) to extend their contract expiration date to December 31<sup>st</sup>, 2025. This is a non-compensable contract extension.**
- 3. Amendment No. 4 to the agreement with Anvil Builders, Inc. (Anvil) for the WRF Lift Stations and Offsite Pipelines construction for an overall reduction of \$54,065, which provides a credit to their construction costs resulting in a new reduced total contract amount of \$32,942,914.**
- 4. Amendment No. 6 to the agreement with Carollo Engineers, Inc. (Carollo) to extend their contract expiration date to June 30<sup>th</sup>, 2023. This is a non-compensable contract extension.**

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, June 28, 2022 at 5:30 p.m.**

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 805-772-6205 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST BY CALLING THE CITY CLERK'S OFFICE AT 805-772-6205.

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 REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

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MINUTES - MORRO BAY CITY COUNCIL  
SPECIAL CLOSED SESSION MEETING –  
MAY 18, 2022 – 4:00 P.M.  
TELECONFERENCE

AGENDA NO: A-1  
MEETING DATE: June 14, 2022

*City Council conducted this meeting in accordance with Assembly Bill 361 (2021-22) and Government Code section 54953 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.*

PRESENT:            John Headding            Mayor  
                         Dawn Addis                Council Member  
                         Laurel Barton              Council Member  
                         Jennifer Ford              Council Member  
                         Jeff Heller                Council Member

ABSENT:            None

STAFF:             Scott Collins              City Manager  
                         Sara Johnson-Rios        Assistant City Manager/Administrative Services Director  
                         Dana Swanson             City Clerk/HR Manager  
                         Chris Neumeyer          City Attorney  
                         Colin Tanner              Special Labor Counsel

**ESTABLISH QUORUM AND CALL TO ORDER**

Mayor Headding called the meeting to order at 4:00 p.m. with all members present.

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

**CLOSED SESSION PUBLIC COMMENT** – Mayor Headding opened public comment for items on the agenda; seeing none, the public comment period was closed.

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

**CS-1 CONFERENCE WITH LABOR NEGOTIATORS**

City Designated Representative: Colin Tanner, Special Labor Counsel

Employee Organizations: Morro Bay Firefighters' Association and Service Employee's International Union - SEIU Local 620

**RECONVENE IN OPEN SESSION** – The City Council reconvened in Open Session. The Council did not take any reportable action in accordance with the Brown Act.

**ADJOURNMENT** - The meeting adjourned at 4:16 p.m.

Recorded by:

Dana Swanson  
City Clerk

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MINUTES - MORRO BAY CITY COUNCIL  
SPECIAL CLOSED SESSION MEETING –  
JUNE 8, 2022 – 4:00 P.M.  
TELECONFERENCE

AGENDA NO: A-2  
MEETING DATE: June 14, 2022

*City Council conducted this meeting in accordance with Assembly Bill 361 (2021-22) and Government Code section 54953 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.*

PRESENT:            John Headding            Mayor  
                         Dawn Addis                Council Member  
                         Laurel Barton              Council Member  
                         Jennifer Ford              Council Member  
                         Jeff Heller                Council Member

ABSENT:            None

STAFF:             Scott Collins              City Manager  
                         Sara Johnson-Rios        Assistant City Manager/Administrative Services Director  
                         Dana Swanson             City Clerk/HR Manager  
                         Chris Neumeyer          City Attorney  
                         Colin Tanner              Special Labor Counsel

**ESTABLISH QUORUM AND CALL TO ORDER**

Mayor Headding called the meeting to order at 4:00 p.m. with all members present.

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

**CLOSED SESSION PUBLIC COMMENT** – Mayor Headding opened public comment for items on the agenda; seeing none, the public comment period was closed.

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

**CS-1 CONFERENCE WITH LABOR NEGOTIATORS**

City Designated Representative: Colin Tanner, Special Labor Counsel  
Employee Organizations: Morro Bay Firefighters’ Association; Morro Bay Peace Officers’ Association;  
Service Employee’s International Union - SEIU Local 620; and unrepresented Management,  
Confidential and Executive employees

**RECONVENE IN OPEN SESSION** – The City Council reconvened in Open Session. The Council did not take any reportable action in accordance with the Brown Act.

**ADJOURNMENT** - The meeting adjourned at 4:10 p.m.

Recorded by:

Dana Swanson  
City Clerk

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**AGENDA NO: A-3**

**MEETING DATE: June 14, 2022**

# Staff Report

**TO: Honorable Mayor and City Council**

**DATE: June 7, 2022**

**FROM: Cindy Jacinth, Senior Planner**

**SUBJECT: Review and Ratification of Rincon Consultants EIR Contract and Amendments 1 and 2 for the Vistra Battery Energy Storage System (BESS) Project at 1290 Embarcadero**

## RECOMMENDATION

Staff recommends the City Council review the staff report and ratify the EIR contract and amendments 1 and 2 for the Vistra Battery Energy Storage System (BESS) project at 1290 Embarcadero.

## ALTERNATIVES

None

## FISCAL IMPACT

There is no fiscal impact to the City as the Rincon EIR contract is a reimbursable contract which is covered by the executed Vistra Deposit and Reimbursement Agreement (Attachment 4).

## SUMMARY / BACKGROUND:

The City has an original contract with Rincon Consultants to perform the environmental work and prepare an Environmental Impact Report (EIR) for the Battery Energy Storage System (BESS) project that was executed March 19, 2021 (Attachment 1) for a not to exceed amount of \$158,548 and which was amended April 4, 2022 (Attachment 2), bringing the total contract amount to \$281,751. This first amendment was for a scope of work that included demolition of the power plant and stacks.

A second amendment to the Rincon Consultant contract (Attachment 3) was drafted for \$23,180 which brought the total Rincon Consultant contract to \$304,931. This second amendment covers a scope of work to provide additional environmental review and analysis related to hazards and hazardous materials, geohazards, and paleontological resources review.

Pursuant to the City's Master Fee Schedule, Vistra has previously paid the City an amount of \$197,439 which represents cost plus 25% for the original contract, which was the requirement prior to the execution of the Deposit and Reimbursement Agreement. The amendment #1 and amendment #2 are covered by a deposit of \$175,000 paid by Vistra which is a Deposit and Reimbursement Agreement executed in January 2022.

## DISCUSSION

The total contract amount with both amendments is \$304,931. According to the City's Purchasing Ordinance No. 646, such an amount exceeds City Manager authority for signing. However, the contract amount is fully reimbursable under the terms of the Deposit Reimbursement Agreement

Prepared By:   CJ  

Dept Review:           

City Manager Review:   SC  

City Attorney Review:   CFN

executed between the City and Vistra (Attachment 4). As the purchasing ordinance does not specifically exempt a contract that is fully reimbursable from requiring City Council approval, staff is bringing forth this item to seek ratification of the signed EIR contract and signed amendments 1 and 2 to ensure compliance with Ordinance 646 regardless of the contract's reimbursable nature.

**CONCLUSION**

Staff is recommending Council ratify the Rincon Consultants Agreement for Consultant Services and Amendments 1 and 2 which total \$304,931.

**ATTACHMENTS**

1. Rincon Consultants, Inc. Agreement for Consultant Services, March 19, 2021
2. Rincon Consultants Amendment 1, April 4, 2022
3. Rincon Consultants Amendment 2, May 1, 2022
4. Vistra Deposit and Reimbursement Agreement, January 24, 2022

CITY OF MORRO BAY

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT, is made and effective as of March 19, 2021, between the City of Morro Bay, a municipal corporation ("City") and Rincon Consultants, Inc., a California corporation ("Consultant"). In consideration of the mutual covenants and conditions set forth herein the parties agree as follows:

1. TERM

This Agreement shall commence on March 19, 2021, and shall remain and continue in effect until tasks described herein are completed, but in no event later than Dec 31, 2022, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Consultant shall perform the Scope of Work described and set forth on pages 11 to 20 of Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the Scope of Work according to the schedule of performance which is set forth on page 21 of Exhibit A.

3. PERFORMANCE

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience, and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. CITY MANAGEMENT

City's Community Development Director shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but not including the authority to enlarge the Tasks to Be Performed or change the compensation due to Consultant. City's City Manager shall be authorized to act on City's behalf and to execute all necessary documents which enlarge the Tasks to Be Performed or change Consultant's compensation, subject to Section 5 hereof.

5. PAYMENT

(a) City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth on pages 22 to 25 of Exhibit A, based upon actual time spent on the above tasks. This amount shall not exceed One Hundred Fifty-eight Thousand

Five Hundred Forty-eight dollars (\$158,548.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Consultant at the time City's written authorization is given to Consultant for the performance of said services. The City Manager may approve additional work not to exceed twenty-five percent (25%) of the amount of the Agreement. Any additional work in excess of this amount shall be approved by the City Council.

(c) Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days after receipt of each invoice as to all non-disputed fees. If City disputes any of Consultant's fees, then it shall give written notice to Consultant within (30) days after receipt of an invoice of any disputed fees set forth on the invoice.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Consultant at least ten (10) days prior written notice. Upon receipt of said notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to City. Upon termination of the Agreement pursuant to this Section, Consultant will submit an invoice to City pursuant to Section 3.

7. DEFAULT OF CONSULTANT

(a) Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to Consultant. If such failure by Consultant to make progress in the performance for work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, then it shall not be considered a default.

(b) If the City Manager or his/her delegate determines Consultant is in default in the performance of any of the terms or conditions of this Agreement, then he/she shall cause to be served upon Consultant a written notice of the default. Consultant shall have ten (10) days after

service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event Consultant fails to cure its default within such period of time, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of Consultant. With respect to computer files, Consultant shall make available to City, at Consultant's office and upon reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

9. INDEMNIFICATION

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or sub-consultants (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement. City agrees to hold harmless and indemnify Consultant from and against all claims, liabilities, losses, damages, and costs, including but not limited to attorney's fees, arising out of or in any way connected with the modification, misinterpretation, misuse or reuse by others of the computer files or any other document provided by Consultant under this agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify,

defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or sub-consultants of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every sub-consultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

10. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B attached to and made part of this agreement by this reference.

11. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.



12. LEGAL RESPONSIBILITIES

Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws and regulations. City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of City in connection with the award, terms, or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of City will receive compensation, directly or indirectly, from Consultant, or from any officer, employee, or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or inequity.

14. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

15. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or sub-consultants, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or sub-consultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within City. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with City and to

provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

16. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Morro Bay  
595 Harbor Street  
Morro Bay, CA 93442  
Attention: Community Development Director

To Consultant: Rincon Consultants, Inc.  
1530 Monterey Street, Suite D  
San Luis Obispo, CA 93401

17. ASSIGNMENT

Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of City.

18. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

19. GOVERNING LAW

City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over City.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely

upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. CONTENTS OF PROPOSAL


Consultant is bound by the contents of the proposal submitted by Consultant, Exhibit A hereto.

22. AUTHORITY TO EXECUTE THIS AGREEMENT

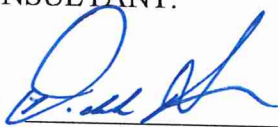
The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.


CITY OF MORRO BAY:

By:   
\_\_\_\_\_  
Scott Collins, City Manager

CONSULTANT:

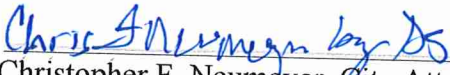
By:   
\_\_\_\_\_  
Richard Daulton, Principal

Attest:

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

By:   
\_\_\_\_\_  
Colby Boggs, Principal

Approved as to Form:

  
\_\_\_\_\_  
Christopher F. Neumeyer, City Attorney



**Rincon Consultants, Inc.**

1530 Monterey Street, Suite D  
San Luis Obispo, California 93401

805 547 0900 OFFICE AND FAX  
info@rinconconsultants.com  
www.rinconconsultants.com

February 2, 2021

Project Number 19-08915

Attn: Cindy Jacinth, Senior Planner  
595 Harbor Street  
Morro Bay, California 93442  
805-772-6577 | [cjacinth@morrobayca.gov](mailto:cjacinth@morrobayca.gov)

**Subject: Proposal to prepare an Environmental Impact Report for the Proposed Battery Energy Storage System at 1290 Embarcadero Road**

Dear Ms. Jacinth:

Rincon Consultants, Inc. is pleased to submit this proposal to prepare an Initial Study (IS) and Environmental Impact Report (EIR) for a proposed 600 megawatt Battery Energy Storage System (BESS). We understand that the project has been designed by Vistra Energy to help meet the State’s renewable energy goals by providing energy storage to ensure a reliable electrical grid. The project is proposed at the site of the former Morro Bay Power Plant, providing the opportunity for reuse of existing utility infrastructure in furtherance of numerous City goals and objectives on this identified redevelopment property. Accordingly, we have organized our team and approach to provide a comprehensive and legally defensible EIR that provides for full consideration of environmental effects in an efficient, streamlined manner that will expedite the CEQA process.

We propose to use the same management team that is completing the City’s General Plan and Local Coastal Program EIR, supported by a technical team that includes a deep bench of experience completing CEQA analyses for battery storage, solar, and other renewable energy and infrastructure projects throughout California. This experience gives us a comprehensive understanding of the technical issues, community concerns, and needs of the agencies and stakeholders responsible for implementing and maintaining this project, as well as the particular issues specific to projects in the Coastal Zone.

Drawing on our team’s experience with similar projects, we will prepare an EIR for the project that leverages existing data and analyses, including applicant-prepared technical studies and data developed for previous environmental documents in the site vicinity to streamline the analytical effort. Our team’s overall approach to the analysis will be to verify and utilize existing data, and supplement where necessary with new information, analysis, and modeling.

Rincon’s highly qualified staff, in-depth technical expertise, experience with similar projects, and local knowledge and presence make our team uniquely qualified for this assignment. If you have any questions about our proposed scope of work or require any additional information, please do not hesitate to contact us.

Sincerely,

**Rincon Consultants, Inc.**

Chris Bersbach, MESM, Supervisory Planner  
Phone: 805-242-4363 x124  
Email: [cbersbach@rinconconsultant.com](mailto:cbersbach@rinconconsultant.com)  
Contact for Clarification

Richard Daulton, MURP, Principal/Vice President  
Phone: 805-706-0534 x128  
Email: [rdaulton@rinconconsultants.com](mailto:rdaulton@rinconconsultants.com)  
Authorized to contractually obligate and negotiate on behalf of Rincon Consultants, Inc.

Proposal

# Proposed Battery Energy Storage System at 1290 Embarcadero Road – Environmental Impact Report

## Table of Contents

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# 1 Firm Qualifications

## 1.1 Firm Profile



**Rincon Consultants** is a multi-disciplinary environmental science, planning, and engineering consulting firm that provides quality professional services to government and industry. Rincon prides itself on the considerable depth of its staff, which includes professional geologists, including a certified

engineering geologist and geochemists; biologists, including wildlife biologists, certified wetland specialists, arborists, and botanists; noise and air quality experts; accredited LEED professionals; and certified urban planners. For this project, we have chosen professional staff and sub-consultants who are experienced in urban land use planning, infrastructure, transportation/circulation, noise, air quality/GHG, health risk, water quality, and related disciplines including problem-solving services in geology, hydrology, and waste management. Our approach to projects is centered upon the development of well-designed and creative solutions that respond to our clients' specific needs in a cost-effective manner.

CEQA is a core business area for Rincon and our firm has provided environmental consulting services for mixed use development projects for over 25 years. **Specifically, in Morro Bay, we have been providing services since 2002.** Our philosophy on all projects is to encourage early agency and public scoping, and to develop and maintain close communication between the local lead agency, engineering consultants, and other stakeholders as appropriate, to ensure technical adequacy and timely review of required project deliverables. This approach has enabled us to identify and avoid costly and time-consuming constraints early in the environmental review process and to minimize or avoid potential conflicts with funding deadlines.

One of our key strengths is our involvement in projects from "inception-to-implementation," which spans from pre-planning activities (alternative analyses, environmental constraints analysis, and technical report preparation) to project analysis (CEQA/NEPA compliance, regulatory permitting), through project implementation (hazards remediation, construction monitoring, stormwater compliance services) to post construction activities (habitat restoration, mitigation). As a result, we have a full understanding of the demands of large- and small-scale projects, and the interaction between different environmental issues and the directives of the responsible regulatory agencies.

**Legal Name:**  
Rincon Consultants, Inc.

**Legal Form:** California "S" Corporation

**Founded:** 1994

**Professional Staff:** 325+

**California Offices:** 12  
San Luis Obispo, Santa Barbara, Ventura, Fresno, Monterey, Santa Cruz, Los Angeles, Oakland, Redlands, Carlsbad, Sacramento, and San Diego

**Website:**  
[www.rinconconsultants.com](http://www.rinconconsultants.com)

**Company Highlights:**

- Received three Association of Environmental Professionals awards in 2019
- Received one American Planning Association award in 2019
- Named one of the "Best Places to Work" by Zweig-White in 2019
- Named Hot 100 Firm list, recognizing revenue growth over time (2019, 2018, 2016, 2015, 2011, 2009, and 2004)
- Headquarters is LEED EBOM Certified Silver

## 1.2 Resumes for Key Personnel

Rincon has assembled a team of highly qualified individuals with extensive experience preparing CEQA documentation for mixed use development projects. Leading the team will be Principal-in-Charge, Rich Daulton, MURP. He has 25 years of experience directing urban planning projects, including planning and policy document preparation and CEQA analyses. Rincon’s Project Manager, Chris Bersbach has over 14 years of experience in preparing environmental impact analyses for public and private mixed-use development projects.

### Richard C. Daulton, MURP | Senior Principal/Vice President



**Education:** MURP, Urban and Regional Planning, University of California, Irvine  
BA, Economics, University of California, San Diego

Mr. Daulton oversees planning and environmental projects throughout California, with a focus in the central coast region. He has 24 years of experience in the planning profession with an emphasis on environmental planning. His planning skills are supported by a strong background in technical environmental and economic analysis. He oversees a range of CEQA and NEPA documentation projects and has successfully combined environmental analysis and planning techniques to guide agencies through

complex studies and controversial programs, entitlement, and planning projects. Select project experience is listed below.

- Morro Bay General Plan/Local Coastal Program Update and Environmental Impact Report (EIR), City of Morro Bay
- Morro Bay Climate Action Plan, City of Morro Bay
- Morro Creek Multi-Use Trail and Bridge Project Initial Study-Mitigated Negative Declaration (IS-MND), Technical Studies, & Regulatory Permitting, City of Morro Bay
- Cal Flats Solar Facility EIR, Monterey County
- Santa Paula Battery Energy Storage System IS-MND, City of Santa Paula

### Chris Bersbach, MESM | Project Manager



**Education:** MESM, Conservation Planning, Bren School of Environmental Science & Management, University of California Santa Barbara  
BA, Psychology, Brandeis University

Mr. Bersbach is a senior environmental planner and program manager in Rincon Consultants’ Environmental Sciences and Planning Group. He manages and prepares CEQA and NEPA documentation in the California central coast region and technical air quality, greenhouse gas emissions, and noise analyses for renewable energy and infrastructure projects throughout California. He has 14 years of planning experience with an emphasis on environmental planning and technical environmental analysis. His experience

includes a wide range of technical environmental and planning studies, including land and infrastructure development projects, urban redevelopment projects, solar power facilities, oil extraction and refining facilities, waste and wastewater management facilities, general plans and specific plans, climate action plans, and other long-range planning projects. Select project experience is listed below.

- Morro Bay General Plan/Local Coastal Program Update and Environmental Impact Report (EIR), City of Morro Bay
- Morro Creek Multi-Use Trail and Bridge Project Initial Study-Mitigated Negative Declaration (IS-MND), Technical Studies, & Regulatory Permitting, City of Morro Bay
- 405 Atascadero Road Affordable Housing Project IS-MND, City of Morro Bay
- Coral Avenue Subdivision Project IS-MND, City of Morro Bay
- Cal Flats Solar Facility EIR, Monterey County

**Melissa Whittemore | QA/QC**



**Education:** BS, Biology with an emphasis in Ecology, San Diego State University  
 Graduate Certificate, National Environmental Policy Act, Utah State University

Ms. Whittemore has more than 19 years of experience in the environmental planning field. To date, she has worked on over 150 projects throughout California. Her responsibilities include managing and preparing environmental compliance documents and associated technical studies in accordance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). Her clients include federal, state, regional, and local government agencies; water districts; and private companies. Ms. Whittemore specializes in infrastructure projects, including both transportation (e.g., railway tracks and yards, freeways, ports of entry, roadways, bikeways, trails) and utilities (e.g., water and sewer lines, pump stations, reservoirs, recharge basins, wastewater treatment plants). She also regularly works on other types of projects, including residential (ranging from small condominiums to large single-family developments), commercial (large malls, other retail centers, offices), industrial (industrial parks, mining quarries), and institutional (universities/colleges, healthcare clinics, educational/research facilities). Her projects have required a variety of discretionary approvals, including general plan amendments, rezoning, conditional use permits, coastal development permits, specific plans, and tentative subdivision maps. Ms. Whittemore also excels at conducting quality assurance/quality control (QA/QC) reviews on documents prepared by others. Select project experience is listed below.

- Black Walnut BESS Project IS-MND, City of Santa Paula
- Santa Paula BESS Project Addendum to Final MND, City of Santa Paula
- Cortona Drive BESS Project IS-MND and Technical Studies, City of Goleta
- Confidential Client BESS Environmental Constraints Analysis, confidential Central Coast location
- Confidential Client BESS Environmental Constraints Analysis, confidential central inland location
- Scalar Solar EIR, Fresno County
- Los Osos Habitat Conservation Plan EIR-EA, San Luis Obispo County



**Mattie Magers | Assistant Project Manager**



**Education:** BS, Environmental Management and Protection, concentration in Ecology and Habitat Management, California Polytechnic State University, San Luis Obispo

Ms. Magers is responsible for preparing and assisting with CEQA and NEPA documentation and technical impact analyses for a variety of projects. Her experience includes but is not limited to CEQA and NEPA compliance for development projects throughout Santa Barbara and San Luis Obispo Counties, visual impact assessment, noise monitoring and analysis, and air quality and greenhouse gas emissions modeling and analysis. Select project experience is listed below.

- Morro Bay General Plan/Local Coastal Program Update and Environmental Impact Report (EIR), City of Morro Bay
- 405 Atascadero Road Affordable Housing Project IS-MND, City of Morro Bay
- Coral Avenue Subdivision Project IS-MND, City of Morro Bay
- Scarlet Solar Energy Project EIR, County of Fresno
- Technology Park Expansion Project, California Polytechnic State University, San Luis Obispo

**Colby J. Boggs | Biological Resources Principal**



**Education:** MS, Botany, California State University, Chico  
BS, Ecology and Evolution, University of California, Santa Barbara

**Certification:** CDFW Rare, Threatened, and Endangered Plant Voucher Collecting Permit No. 2081(a)-10-52-V  
Certified Ecologist – Ecological Society of America  
California Rapid Assessment Method

Ms. Boggs has over 21 years of experience specialized in ecological systems. His thorough knowledge of the CEQA/NEPA process and environmental protection laws is instrumental on public works projects, in particular transportation infrastructure, because he can streamline the environmental review process and make sure public agencies maintain compliance with regulatory permits. He was the primary author of several natural environmental studies for road and bridge projects throughout California in accordance with Caltrans standards. He has managed several compliance programs in the Central Coast region with the most cost effective and technically feasible approach. He has professional experience as a botanist, ecologist, wetlands specialist, and biological sciences educator and researcher. His duties at Rincon include biological field surveys for special status species, habitat and plant community mapping, wetlands assessments, biological resources analyses, construction and mitigation monitoring, conservation planning, regulatory compliance, and the preparation of biological reports, environmental documents and permit applications in support of CEQA, NEPA, Porter-Cologne Water Quality Control Act, Fish and Game Code 1600 et seq., Clean Water Act, and state and federal Endangered Species Acts. Selected project experience is listed below.

- Morro Bay General Plan/Local Coastal Program Update and Environmental Impact Report (EIR), City of Morro Bay
- Morro Creek Multi-Use Trail and Bridge Project Initial Study-Mitigated Negative Declaration (IS-MND), Technical Studies, & Regulatory Permitting, City of Morro Bay

- Coral Avenue Subdivision Project IS-MND, City of Morro Bay
- Morro Bay Boatyard Project, City of Morro Bay
- Morro Bay State Park Waterline Replacement Project, California State Parks, San Luis Obispo County

**Bill Vosti | Lead Technical Analyst**



**Education:** MESM, Environmental Science and Management, University of California, Santa Barbara  
 BA, Journalism, California State University, Chico

Mr. Vosti has seven years of experience preparing environmental documents and noise technical analyses in accordance with CEQA and NEPA. Mr. Vosti is proficient with various noise prediction models (e.g., CadnaA, SoundPLAN, and FHWA TNM) and air quality and GHG models (e.g., California Line Source Model series, Emission FACTors Model series, American Meteorological Society/Environmental Protection Agency Regulatory Model, Hotspots Analysis and Reporting Program, and California Emissions Estimator Model

[CalEEMod] series). His experience includes air quality, GHG emissions, and noise analyses for jurisdictions across California. Selected project experience is listed below.

- Black Walnut BESS Project IS-MND, City of Santa Paula
- Cortona Drive BESS Project Noise Study, City of Goleta
- Clark Ranch Development, Air Quality and GHG Study, Santa Barbara County
- Rexford Solar Farm Noise and Vibration Study, Tulare County
- Bellefield Solar Farm Noise and Vibration Study, Kern County

**Christopher A. Duran | Cultural Resources Specialist**



**Education:** MA, Anthropology, Northern Arizona University  
 BS, Anthropology-Cultural Resources Management, California State Polytechnic University, Pomona

Mr. Duran serves as a Principal and Senior Archaeologist for Rincon Consultants in the Central Coast region. Mr. Duran has more than 11 years of professional experience in cultural resources management and has worked extensively in San Luis Obispo County and the surrounding areas. Mr. Duran has conducted numerous cultural resources investigations in support of CEQA and Section 106 of the National Historic Preservation Act along the Central Coast and has worked with multiple tribes in the region. Mr. Duran

also has extensive recent experience with local tribes concerning the mitigation of cultural resources identified during field investigations and has authored a variety of cultural resources studies including: archaeological surveys, archaeological testing and eligibility evaluation, data recovery, mitigation monitoring plans and reports, and peer reviews throughout southern California. Mr. Duran has also worked on multiple burial sites within Chumash territory and has experience facilitating consultation for the recovery and treatment of human remains with various Chumash. Rincon has also developed working relationships with the Northern Chumash Tribal Council and the yak titu titu yak tilhini tribe of the Northern Chumash people. Mr. Duran’s project experience in the San Luis Obispo County area include infrastructure improvements, commercial developments, cannabis permitting, and water conveyance projects. Selected project experience is listed on the following page.

## Exhibit A 1

City of Morro Bay

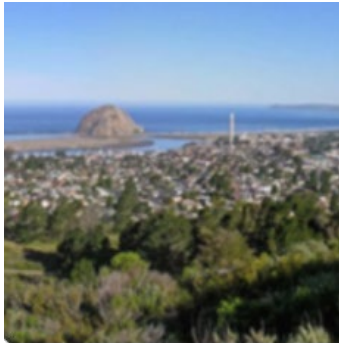
### **Battery Energy Storage System at 1290 Embarcadero Road – Environmental Impact Report**

- Rexford Solar Farm Noise and Vibration Study, Tulare County
- Bellefield Solar Farm Noise and Vibration Study, Kern County
- RE Cinco Solar Cultural Resources Monitoring Project, Kern County
- Gaskell West Phase I Cultural Resources Survey and Cultural Resources Monitoring, Kern County
- Piru Spreading Grounds Solar Project, Ventura County

## 2 Relevant Experience

### Plan Morro Bay General Plan/Local Coastal Program Update and EIR

#### City of Morro Bay

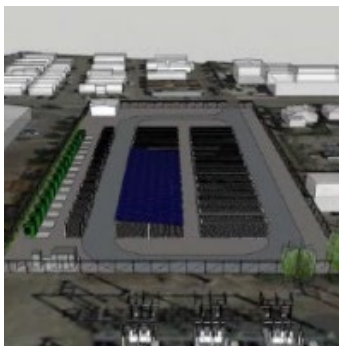


Rincon is part of the multidisciplinary consultant team hired to lead the City’s General Plan, Local Coastal Program, and Zoning Ordinance Updates and associated Environmental Impact Report as an extension of City staff. In cooperation with Michael Baker International, Rincon evaluated the current extent and locations of Environmentally Sensitive Habitat Area resources within the City’s Coastal Zone to assist the City in updating its Local Coastal Program, obtained mapping approval by the California Coastal Commission, and provided updated maps of potential Environmentally Sensitive Habitat Area under current conditions. Rincon also prepared Community Baseline Assessment Report analyses for noise, air quality, greenhouse gas emissions, and natural resources to identify the current environmental conditions in the City to inform the analysis of the General Plan, Local Coastal Program, and Zoning Ordinance Updates in the EIR, and prepared the Noise Element for the updated General Plan.

Rincon is currently preparing the public review draft of the Program EIR for the General Plan/Local Coastal Program Update, which will establish the cumulative, growth-inducing, unavoidable, and irreversible significant effects framework for consideration of the environmental impacts of subsequent development projects. Key issue areas examined by Rincon staff for the Program EIR include aesthetics, biological resources, cultural and archaeological resources, greenhouse gas emissions, land use and planning, noise, and transportation.

### Santa Paula Battery Energy Storage System IS-MND and Addendum

#### City of Santa Paula



In 2017-2018, Rincon Consultants prepared an IS-MND for the Santa Paula BESS Project in the City of Santa Paula. The BESS Project consists of an electrical storage system that would store up to 20 megawatts of electricity for dispatch into the local power grid via an existing substation adjacent to the project site. At complete buildout, the BESS will consist of 20 fully-enclosed battery storage containers made from converted shipping containers, and an overhead solar panel array will be constructed across the top of the modules to charge the batteries. Key issues analyzed in the IS-MND included air quality, geology and soils, greenhouse gas emissions, hazards and hazardous materials, and noise.

In 2020, Rincon prepared an Addendum to the 2018 Final MND for the project based on minor project changes, including an increase in storage from 20 megawatts to 30 megawatts, a change in housing from converted shipping containers to a warehouse building, and the elimination of solar panels. Rincon also prepared a Public Health Risk Assessment to evaluate the potential risk to sensitive receptors, including schools and residences, in the unlikely event of a fire at the facility. The Public Health Risk Assessment indicated that fire hazard risks to the public would be less than significant.

## San Luis Obispo Regional CAP and Six City CAPs

### San Luis Obispo Air Pollution Control District/Cities of Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, and Pismo Beach



Rincon prepared a regional climate action program for the San Luis Obispo Air Pollution Control District and individual programmatic CAPs for six of its cities (Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, and Pismo Beach). The project included baseline GHG emissions inventories and forecasts updates for each of the six cities and the region; state and local policy review and gap analysis; GHG reduction measure evaluation toolbox; climate change vulnerability assessment and adaptation strategies; regional public engagement program, workshops, and stakeholder meetings; and six city plans, including implementation and monitoring programs.

## Morro Creek Multi-Use Trail/Bridge Project IS-MND, Technical Studies and Regulatory Permitting

### City of Morro Bay



Rincon Consultants worked as part of the RRM Design Group team to prepare the environmental documentation for the Morro Creek Multi-Use Trail and Bridge Project. The project extended the Morro Bay Harborwalk with a pedestrian boardwalk and separated Class I bike path to provide a connection between the Morro Bay waterfront and north Morro Bay. Rincon staff prepared an IS-MND for the project along with several Caltrans-specific technical studies, including a Natural Environment Study, Biological Assessment, Archaeological Survey Report, Historic Properties Survey Report, Categorical Exclusion, Lighting Memo, and Visual Impact Assessment. Rincon also assisted with securing a Streambed Alteration Agreement and Coastal Development Permit for the project and assisted the City of Morro Bay with archaeological and Native American monitoring during the construction phase of the project.

## Solar Photovoltaic Storage Facility IS-MND

### Berrenda Mesa Water



Barrenda Mesa Water District

Rincon provided biological and cultural resource surveys to identify potential constraints and identify the least restrictive lands within the project area for the construction of an eight megawatt (MW) solar photovoltaic (PV) energy generation facility consisting of two large arrays for a total of 22,000 PV panels to directly supply power to the Berrenda Mesa Water District (BMWD) for the pumping and conveyance of water from and along the California Aqueduct. Rincon prepared an IS-MND for BMWD on an accelerated schedule that included assessing the inter-tie of the solar panels to the pumping station and access improvements needed for construction equipment to access the remote site in the Lost Hills of Kern County from State Route 33.

## 3 Understanding of the Project

The project applicant is requesting a Coastal Development Permit (CDP) and a Conditional Use Permit (CUP) from the City of Morro Bay to construct, operate, and maintain a Battery Energy Storage System (BESS) and associated infrastructure. The California Renewable Portfolio Standard legislation enacted in 2002 required retail sellers of electricity to obtain 20 percent of their supply of electricity from renewable energy sources, such as solar, by 2010. The State has continued to accelerate statewide renewable energy share goals, and the Renewable Portfolio Standard is currently set at 60 percent by 2030 and for a carbon-free grid by 2045. In order to maintain a reliable grid with increasing amounts of intermittent generation, the California Public Utilities Commission (CPUC) has set a target for utilities to procure energy storage, as well as renewable generation.

The proposed project location is described in Section 3.1, and our understanding of the battery energy storage system (BESS) components is described in Section 3.2.

### 3.1 Location

The project site is located on an approximately 107-acre site at 1290 Embarcadero in the City of Morro Bay (APN 066-331-046). The project is planned to occupy approximately a 22-acre portion of the existing, but currently inactive, Morro Bay Power Plant property, privately owned by the applicant. The Morro Bay Power Plant has been operated on the property since the 1950s but has been idle since its retirement in 2014. The transmission substation switchyards immediately north of the power plant continue to be owned by PG&E. The site is currently zoned M-2/PD/I-Coastal dependent Industrial-Planned Development Overlay-Interim Use Overlay.

### 3.2 Proposed Project Components

The project would consist of batteries capable of storing 600 megawatts (MW) of electric energy and discharging this electricity to the grid for a minimum of four hours. The project would provide power to utility customers by interconnecting to the existing Pacific Gas and Electric Company (PG&E) switchyard located adjacent to and north of the power plant site.

The project would be comprised of several battery storage buildings, power conversion systems, substations, and an interconnection to the existing PG&E switchyard and associated facilities such as fencing, internal access roads and water supply system improvements. The project would use the existing administration building as an operation and maintenance (O&M) facility for permanent operation and maintenance staff. The project is anticipated to have a 20-year life. In order to maintain consistent operation and fulfill contractual requirements it is anticipated that routine module replacement would occur over the life of the project. Batteries would be recycled at the appropriate facilities.

**Battery Storage Buildings.** The batteries would be installed in three buildings, each with a total storage capacity of approximately 200 MW. Each of the three buildings would be approximately 350 feet by 260 feet with a height of 30 feet. The total building area would be 91,000 square feet across two stories. Additional equipment would be installed on the roof of each buildings, which may extend an additional 10 feet in height. The buildings would be located at the tank farm site, where fuel oil tanks have been removed.

**Power Conversion Systems.** Each building would be surrounded by approximately 60 Power Conversion Systems (PCS) units. The PCS unit is approximately 10 feet wide by 30 feet long and consists of an inverter and transformer. The PCS units would connect to the batteries in the buildings via underground conduit.

**Substations.** The project includes three substations, which include transformers to increase the voltage to the required level for interconnection to the grid. Each substation would connect to the existing PG&E substation via a transmission tie line. Each of the three substations would be approximately 218 feet by 228 feet with a height of 95 feet. One control house is required for the three substations. The control house would be approximately 30 feet by 40 feet with a height of 15 feet, for a total square footage of 1,200 square feet.

**Connection to the PG&E Switchyard.** The three substations would connect to the existing, adjacent PG&E switchyard. The tie in would require approximately nine new poles, with a maximum height of 105 feet.

## 4 Scope of Work

### 4.1 Work Program

Based on the available project plans and data, our current knowledge of the environmental impacts of the project, our familiarity with the project area, and guidance from City staff, we believe that an EIR will be the appropriate environmental document for the project. Our recommended technical approach and assumptions are described in Section 3.2, *Methodology and Approach to Environmental Issues*. The documentation will leverage existing data and analyses, including applicant-prepared technical studies and data developed for previous environmental documents in the site vicinity, which Rincon will peer-review and incorporate to the extent practical.

The major tasks involved in preparation and processing of the EIR are described below.

**Task 1: Project Initiation & Project/Contract Management.** Rincon will organize and attend a kickoff meeting and site visit with City staff and the project applicant. The kickoff meeting will serve as a forum to discuss fundamental process and scope and approach issues, as well as to review and confirm study objectives and establish an operational protocol. Rincon will conduct an initial review of background information, project data, and available technical studies, and will coordinate with City staff regarding any additional project description or technical information that will be needed to complete the EIR.

Rincon will provide a full technical peer review of the data and conclusions in the applicant-prepared technical studies by Rincon's resource specialists, engineering geologists, biological and cultural resources specialists, hydrologists, and AQ/GHG and noise technical analysts. The purpose of the peer review will be to evaluate the applicant-prepared studies for technical accuracy, field-verify applicable conclusions and assumptions, and evaluate recommendations and mitigation measures to ensure that they would minimize identified resource impacts that will be identified in the EIR. The findings of the peer review will be summarized in a memorandum report to the City. If specific technical deficiencies are identified in any of the applicant-prepared technical studies, Rincon will provide recommendations to address the deficiencies in the peer review memorandum.

Rincon's scope for the peer review task assumes the applicant's consultant team will respond to the peer review comments and recommendations and incorporate the findings of our peer review into revised technical reports as appropriate. However, if City staff would like to have Rincon's resource specialists provide additional environmental analysis needed to respond to identified deficiencies, we are qualified and available to provide additional environmental services in accordance with our schedule of fees.

Applicant-prepared technical studies requiring review include:

- Air Quality, Greenhouse Gas Emissions, and Energy Report;
- Biological Resources Assessment Report, as well as reports addressing rare plant surveys and Morro shoulderband snail surveys);
- Cultural Resources Report – Extended Phase 1 Cultural Survey;
- Geotechnical Resource Review (Duke Energy application to the California Energy Commission for modernization previously proposed at the power plant in 2000);
- Historic Hazardous Materials Documentation;



- Paleontological Resource Review (Duke Energy application to the California Energy Commission for modernization previously proposed at the power plant in 2000);
- Noise Report (focusing on construction impacts);
- Traffic Report (focusing on construction impacts);
- Visual Simulations; and
- Project Alternatives Paper.

This scope of work and schedule assumes that the applicant-prepared technical studies will be generally adequate for incorporation into the environmental documentation for the project and will not require substantial review or new environmental analysis or field surveys.

Rincon will organize the kickoff meeting, complete the review of available studies and documentation, and provide the City a list of questions/comments within two weeks of notice to proceed with this scope of work. All applicant-prepared technical studies will be peer-reviewed within two weeks of receipt.

Rincon’s Project Manager will be the City’s primary point of contact and will be responsible for coordinating communication and developing a close working relationship with City staff. This will include participation in regular, bi-weekly meetings via conference call with the City’s Project Manager (and the project applicant team, if required) throughout the environmental review process to discuss the budget, schedule, and progress of the project, as well as the provision of status updates via email outlining tasks completed, upcoming tasks, details regarding any communications about the project, and deliverable information (including timeline). For the purposes of this proposal, we have assumed up to 22 one-hour calls. These meetings can be scheduled and selected at the County’s discretion. We will conduct additional coordination with the City and complete other project management or technical tasks on a time-and-materials basis, in accordance with our schedule of fees, as authorized by the City.

In every project that Rincon conducts we endeavor to provide our client with a high-quality product that meets or exceeds expectations, and for which all applicable professional standards and regulatory requirements are met. To meet this quality standard, project-specific QA/QC procedures will be identified for the project starting at the kickoff stage, outlining the management techniques to be used throughout execution of the project. QA/QC procedures will be implemented by Project Manager Chris Bersbach and overseen by Principal-in-Charge Richard Daulton.

**Task 2: Prepare Project Description.** Rincon will prepare a comprehensive Project Description based on detailed information to be provided by the project applicant, as reviewed in Task 1. The Project Description will include a discussion of project location, site characteristics, project objectives, project construction and operational features, and requested entitlements. The project location, boundaries, and components will be depicted on up to four graphics. The Project Description will be provided to the City and project applicant for review and revised based on one consolidated set of comments from City staff and the project applicant. One electronic version of this deliverable will be provided in MS Word and PDF formats. Rincon will submit a draft of the Project Description EIR section within four weeks of notice to proceed.

**Task 3: Prepare and Circulate Initial Study/Notice of Preparation.** Rincon will prepare a detailed Initial Study intended to address potential environmental effects that may be deemed “less than significant” and to focus the EIR on critical environmental topics. The Initial Study will compare the proposed project, as described in the Project Description developed in Task 2 to the CEQA Guidelines Appendix G checklist and provide discussion and evidence for checklist items that are able to be found “less than significant” using the project information and analysis provided by the project applicant. For the purposes of this scope of work, we anticipate the following environmental topics may be determined to

result in less than significant impacts: agriculture and forestry resources, hydrology and water quality, land use/planning, mineral resources, population/housing, public services, recreation, utilities/service systems, and wildfire.

For topics in the CEQA Guidelines Appendix G checklist that require a higher level of detailed analysis or evaluation to make a findings, and for topics that have the potential to result in a significant environmental effect, the Initial Study will note that further discussion will be provided in the EIR. One electronic version of this deliverable will be provided. Rincon will submit a draft of the Initial Study within four weeks of notice to proceed, alongside the Project Description deliverable (Task 2).

Rincon will prepare a draft Notice of Preparation (NOP) for the project, which will summarize the project description, project exhibits, and environmental issues (pursuant to CEQA Guidelines Section 15082). It is our understanding that the City will be responsible for distributing the NOP. As required by CEQA, the City will circulate the NOP to responsible and trustee agencies for 30 days.

It is our understanding City staff will organize and lead the EIR scoping meeting for this project, if required. Rincon’s Project Manager will attend the meeting and will be available to present information, answer questions, and receive comments regarding the scope of the EIR.

**Task 4: Prepare Administrative Draft EIR.** The Administrative Draft EIR will be prepared in accordance with the State CEQA Guidelines, which set the standards for adequacy of an EIR. Specifically, the State CEQA Guidelines (Section 15151) declare that:

*“An EIR should be prepared with a sufficient degree of analysis to provide decision makers with information which enables them to make a decision which intelligently takes account of environmental consequences. An evaluation of the environmental effects of a proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in light of what is reasonably feasible.”*

The analysis will rely on peer reviewed technical reports (refer to Task 1) prepared by the project applicant to streamline the analytical effort. The overall approach to the analysis will be to verify and utilize existing data, and supplement where necessary with new information or modeling. In preparing the topic-specific sections of the EIR we will summarize the findings of the existing applicant-prepared technical analyses, as well as additional analysis prepared by Rincon (described below under Methodology and Approach to Environmental Issues) in a manner that is easily understandable to the public and decision makers. The Administrative Draft EIR will also respond to issues raised during the scoping meeting described in Task 3.

Rincon will submit the Administrative Draft EIR to the City for review in electronic format within twelve weeks of the close of the NOP Scoping Period and receipt of any final technical documentation from the applicant. Thereafter, key consultant team members will coordinate with the staff in order to discuss any concerns, modifications, and input to the analysis and proposed mitigation measures. Rincon assumes that all comments will clearly indicate requested changes. It will be the responsibility of City staff to resolve internal inconsistencies among staff comments.

The Administrative Draft EIR will include the following components:

**Executive Summary**

Rincon will prepare a summary of the project and associated environmental consequences. This information will summarize project impacts and proposed mitigation measures in a tabular format to simplify review by decision-makers and the general public. The summary will note areas of known controversy and will summarize the alternatives reviewed and their associated impacts. The summary will also identify the environmentally superior alternative and rationale for its selection as such.

## Introduction and Environmental Setting

Rincon will prepare the EIR Introduction and the Environmental Setting based on detailed information to be provided by the applicant team, as reviewed in Tasks 1, 2, and 3. The Introduction will describe the project history and provide an overview of CEQA and the overall EIR methodology, including a discussion of the purpose of a project-level EIR and relationship to the General Plan and Local Coastal Program (Plan Morro Bay). The Environmental Setting will provide a description of the project vicinity, including its geographic extent, climatic conditions, and demographic conditions. The Environmental Setting will also describe the approach to and basis for the cumulative impact analysis.

## Environmental Impacts and Mitigation Measures

Each environmental issue addressed in the EIR will contain the following components:

- Environmental and regulatory setting;
- Methodology and significance thresholds;
- Project-level and cumulative impact analyses;
- Mitigation measures; and
- Level of significance after mitigation

Where possible, impacts will be quantified. If existing data does not allow quantification, reasonable assumptions based on available evidence will be used to qualitatively forecast potential impacts. Cumulative impacts will be discussed within this analysis, but at a lesser level of detail than the project-specific impacts. The cumulative impacts analysis will consider the potential impacts of the project, in combination with other planned growth in the City. All necessary mitigation measures will be presented in wording that can be directly applied to the proposed project and will include monitoring requirements. All impacts will be classified as Class I, Class II, Class III, or Class IV, and the discussion of impact significance after mitigation will identify the effectiveness of the mitigation measures and monitoring procedures.

## Effects Found Not to be Significant/Issues Addressed in the Initial Study

As indicated in the State CEQA Guidelines, an EIR must include a discussion of environmental effects of the project found not to be significant. The will include a section discussing issues for which significant impacts are not anticipated, such as the issues identified as less than significant in the Initial Study (Task 3). This section is assumed to include discussion of the issue areas of agriculture and forestry resources, hydrology and water quality, land use/planning, mineral resources, population/housing, public services, recreation, utilities/service systems, and wildfire. The level of required substantiation for determining that these issues would result in no impact or a less-than-significant impact is described in Section 15128 of the State CEQA Guidelines. Discussions and conclusions within these topics will be based on City General Plan documents, Plan Morro Bay policies, and municipal code requirements. This scope of work assumes no comments or questions will be raised during the NOP scoping period that would require revisiting any of the environmental topics that were found to be less than significant in the Initial Study.

## Alternatives

Three alternatives, including the required “No Project Alternative,” will be addressed in the Alternatives section of the EIR. We anticipate this will include the required No Project Alternative (an alternative that considers buildout in accordance with existing zoning), and two design or reduced project alternatives. To the extent feasible the discussion of project alternatives will be based on the Project Alternatives Paper being prepared by the project applicant.

The key consideration for potential alternatives to the project is the ability of each alternative to avoid or mitigate the significant environmental impacts identified in the EIR while satisfying most of the basic project objectives. While the EIR is being prepared, Rincon will identify these issues and will provide descriptions for the alternatives to be addressed in the EIR. These will be presented to the City for discussion, review, and approval prior to preparation of the Alternatives section of the EIR.

Within the Alternatives chapter of the EIR, a brief setting will identify alternatives considered, but determined to be infeasible, with substantiation for this conclusion. For the remaining potentially feasible alternatives, each environmental issue area will be briefly evaluated in a qualitative manner to determine whether the alternative would have the potential to result in greater, similar, or reduced environmental impacts when compared to the impacts of the proposed project. Where appropriate and feasible, quantitative comparisons will be provided. The results of the alternatives analysis will be summarized graphically in a comparison matrix. This section will also identify the “environmentally superior alternative.” If the No Project Alternative is determined to be environmentally superior, the EIR will identify the environmentally superior alternative among the remaining scenarios.

### Other CEQA-Required Sections

The EIR will include all other sections required by the State CEQA Guidelines, including growth inducing impacts and irreversible significant effects. This section of the EIR will examine the potential for the proposed project to induce substantial population growth and/or economic expansion or remove obstacles to growth, such as through infrastructural improvements. Based on our experience with similar projects throughout California, we anticipate these issues will be characterized as resulting in less-than-significant environmental effects on the basis that the project would capitalize on existing economic opportunities and energy-related infrastructure specific to Morro Bay, and that the project would not require a large operational support staff that would be unable to be filled by the City’s existing population, and may otherwise drive new population to relocate to Morro Bay.

### References

Rincon will prepare the References and Report Preparers section of the EIR and will assist City staff with assembly of the administrative record for the project by providing relevant documents and correspondence from the EIR process in electronic format.

**Task 5: Public Review Draft EIR.** Rincon will respond to a single round of consolidated City staff comments on the Administrative Draft EIR and format the document as a Public Review Draft EIR to be distributed for the required CEQA public review period. Rincon will submit the Public Review Draft EIR within three weeks of receiving City staff comments on the Administrative Draft EIR.

Rincon has budgeted a total of 40 hours of staff time to address City comments on the Administrative Draft EIR. Rincon will submit a website-ready electronic copy of the Public Review Draft EIR and appendices, and up to 20 hard copies (stand-alone, bound) of the Executive Summary of the Draft EIR with CD-inserts of the complete Public Review Draft EIR and appendices. Rincon will prepare a Notice of Completion (NOC) and transmit the required forms and copies of the Draft EIR to the State Clearinghouse. We assume that the City will be responsible for printing and binding copies of the Public Review Draft EIR and additional noticing required under the City’s procedures, including posting at the site or newspaper ads; and mailing copies and notices to the County Clerk, responsible agencies, if any, and neighboring or nearby property owners or residents, and other interested parties. However, Rincon is available to assist with these tasks for an additional fee.

**Task 6: Prepare Administrative Final EIR and Response to Comments.** Within three weeks of receiving all public comments on the Draft EIR, Rincon will prepare and submit draft Responses to Comments for City review. The Responses to Comments document will detail any changes, clarifications, or

additions to the Draft EIR that may be necessary in response to the comments received during public review. Within two weeks of receiving City comments on the draft Responses to Comments, Rincon will incorporate changes (if any) and prepare the Administrative Final EIR, including the Administrative Final MMRP and Responses to Comments on the Draft EIR.

Rincon has budgeted a total of 60 hours of staff time to prepare responses to comments received on the Public Review Draft EIR and 16 hours of staff time to address City comments on the draft responses and prepare the Administrative Final EIR, including Responses to Comments on the Draft EIR. If we identify that the public comments received during public review require additional staff time to adequately address, Rincon will request a budget augmentation to provide the required resources to ensure the Final EIR provides a through discussion of all environmental topics raised by commenters. The scope of work also assumes that the City and/or applicant will provide assistance addressing any comments pertaining to information, data, analysis, or technical studies provided City staff and/or the applicant.

**Task 7: Prepare Final EIR.** Rincon will provide an electronic version of the print-check copy of the Final EIR. The Final EIR will also include the Mitigation Monitoring and Reporting Program (MMRP) for the project. The MMRP will be formulated as a table listing all mitigation measures and indicating what monitoring actions are required, which department(s) will be responsible for monitoring, and when monitoring is to occur. After City review of the print-check copy of the Final EIR, we will provide a website-ready copy of the Final EIR and appendices (PDF sections). We assume that the City will be responsible for any required printing and binding; additional noticing required under the City’s procedures, including posting at the site or newspaper ads; and mailing copies and notices to the State Clearinghouse, County Clerk, and responsible agencies, if any.

**Task 8: Prepare CEQA Findings, Statement of Overriding Considerations, and Notice of Determination.** Rincon will prepare the CEQA Findings and Statement of Overriding Considerations for the project based on the impact conclusions of the Final EIR. The Draft CEQA Findings will be submitted alongside the Final EIR, and will contain a discussion of alternatives, including the rationale for rejecting each project alternative, using in part the Project Objectives established in the EIR Project Description (Task 2). This scope of work assumes that if alternatives are determined to be infeasible due to financial considerations, or that the Statement of Overriding Considerations relies on specific economic or financial factors, corresponding financial data to support these conclusions will be provided by the City or applicant team. The Final CEQA Findings will be prepared following receipt of any City comments on the Draft CEQA Findings. This task will comply with Section 15091 and 15093 of the State CEQA Guidelines and Rincon will provide an electronic copy of the CEQA Findings and Statement of Overriding Considerations to the City.

If the project is approved, Rincon will prepare a Notice of Determination (NOD) for the City to file with the State Clearinghouse. We assume that the City will be responsible for additional noticing and fee payments, including mailing notices to the County Clerk, and coordinating applicant payment of County Clerk and California Department of Fish & Wildlife CEQA fees.

**Task 9: Public Meetings and Hearing Attendance.** Rincon’s Principal-in-Charge and/or Project Manager will attend up to two public hearings, in addition to the scoping meeting described in Task 3. This proposal assumes that this will consist of one hearing before the Planning Commission and one hearing before the City Council. Attendance will include oral presentations to the hearing body and graphic presentations that summarize the CEQA process and the findings of our analysis, if requested. These hearings can be scheduled and selected at the City’s discretion. Attendance at additional hearings or by additional staff can be provided as an optional task at a cost of \$1,500 per hearing, per staff member.

## 4.2 Methodology and Approach to Environmental Issues

As summarized in Task 4 the EIR will include analysis of project impacts anticipated to be potentially significant based on the Initial Study and public input received during the scoping period. The document will use existing data and analyses, including issue-specific reporting prepared by the project applicant, to the extent appropriate and practical. A determination of significance will be made for each issue area and mitigation measures will be provided as necessary for identified significant effects. For the purposes of this scope of work Rincon assumes the issues requiring detailed analysis in the EIR will include aesthetics/visual resources; air quality, greenhouse gas emissions, and energy; biological resources; cultural resources and tribal cultural resources; geotechnical and paleontological resources; hazards and hazardous materials; noise; and transportation. All issues in the EIR will be analyzed with regard for the requirements and standards contained in the City’s General Plan and Local Coastal Program (Plan Morro Bay). The following describes our general approach to each of the environmental issues:

- **Aesthetics/Visual Resources.** The project site is visible from State Route 1, an officially designated State Scenic Highway and All American Road. This section will discuss long-term visual impacts, including changes to visual character and alteration of views that may occur as a result of project components, including overhead transmission lines. The analysis will also consider light and glare impacts from project-related vehicle headlights, building lights, etc. The analysis will rely on Visual Simulations, as well as existing elevations and photographs of views of the project site from public viewsheds being provided by the applicant and will discuss the project’s consistency with the existing City development standards for public facilities/institutional development. This scope of work assumes that any additional visual simulations required by the City will be provided by the project applicant.
- **Air Quality, Greenhouse Gas Emissions, and Energy.** An Air Quality, Greenhouse Gas Emissions, and Energy Report is being prepared for the project by the applicant team. It is our understanding that this report will estimate criteria pollutant emissions and greenhouse gas emissions associated with construction and operation of the project, account for any emissions- or energy-reducing benefits provided by operation of the project, and discuss the project’s energy consumption and consistency with energy consumption characteristics of similar projects and applicable policies regarding energy use. Recommendations for the project from the Air Quality, Greenhouse Gas Emissions, and Energy Report, as well as applicable San Luis Obispo Air Pollution Control District (SLOAPCD) grading and construction management practices, will be incorporated into Air Quality, Greenhouse Gas Emissions, and Energy chapters of the EIR.

It is our understanding that the Air Quality, Greenhouse Gas Emissions, and Energy Report will be prepared in accordance with the methodologies and significance thresholds outlined in the SLOAPCD CEQA Air Quality Handbook. Our scope of work assumes that the conclusions of the Air Quality, Greenhouse Gas Emissions, and Energy Report will be verified during our peer review of the applicant-prepared technical studies (Task 1), and that no additional emissions modeling or further analysis of potential air quality, greenhouse gas emissions, or energy-related impacts will be necessary.

- **Biological Resources.** The Biological Resources chapter of the EIR will assess impacts to sensitive habitats and special status species based on the findings of the Biological Resources Assessment Report, rare plant surveys, and Morro shoulderband snail surveys being prepared for the project site by the applicant team. It is our understanding that the Biological Resources Assessment Report will include a literature review and California Natural Diversity Database (CNDDDB) query of a five-mile buffer surrounding the project site, identify biological resources constraints associated with

sensitive species migration and roosting/nesting activity within the direct vicinity of the project site, and recommend mitigation measures as required, potentially including pre-construction surveys.

This task does not include additional species-specific surveys, botanical surveys, or jurisdictional delineation work beyond the reporting being prepared by the project applicant. This scope of work assumes that the conclusions of the Biological Resources Assessment Report, and the findings of the rare plant surveys, and Morro shoulderband snail surveys will be verified during our peer review of the applicant-prepared technical studies (Task 1), and that no field review or further analysis of potential biological resource impacts will be necessary to determine presence/absence of sensitive biological resources. In the event that additional biological resources surveys are necessary, Rincon is available to conduct additional biological resources review and analysis upon written City authorization on a time-and-materials basis in accordance with our standard fee schedule, attached to this proposal.

- **Cultural Resources and Tribal Cultural Resources.** The Cultural Resources and Tribal Cultural Resources chapter of the EIR will assess impacts to cultural resources based on the findings of the Cultural Resources Report – Extended Phase 1 Cultural Survey (Cultural Resources Report) being prepared for the project site by the applicant team. It is our understanding that the Cultural Resources Report will include a literature review, Central Coast Information Center (CCIC) records search, and a review of State Historic Property Data Files, National Register of Historic Places, National Register of Determined Eligible Properties, California Points of Historic Interest, and California Office of Historic Preservation Archaeological Determinations of Eligibility. Because there are previously recorded cultural resources on the project site, we understand the Cultural Resources Report will include recommended measures to reduce impacts to known cultural resources, including monitoring during excavation and buffer zones surrounding identified cultural resource site boundaries. This scope of work assumes that the conclusions of the Cultural Resources Report will be verified during our peer review of the applicant-prepared technical studies (Task 1), and that no field review or further analysis of potential cultural resource impacts will be necessary to determine presence/absence of sensitive cultural resources. Standard mitigation measures in accordance with the City guidelines will be included in the EIR for the unanticipated discovery of prehistoric and historic cultural resources during grading and development associated with the project.

Under Assembly Bill No. 52 (AB 52), the lead agency is required to initiate consultation with California Native American tribes that are traditionally and culturally affiliated with the project area prior to the release of an EIR. Rincon assumes the City will conduct the initial Native American outreach for the project in accordance with AB 52. Native American contacts have 30 days to respond and request further consultation. Due to the circumstances surrounding COVID-19, AB 52 response windows have been shifted pending the requirements of state-issued executive orders; Native American consultation efforts may need to be shifted to meet timing requirements at the time consultation begins. Due to the presence of previously recorded cultural resources within the project site, Rincon has budgeted a total of ten hours of staff time to assist City staff with consultation. Information received during the City’s Native American consultation, if any, will be used to complete the discussion of potential impacts to tribal cultural resources as a result of the project. Our scope of work for Tribal Cultural Resources assumes that the consulted Native American contacts will concur with the mitigation recommendations of the Cultural Resources Report and the conclusion that the identified mitigation measures would avoid significant adverse impacts, and that additional analysis of the identified resources on the site will not be required to satisfy CEQA.

- **Geotechnical and Paleontological Resources.** The applicant has submitted geologic hazards and paleontological resource reviews of the subject property based on the Duke Energy application to the California Energy Commission (CEC) for modernization previously proposed at the former Morro Bay Power Plant property in 2000. The analysis includes a literature review and field reconnaissance of the subject property. The geologic and paleontological resource reviews identify potential geotechnical hazards and impacts to unidentified paleontological specimens and recommend mitigation measures, including engineering geology reporting, compliance with required engineering and design features and paleontological monitoring during construction. This scope of work assumes that the conclusions of the previous geologic hazards and paleontological resource reviews will be verified during our peer review of the applicant-prepared technical studies (Task 1), and that no field review or further analysis of potential geotechnical or paleontological resource impacts will be necessary. The conclusions and mitigation recommendations in these reviews will be incorporated into the Geotechnical and Paleontological Resources chapter of the EIR.
- **Hazards and Hazardous Materials.** This chapter of the EIR will be based on Historic Hazardous Materials Documentation being prepared by the project applicant. It is our understanding that the documentation will include a literature review, query of the California Department of Toxic Substances Control's (DTSC) EnviroStor database and California Regional Water Quality Control Board's (RWQCB) GeoTracker database for the subject property, and consultation with DTSC regarding clean-up of the property. The Historic Hazardous Materials Documentation will identify potential constraints associated with soil and groundwater conditions and Resource Conservation and Recovery Act (RCRA) impoundments. As necessary, Rincon will provide recommendations to avoid potential hazardous materials impacts, including avoidance, removal, disposal, and recovery planning in coordination with DTSC and RWQCB. This scope of work assumes that the Historic Hazardous Materials Documentation will be verified during our peer review of the applicant-prepared technical studies (Task 1), and that no field review or further analysis of potential hazards or hazardous materials impacts, including potential risk of upset/safety impacts, will be necessary. The conclusions of this documentation will be incorporated into the Hazards and Hazardous Materials chapter of the EIR.
- **Noise.** This chapter of the EIR will assess potential short-term and long-term noise impacts of the project based on the findings of the Noise Report being prepared by the project applicant and a desktop-level analysis of potential long-term noise effects associated with operation of the proposed project, including proposed on-site stationary equipment and project-added vehicle trips. Rincon will collect up to four (4) field measurements of existing ambient noise levels in the project site vicinity to establish baseline noise conditions.

The analysis of traffic noise will be based on the traffic levels identified in the Traffic Study to be provided by the project applicant. Rincon will estimate existing and future traffic noise levels, including project-generated traffic, along up to four roadway segments using the Federal Highway Administration Traffic Noise Model® (TNM version 2.5) or the Department of Housing and Urban Development Day-Night Noise Level (HUD DNL) tool. Noise exposure from these sources will be assessed in terms of Community Noise Exposure Levels (CNEL).

It is our understanding that the Noise Report will estimate the potential construction noise that would result from the project and changes to noise levels during the construction period, and concludes that no additional mitigation would be required to address short-term noise impacts. This scope of work assumes that the conclusions of the Noise Report will be verified during our peer review of the applicant-prepared technical studies (Task 1), and that no additional noise



measurements, noise modeling, or further analysis of potential construction noise impacts will be necessary.

- **Transportation.** The applicant is preparing a Traffic Report for the project. It is our understanding that the Traffic Report will estimate the potential for new vehicle trips to contribute to traffic impacts during construction of the project, and that the Traffic Report will conclude that project-generated traffic would not result in short- or long-term Level of Service impacts in the City. This scope of work assumes that City staff will review the conclusions and recommendations of the Traffic Report for consistency with applicable City policies and guidelines and existing City traffic models, and a formal peer review of the traffic study by Rincon will not be required. This scope of work further assumes that the City will be requesting from the project applicant an analysis of project-generated VMT and potential transportation impacts resulting from the generation of new VMT, consistent with the requirements of the most recent update to the CEQA Guidelines. Rincon will incorporate the findings of the project VMT analysis into the Transportation chapter of the EIR. This scope of work assumes that no further analysis of potential traffic impacts will be necessary.

## 5 Project Schedule

Rincon Consultants has an excellent reputation for adhering to schedules and meeting milestones. Based on our understanding of the project and the analysis required, Rincon proposes to adhere to a schedule that allows for public review of the Draft EIR within approximately 8 months from notice to proceed, and completion of the Final EIR in approximately 12 months depending on City review times and the number and complexity of public comments.

This schedule assumes that the applicant-prepared technical studies would be complete and found to be adequate to evaluate environmental effects under CEQA within 4 weeks of contract authorization and notice to proceed. Due to the public hearings planned for the project, the scheduling of which would be determined at the discretion of the City, the final schedule for the EIR process will require coordination with City staff. Rincon’s Project Manager, Chris Bersbach, overseen by the Principal-in-Charge, Richard Daulton, will use the Kickoff Meeting as an opportunity to establish a working schedule for the environmental review process. Bi-weekly meetings will provide a regular opportunity to review the project status and any changes to the project schedule. We are committed to processing the environmental review for the project in a timely and efficient manner, while maintaining a high level of public inclusion.

| Key Task  | Schedule   |
|---|--|
| <b>Kickoff Meeting</b>  | Within 2 weeks of contract authorization and notice to proceed   |
| <b>Peer Review of Applicant Technical Studies</b>               | Within 2 weeks of contract authorization and notice to proceed and receipt of applicant-prepared technical studies |
| <b>Project Description (PD)</b>                                 | Within 4 weeks of contract authorization and notice to proceed   |
| <b>Initial Study (IS)</b>                                       | Within 6 weeks of contract authorization and notice to proceed   |
| <b>City/Applicant Review of PD/IS</b>                           | 2 weeks after submittal of PD/IS   |
| <b>Initiate NOP Scoping Period</b>                              | 2 weeks after receiving City comments on PD/IS   |
| <b>NOP Scoping Period</b>                                       | 4 weeks (30 days)  |
| <b>Administrative Draft EIR (ADEIR)</b>                         | Within 12 weeks of close of NOP Scoping Period AND receipt of Final Technical Studies from Applicant               |
| <b>City Review of ADEIR</b>                                     | 4 weeks after submittal of ADEIR   |
| <b>Public Review Draft EIR (DEIR)</b>                           | 3 weeks after receiving City comments on ADEIR   |
| <b>Public Review Period</b>                                     | 6.5 weeks (45 days)  |
| <b>Administrative Draft Responses to Comments (ADRTC)</b>       | 3 weeks after close of Public Review Period  |
| <b>City review of ADRTC</b>                                     | 2 weeks after submittal of ADRTC   |
| <b>Final Comments and Responses</b>                             | 2 weeks from receiving City comments on ADRTC  |
| <b>CEQA Findings and Statement of Overriding Considerations</b> | 4 weeks from receiving City comments on ADRTC (includes City review)   |
| <b>Final EIR Production (DEIR, RTC, and MMRP)</b>               | 2 weeks after City approval of Final Comments and Responses  |
| <b>Meetings and Presentations</b>                               | To be determined based on City hearing schedule  |

## 6 Cost Estimate and Fee Schedule

Rincon Consultants will prepare the Proposed Battery Energy Storage System at 1290 Embarcadero Road EIR for the City of Morro Bay, in accordance with our proposed scope of services, for an estimated fee of \$158,548. The table on the following page provides a breakdown of costs by work task.



**Cost Estimate**

| Tasks  | Rincon Labor Classification → |                 |              | Principal II     | Supervisor I     | Senior Professional I | Professional III | Technical Editor | Production Specialist | GIS/CADD Specialist II | Clerical        |
|--|-------------------------------|-----------------|--------------|------------------|------------------|-----------------------|------------------|------------------|-----------------------|------------------------|-----------------|
|  | Labor Cost                    | Direct Expense  | Hours        | \$247            | \$201            | \$165                 | \$134            | \$115            | \$91                  | \$129                  | \$77            |
| <b>Task 1: Project Initiation &amp; Project/Contract Management</b>          |                               |                 |              |                  |                  |                       |                  |                  |                       |                        |                 |
| Task 1.1 Kick-off Meeting  | \$1,958                       |                 | 10           | 2                | 4                | 4                     |                  |                  |                       |                        |                 |
| Task 1.2 Initial Review of Applicant Prepared Technical Studies              | \$9,296                       | \$85            | 48           | 8                | 20               | 20                    |                  |                  |                       |                        |                 |
| Task 1.3 Project/Contract Management   | \$15,992                      |                 | 96           | 16               | 8                | 40                    | 24               |                  |                       |                        | 8               |
| <b>Task Subtotal</b>   | <b>\$27,246</b>               | <b>\$85</b>     | <b>154</b>   | <b>26</b>        | <b>32</b>        | <b>64</b>             | <b>24</b>        |                  |                       |                        | <b>8</b>        |
| <b>Task 2: Prepare Project Description</b>                                   |                               |                 |              |                  |                  |                       |                  |                  |                       |                        |                 |
| Task 2.1 Administrative Draft Project Description                            | \$4,196                       |                 | 28           | 2                | 2                | 4                     | 12               |                  |                       | 8                      |                 |
| Task 2.2 Draft Project Description   | \$1,942                       |                 | 14           |                  |                  | 4                     | 4                | 2                |                       | 4                      |                 |
| <b>Task Subtotal</b>   | <b>\$6,138</b>                |                 | <b>42</b>    | <b>2</b>         | <b>2</b>         | <b>8</b>              | <b>16</b>        | <b>2</b>         |                       | <b>12</b>              |                 |
| <b>Task 3: Prepare and Circulate Initial Study/Notice of Preparation</b>     |                               |                 |              |                  |                  |                       |                  |                  |                       |                        |                 |
| Task 3.1 Initial Study and Notice of Preparation                             | \$11,104                      |                 | 76           | 4                | 4                | 16                    | 40               | 4                | 2                     | 4                      | 2               |
| Task 3.2 Scoping Meeting   | \$1,968                       |                 | 12           | 2                |                  | 8                     |                  |                  |                       |                        | 2               |
| <b>Task Subtotal</b>   | <b>\$13,072</b>               |                 | <b>88</b>    | <b>6</b>         | <b>4</b>         | <b>24</b>             | <b>40</b>        | <b>4</b>         | <b>2</b>              | <b>4</b>               | <b>4</b>        |
| <b>Task 4: Prepare Administrative Draft EIR</b>                              |                               |                 |              |                  |                  |                       |                  |                  |                       |                        |                 |
| Task 4.1 Executive Summary   | \$1,917                       |                 | 13           | 1                |                  | 2                     | 10               |                  |                       |                        |                 |
| Task 4.2 Introduction and Environmental Setting                              | \$1,649                       |                 | 11           | 1                |                  | 2                     | 8                |                  |                       |                        |                 |
| Task 4.3 Environmental Impacts and Mitigation Measures                       |                               |                 |              |                  |                  |                       |                  |                  |                       |                        |                 |
| <i>Aesthetics/Visual Resources Chapter</i>                                   | \$5,154                       | \$85            | 34           | 2                | 2                | 8                     | 20               |                  |                       | 2                      |                 |
| <i>Air Quality, GHG Emissions, Energy Chapters</i>                           | \$9,214                       |                 | 58           | 6                | 4                | 16                    | 32               |                  |                       |                        |                 |
| <i>Biological Resources Chapter</i>  | \$6,886                       | \$180           | 46           | 2                | 2                | 12                    | 28               |                  |                       | 2                      |                 |
| <i>Cultural Resources and Tribal Cultural Resources Chapter</i>              | \$6,350                       |                 | 42           | 2                | 2                | 12                    | 24               |                  |                       | 2                      |                 |
| <i>Native American Consultation</i>  | \$1,464                       |                 | 10           |                  |                  | 4                     | 6                |                  |                       |                        |                 |
| <i>Geotechnical and Paleontological Resources Chapter</i>                    | \$4,772                       |                 | 32           | 2                | 2                | 4                     | 24               |                  |                       |                        |                 |
| <i>Hazards and Hazardous Materials Chapter</i>                               | \$4,772                       |                 | 32           | 2                | 2                | 4                     | 24               |                  |                       |                        |                 |
| <i>Noise Chapter</i>   | \$6,504                       | \$188           | 44           | 2                | 2                | 8                     | 32               |                  |                       |                        |                 |
| <i>Transportation Chapter</i>  | \$5,020                       |                 | 32           | 2                | 2                | 12                    | 16               |                  |                       |                        |                 |
| <i>Effects Found Not to be Significant/Issues Addressed in Initial Study</i> | \$1,732                       |                 | 12           |                  |                  | 4                     | 8                |                  |                       |                        |                 |
| Task 4.4 Alternatives  | \$7,504                       |                 | 48           | 4                | 4                | 12                    | 24               |                  |                       | 4                      |                 |
| Task 4.5 Other CEQA Issue Areas  | \$3,092                       |                 | 20           | 2                |                  | 6                     | 12               |                  |                       |                        |                 |
| Task 4.6 Administrative Draft EIR Production                                 | \$4,196                       |                 | 36           |                  |                  | 8                     |                  | 16               | 8                     |                        | 4               |
| <b>Task Subtotal</b>   | <b>#####</b>                  | <b>\$453</b>    | <b>###</b>   | <b>28</b>        | <b>22</b>        | <b>114</b>            | <b>268</b>       | <b>16</b>        | <b>8</b>              | <b>10</b>              | <b>4</b>        |
| <b>Task 5: Public Review Draft EIR</b>                                       |                               |                 |              |                  |                  |                       |                  |                  |                       |                        |                 |
| Task 5.1 Screencheck Draft EIR Preparation                                   | \$6,280                       |                 | 40           | 4                | 4                | 8                     | 20               | 2                |                       | 2                      |                 |
| Task 5.2 Public Review Draft EIR Production                                  | \$3,676                       | \$580           | 28           |                  | 2                | 8                     | 8                |                  | 8                     |                        | 2               |
| Task 5.3 Noticing  | \$844                         |                 | 8            |                  |                  |                       | 4                |                  |                       |                        | 4               |
| <b>Task Subtotal</b>   | <b>#####</b>                  | <b>\$580</b>    | <b>76</b>    | <b>4</b>         | <b>6</b>         | <b>16</b>             | <b>32</b>        | <b>2</b>         | <b>8</b>              | <b>2</b>               | <b>6</b>        |
| <b>Task 6: Prepare Administrative Final EIR and Response to Comments</b>     |                               |                 |              |                  |                  |                       |                  |                  |                       |                        |                 |
| Task 6.1 Draft Responses to Comments   | \$9,836                       |                 | 60           | 6                | 8                | 20                    | 24               | 2                |                       |                        |                 |
| Task 6.2 Administrative Final EIR Preparation                                | \$3,518                       |                 | 22           | 2                | 2                | 8                     | 8                | 2                |                       |                        |                 |
| Task 6.3 Administrative Final MMRP   | \$1,582                       |                 | 10           | 1                | 1                | 2                     | 6                |                  |                       |                        |                 |
| <b>Task Subtotal</b>   | <b>#####</b>                  |                 | <b>92</b>    | <b>9</b>         | <b>11</b>        | <b>30</b>             | <b>38</b>        | <b>4</b>         |                       |                        |                 |
| <b>Task 7: Prepare Final EIR</b>   |                               |                 |              |                  |                  |                       |                  |                  |                       |                        |                 |
| Task 7.1 Final EIR Production  | \$3,026                       |                 | 20           | 2                | 2                | 6                     | 6                |                  | 2                     |                        | 2               |
| Task 7.2 Final MMRP  | \$608                         |                 | 4            |                  | 1                | 2                     |                  |                  |                       |                        | 1               |
| <b>Task Subtotal</b>   | <b>\$3,634</b>                |                 | <b>24</b>    | <b>2</b>         | <b>3</b>         | <b>8</b>              | <b>6</b>         |                  | <b>2</b>              |                        | <b>3</b>        |
| <b>Task 8: Prepare CEQA Findings, SOOC, and NOD</b>                          |                               |                 |              |                  |                  |                       |                  |                  |                       |                        |                 |
| Task 8.1 Findings and Statement of Overriding Considerations                 | \$6,998                       |                 | 46           | 4                | 2                | 12                    | 24               | 2                | 2                     |                        |                 |
| Task 8.2 Notice of Determination   | \$675                         |                 | 5            |                  |                  | 2                     | 2                |                  |                       |                        | 1               |
| <b>Task Subtotal</b>   | <b>\$7,673</b>                |                 | <b>51</b>    | <b>4</b>         | <b>2</b>         | <b>14</b>             | <b>26</b>        | <b>2</b>         | <b>2</b>              |                        | <b>1</b>        |
| <b>Task 9: Public Meeting and Hearing Attendance</b>                         |                               |                 |              |                  |                  |                       |                  |                  |                       |                        |                 |
| Task 9.1 Public Hearings (2)   | \$3,705                       |                 | 21           | 4                |                  | 16                    |                  |                  |                       |                        | 1               |
| <b>Task Subtotal</b>   | <b>\$3,705</b>                |                 | <b>21</b>    | <b>4</b>         |                  | <b>16</b>             |                  |                  |                       |                        | <b>1</b>        |
| <b>Subtotal Cost</b>   | <b>\$ 157,430</b>             | <b>\$ 1,118</b> | <b>1,018</b> | <b>\$ 20,995</b> | <b>\$ 16,080</b> | <b>\$ 48,510</b>      | <b>\$ 60,300</b> | <b>\$ 3,450</b>  | <b>\$ 3,094</b>       | <b>\$ 3,612</b>        | <b>\$ 2,079</b> |

**Direct Cost Detail**

|  |                 |
|--|-----------------|
| Vehicle Costs  | \$ 340          |
| Standard Field Equipment Package   | \$ 95           |
| Sound Level Metering Field Package: anemometer, tripod and digital camera. | \$ 103          |
| Photocopies Double-Sided BW  | \$ 160          |
| Colored Copies Single-Sided  | \$ 120          |
| Reproduction CDs   | \$ 300          |
| <b>Subtotal Additional Costs</b>   | <b>\$ 1,118</b> |

Professional Services are based on Rincon's standard fee schedule and labor classifications. The above is provided as an estimate of Rincon's effort per task. Rincon may reallocate budget between staff and tasks, as long as the total contract price is not exceeded.

Annual Escalation – Standard rates subject to 3% escalation annually

Updated: 01.01.21

**Summary**

|                             |                   |
|-----------------------------|-------------------|
| Professional Fees Subtotal  | <b>\$157,430</b>  |
| Direct Costs Subtotal       | <b>\$1,118</b>    |
| <b>Total Project Budget</b> | <b>\$ 158,548</b> |

**Optional Tasks**

|   |                |
|---|----------------|
| Additional Public Hearing Attendance (per staff member per hearing) | <b>\$1,500</b> |
|---|----------------|

# Exhibit A 1

City of Morro Bay

## Battery Energy Storage System at 1290 Embarcadero Road – Environmental Impact Report

### Standard Fee Schedule for Environmental Sciences and Planning Services

| Professional, Technical and Support Personnel* | Hourly Rate |
|--|-------------|
| Principal II                                   | \$247       |
| Director II                                    | \$247       |
| Principal I                                    | \$227       |
| Director I                                     | \$227       |
| Senior Supervisor II                           | \$211       |
| Supervisor I                                   | \$201       |
| Senior Professional II                         | \$180       |
| Senior Professional I                          | \$165       |
| Professional IV                                | \$149       |
| Professional III                               | \$134       |
| Professional II                                | \$118       |
| Professional I                                 | \$108       |
| Associate III                                  | \$98        |
| Associate II                                   | \$93        |
| Associate I                                    | \$84        |
| Project Assistant                              | \$77        |
| Senior GIS Specialist                          | \$144       |
| GIS/CADD Specialist II                         | \$129       |
| GIS/CADD Specialist I                          | \$115       |
| Technical Editor                               | \$115       |
| Production Specialist                          | \$91        |
| Clerical                                       | \$77        |

\*Professional classifications include environmental scientists, urban planners, biologists, geologists, marine scientists, GHG verifiers, sustainability experts, cultural resources experts, and other professionals. Expert witness services consisting of depositions or in-court testimony are charged at the hourly rate of \$350.

### Reimbursable Expenses

| Direct Cost                        | Rates   |
|------------------------------------|---|
| Photocopies – Black and White      | \$0.20 (single-sided) & \$0.40 (double-sided) |
| Photocopies – Color                | \$1.50 (single-sided) & \$3.00 (double-sided) |
| Photocopies – 11 x 17              | \$0.50 (B&W) & \$3.30 (color)                 |
| Oversized Maps                     | \$8.00/square foot                            |
| Digital Production                 | \$15/disc and \$20/flash drive                |
| Light-Duty and Passenger Vehicles* | \$85/day                                      |
| 4WD and Off-Road Vehicles*         | \$135/day                                     |

\* \$0.65/mile for mileage over 50 and for all miles incurred in employee-owned vehicles.

**Other direct costs** associated with the execution of a project, that are not included in the hourly rates above, are billed at cost plus 15%. These may include, but are not limited to, laboratory and drilling services, subcontractor services, authorized travel expenses, permit charges and filing fees, mailings and postage, performance bonds, sample handling and shipment, rental equipment, and vehicles other than covered by the above charges.

**Payment Terms.** All fees will be billed to Client monthly and shall be due and payable upon receipt. Invoices are delinquent if not paid within 10 days from receipt.

| Equipment  | Day Rate      |
|--|---------------|
| <b>Environmental Site Assessment</b>   |               |
| Soil Vapor Extraction Monitoring Equipment   | \$144         |
| Four Gas Monitor   | \$124         |
| Flame Ionization Detector  | \$100         |
| Photo Ionization Detector  | \$75          |
| Hand Auger Sampler   | \$57          |
| Water Level Indicator, DC Purge Pump   | \$41          |
| <b>Natural Resources Field Equipment</b>   |               |
| UAS Drone  | \$250         |
| Spotting or Fiberoptic Scope   | \$155         |
| Pettersson Bat Ultrasound Detector/Recording Equipment   | \$155         |
| Sound Level Metering Field Package (Anemometer, Tripod and Digital Camera)   | \$103         |
| GPS (Sub-meter Accuracy)   | \$60          |
| Infrared Sensor Digital Camera or Computer Field Equipment   | \$52          |
| Scent Station  | \$21          |
| Laser Rangefinder/Altitude   | \$10          |
| Pit-fall Traps, Spotlights, Anemometer, GPS Units, Sterilized Sample Jar   | \$8           |
| Mammal Trap, Large/Small   | \$1.50/\$0.50 |
| <b>Water and Marine Resources Equipment</b>  |               |
| Boat (26 ft. Radon or Similar)   | \$565         |
| Boat (20 ft. Boston Whaler or Similar)   | \$310         |
| Multi Parameter Sonde (Temp, Cond, Turbidity, DO, pH) with GPS   | \$155         |
| Water Quality Equipment (DO, pH, Turbidity, Refractometer, Temperature)  | \$57          |
| Refractometer (Salinity) or Turbidity Meter  | \$35          |
| Large Block Nets   | \$103         |
| Minnow Trap  | \$88          |
| Net, Hand/Large Seine  | \$10/\$50     |
| <b>Field Equipment Packages</b>  |               |
| Standard Field Package (Digital Camera, GPS, Thermometer, Binoculars, Tablet, Safety Equipment, and Botanic Collecting Equipment)  | \$100         |
| Remote Field Package (Digital Camera, GPS, Thermometer, Binoculars, Tablet and Mifi, Delorme Satellite Beacon, 24-Hour Safety Phone)   | \$130         |
| Amphibian/Vernal Pool Field Package (Digital Camera, GPS, Thermometer, Decon Chlorine, Waders, Float Tube, Hand Net, Field Microscope)   | \$155         |
| Fisheries Equipment Package (Waders, Wetsuits, Dip Nets, Seine Nets, Bubblers, Buckets)  | \$52          |
| Underwater and Marine Sampling Gear (U/W Photo/Video Camera, Scuba Equipment (Tanks, BCD, Regulators, Wetsuits, etc.))   | \$50/diver    |
| Marine Field Package (PFDs – Personal Flotation Devices, 100-foot Reel Tapes with Stainless Carabiners, Pelican Floats, Underwater Slates, Thermometer, Refractometer, Anemometer, Various Field Guides) | \$50          |
| <b>Insurance, Hazard and Safety Fees</b>   |               |
| L&H Dive Insurance   | \$50/diver    |
| Level C Health and Safety  | \$60 person   |

Exhibit 1  
Attachment 1

City of Morro Bay

**Battery Energy Storage System at 1290 Embarcadero Road – Environmental Impact Report**

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**EXHIBIT B**

**INSURANCE REQUIREMENTS**

*Prior to the beginning of and throughout the duration of the Agreement, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City..*

*Consultant shall provide the following types and amounts of insurance:*

Commercial General Liability Insurance using Insurance Services Office “Commercial General Liability” policy from CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant’s employees will use personal autos in any way to perform the Scope of Services, then Consultant shall provide evidence of personal auto liability coverage for each such person.

Property Damage Insurance in an amount of not less than \$1,000,000 for damage to the property of each person on account of any one occurrence.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer’s liability limits.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage



## Attachment 1

provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a “pay on behalf” basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured’s liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of Consultant, subContractors or others involved in the Work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant and “Covered Professional Services” as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$2,000,000 per claim and in the aggregate. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer’s duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

*Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Bests rating of A- or better and a minimum financial size VII.*

Exhibit B

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## Attachment 1

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and City agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds the City of Morro Bay and its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992. Consultant also agrees to require all Consultants, and subContractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all Consultants and subContractors to do likewise.
3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.
4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.
6. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.
7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems

Exhibit B

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## Attachment 1

necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City's option.

8. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subContractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self-insurance available to City.
9. Consultant agrees to ensure that subcontractors, and any other party involved with the Scope of Services who is brought onto or involved in the Scope of Services by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the Scope of Services will be submitted to City for review.
10. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, subContractor, Architect, Engineer or other entity or person in any way involved in the performance of the Scope of Services to self-insure its obligations to City. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At the time the City shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
11. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City will negotiate additional compensation proportional to the increase benefit to City.
12. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
13. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirements in no way

Exhibit B

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## Attachment 1

imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.

14. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
15. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.
16. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
17. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
18. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
19. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
20. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the Scope of Services reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to

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## Attachment 1

reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

21. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

Exhibit B

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# CERTIFICATE OF LIABILITY INSURANCE

2/1/2022

DATE (MM/DD/YYYY)

1/26/2021

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

| <b>PRODUCER</b> Lockton Insurance Brokers, LLC<br>777 S. Figueroa Street, 52nd Fl.<br>CA License #0F15767<br>Los Angeles CA 90017<br>(213) 689-0065 | <b>CONTACT NAME:</b><br><b>PHONE (A/C, No, Ext):</b> _____ <b>FAX (A/C, No):</b> _____<br><b>E-MAIL ADDRESS:</b> _____<br><table style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 80%;">INSURER(S) AFFORDING COVERAGE</th> <th style="width: 20%;">NAIC #</th> </tr> <tr> <td>INSURER A : Crum &amp; Forster Specialty Insurance Co</td> <td style="text-align: center;">44520</td> </tr> <tr> <td>INSURER B : Hartford Fire Insurance Company</td> <td style="text-align: center;">19682</td> </tr> <tr> <td>INSURER C : Starstone National Insurance Company</td> <td style="text-align: center;">25496</td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table> | INSURER(S) AFFORDING COVERAGE | NAIC # | INSURER A : Crum & Forster Specialty Insurance Co | 44520 | INSURER B : Hartford Fire Insurance Company | 19682 | INSURER C : Starstone National Insurance Company | 25496 | INSURER D : |  | INSURER E : |  | INSURER F : |  |
|---|--|-------------------------------|--------|---|-------|---|-------|--|-------|-------------|--|-------------|--|-------------|--|
| INSURER(S) AFFORDING COVERAGE   | NAIC #   |                               |        |   |       |   |       |  |       |             |  |             |  |             |  |
| INSURER A : Crum & Forster Specialty Insurance Co   | 44520  |                               |        |   |       |   |       |  |       |             |  |             |  |             |  |
| INSURER B : Hartford Fire Insurance Company   | 19682  |                               |        |   |       |   |       |  |       |             |  |             |  |             |  |
| INSURER C : Starstone National Insurance Company  | 25496  |                               |        |   |       |   |       |  |       |             |  |             |  |             |  |
| INSURER D :   |  |                               |        |   |       |   |       |  |       |             |  |             |  |             |  |
| INSURER E :   |  |                               |        |   |       |   |       |  |       |             |  |             |  |             |  |
| INSURER F :   |  |                               |        |   |       |   |       |  |       |             |  |             |  |             |  |
| <b>INSURED</b><br>1462718 Rincon Consultants, Inc.<br>180 N. Ashwood Ave.<br>Ventura CA 93003   |  |                               |        |   |       |   |       |  |       |             |  |             |  |             |  |

**COVERAGES** RINCO01      **CERTIFICATE NUMBER:** 16059467      **REVISION NUMBER:** XXXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE  | ADDL INSD | SUBR W D | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS  |
|----------|--|-----------|----------|---------------|-------------------------|-------------------------|---|
| A        | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br><input checked="" type="checkbox"/> SIR: \$50,000<br><input checked="" type="checkbox"/> P&I<br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC<br>OTHER: | Y         | Y        | EPK-133853    | 2/1/2021                | 2/1/2023                | EACH OCCURRENCE \$ 3,000,000<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000<br>MED EXP (Any one person) \$ 10,000<br>PERSONAL & ADV INJURY \$ 3,000,000<br>GENERAL AGGREGATE \$ 4,000,000<br>PRODUCTS - COMP/OP AGG \$ 4,000,000<br>\$ |
| B        | <b>AUTOMOBILE LIABILITY</b><br><input checked="" type="checkbox"/> ANY AUTO<br><input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS<br><input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY   | Y         | Y        | 72UENOL5481   | 2/1/2021                | 2/1/2022                | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000<br>BODILY INJURY (Per person) \$ XXXXXXXX<br>BODILY INJURY (Per accident) \$ XXXXXXXX<br>PROPERTY DAMAGE (Per accident) \$ XXXXXXXX<br>\$ XXXXXXXX   |
| A        | <input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR<br><input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE<br><input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000   | N         | N        | EFX-116867    | 2/1/2021                | 2/1/2022                | EACH OCCURRENCE \$ 5,000,000<br>AGGREGATE \$ 5,000,000<br>\$ XXXXXXXX   |
| C        | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input checked="" type="checkbox"/><br>If yes, describe under DESCRIPTION OF OPERATIONS below  | Y/N       | N/A      | T10210329     | 2/1/2021                | 2/1/2022                | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER<br>E.L. EACH ACCIDENT \$ 1,000,000<br>E.L. DISEASE - EA EMPLOYEE \$ 1,000,000<br>E.L. DISEASE - POLICY LIMIT \$ 1,000,000                                       |
| A        | Contractors Pollution Liab<br>E&O Liab.-Claims Made  | N         | N        | EPK-133853    | 2/1/2021                | 2/1/2023                | Limit: \$3,000,000/\$4,000,000<br>Limit: \$3,000,000/\$4,000,000<br>Retro Date: 12/9/1994   |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Cyber Liability: Carrier: HDI Specialty Insurance Company, Policy No. Renewal Policy #SCTRD2590380000, Policy Term: 2/1/2021-2/1/2022, Limit: \$5,000,000  
 SIR: \$10,000.

|   |  |
|---|--|
| <b>CERTIFICATE HOLDER</b><br>16059467<br>City of Morro Bay<br>955 Shasta Ave.<br>Morro Bay CA 93442 | <b>CANCELLATION</b> See Attachments<br><br>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br><br>AUTHORIZED REPRESENTATIVE<br> |
|---|--|

# Attachment 1

CONTINUATION DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS (Use only if more space is required)

City of Morro Bay and its officials, employees and agents are Additional Insureds for General Liability with respect to work performed for them by the Named Insured as required by written contract, per Blanket Additional Insured endorsement EN0320-0211 & EN0147-1111. Liability Coverage is Primary and Non-Contributory, per endorsement EN0147-1111. Blanket Waiver of Subrogation applies to General Liability, per Endorsement EN0147-1111.

Attachment 1

Attachment Code: D563840 Certificate ID: 16059467

Policy Number: EPK-133853

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

| Name Of Additional Insured Person(s) Or Organization(s):   | Location(s) of Covered Operations  |
|--|--|
| Blanket when specifically required in a written contract with the named insured.                       | Blanket when specifically required in a written contract with the named insured. |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. |  |

**A. Section III — Who Is An Insured** within the Common Provisions is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" cause, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf; in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.



Attachment 1

Attachment Code: D563841 Certificate ID: 16059467

Policy Number: EPK-133853

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

| Name of Additional Person(s) or Organization(s):                                 | Location And Description Of Completed Operations                                 |
|--|--|
| Blanket when specifically required in a written contract with the named insured. | Blanket when specifically required in a written contract with the named insured. |

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section III — Who Is An Insured** within the Common Provisions is amended to include as an insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

EN0320-0211

Page 1 of 1

Policy Number: EPK-133853

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PRIMARY AND NON-CONTRIBUTORY ADDITIONAL INSURED  
WITH WAIVER OF SUBROGATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
CONTRACTORS POLLUTION LIABILITY COVERAGE PART  
ERRORS AND OMISSIONS LIABILITY COVERAGE PART

**SCHEDULE**

|   |
|---|
| <p><b>Name Of Additional Insured Person(s) or Organization(s)</b><br/> Blanket when specifically required in a written contract with the named insured.</p> |
|---|

- A. **SECTION III — WHO IS AN INSURED** within the Common Provisions is amended to include as an additional insured the person(s) or organization(s) indicated in the Schedule shown above, but only with respect to liability arising out of "your work" for that person or organization performed by you, or by those acting on your behalf.
- B. As respects additional insureds as defined above, this insurance also applies to "bodily injury" or "property damage" arising out of your negligence when the following written contract requirements are applicable:
  - 1. Coverage available under this coverage part shall apply as primary insurance. Any other insurance available to these additional insureds shall apply as excess and not contribute as primary to the insurance afforded by this endorsement.
  - 2. We waive any right of recovery we may have against the person(s) or organization(s) indicated in the Schedule shown above because of payments we make for injury or damage arising out of "your work" performed under a written contract with that person(s) or organization(s).
  - 3. The term "additional insured" is used separately and not collectively, but the inclusion of more than one "additional insured" shall not increase the limits or coverage provided by this insurance.

This Endorsement does not reinstate or increase the Limits of Insurance applicable to any "claim" to which the coverage afforded by this Endorsement applies.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COM RCIAL AUTOM ILE BROAD FORM ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **BUSINESS AUTO COVERAGE FORM**

To the extent that the provisions of this endorsement provide broader benefits to the "insured" than other provisions of the Coverage Form, the provisions of this endorsement apply.

#### **1. BROAD FORM INSURED**

##### **A. Subsidiaries and Newly Acquired or Formed Organizations**

The Named Insured shown in the Declarations is amended to include:

- (1) Any legal business entity other than a partnership or joint venture, formed as a subsidiary in which you have an ownership interest of more than 50% on the effective date of the Coverage Form. However, the Named Insured does not include any subsidiary that is an "insured" under any other automobile policy or would be an "insured" under such a policy but for its termination or the exhaustion of its Limit of Insurance.
- (2) Any organization that is acquired or formed by you and over which you maintain majority ownership. However, the Named Insured does not include any newly formed or acquired organization:
  - (a) That is a partnership or joint venture,
  - (b) That is an "insured" under any other policy,
  - (c) That has exhausted its Limit of Insurance under any other policy, or
  - (d) 180 days or more after its acquisition or formation by you, unless you have given us notice of the acquisition or formation.

Coverage does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you formed or acquired the organization.

##### **B. Employees as Insureds**

Paragraph A.1. - WHO IS AN INSURED - of SECTION II - LIABILITY COVERAGE is amended to add:

- d. Any "employee" of yours while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

##### **C. Lessors as Insureds**

Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:

- e. The lessor of a covered "auto" while the "auto" is leased to you under a written agreement if:
  - (1) The agreement requires you to provide direct primary insurance for the lessor and
  - (2) The "auto" is leased without a driver.

Such a leased "auto" will be considered a covered "auto" you own and not a covered "auto" you hire.

##### **D. Additional Insured if Required by Contract**

(1) Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:

- f. When you have agreed, in a written contract or written agreement, that a person or organization be added as an additional insured on your business auto policy, such person or organization is an "insured", but only to the extent such person or organization is liable for "bodily injury" or "property damage" caused by the conduct of an "insured" under paragraphs a. or b. of Who Is An Insured with regard to the ownership, maintenance or use of a covered "auto."

The insurance afforded to any such additional insured applies only if the "bodily injury" or "property damage" occurs:

- (1) During the policy period, and
- (2) Subsequent to the execution of such written contract, and
- (3) Prior to the expiration of the period of time that the written contract requires such insurance be provided to the additional insured.

(2) How Limits Apply

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the most we will pay on behalf of such additional insured is the lesser of:

- (a) The limits of insurance specified in the written contract or written agreement; or
- (b) The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to Limits of Insurance shown in the Declarations and described in this Section.

(3) Additional Insureds Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance.

(4) Duties in The Event Of Accident, Claim, Suit or Loss

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the additional insured shall be required to comply with the provisions in LOSS CONDITIONS 2. - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS – OF SECTION IV – BUSINESS AUTO CONDITIONS, in the same manner as the Named Insured.

**E. Primary and Non-Contributory if Required by Contract**

Only with respect to insurance provided to an additional insured in 1.D. - Additional Insured If Required by Contract, the following provisions apply:

(3) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract or written agreement that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in Other Insurance 5.d.

(4) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (3) and (4) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, by the method described in Other Insurance 5.d.

**2. AUTOS RENTED BY EMPLOYEES**

Any "auto" hired or rented by your "employee" on your behalf and at your direction will be considered an "auto" you hire.

The OTHER INSURANCE Condition is amended by adding the following:

If an "employee's" personal insurance also applies on an excess basis to a covered "auto" hired or rented by your "employee" on your behalf and at your direction, this insurance will be primary to the "employee's" personal insurance.

### 3. AMENDED FELLOW EMPLOYEE EXCLUSION

EXCLUSION 5. - FELLOW EMPLOYEE - of SECTION II - LIABILITY COVERAGE does not apply if you have workers' compensation insurance in-force covering all of your "employees".

Coverage is excess over any other collectible insurance.

### 4. HIRED AUTO PHYSICAL DAMAGE COVERAGE

If hired "autos" are covered "autos" for Liability Coverage and if Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form for any "auto" you own, then the Physical Damage Coverages provided are extended to "autos" you hire or borrow, subject to the following limit.

The most we will pay for "loss" to any hired "auto" is:

- (1) \$100,000;
- (2) The actual cash value of the damaged or stolen property at the time of the "loss"; or
- (3) The cost of repairing or replacing the damaged or stolen property,

whichever is smallest, minus a deductible. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning. Hired Auto Physical Damage coverage is excess over any other collectible insurance. Subject to the above limit, deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

We will also cover loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss, subject to a maximum of \$1000 per "accident".

This extension of coverage does not apply to any "auto" you hire or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company)

### 5. PHYSICAL DAMAGE - ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE COVERAGE

Paragraph A.4.a. of SECTION III - PHYSICAL DAMAGE COVERAGE is amended to provide a limit of \$50 per day and a maximum limit of \$1,000.

### 6. LOAN/LEASE GAP COVERAGE

Under SECTION III - PHYSICAL DAMAGE COVERAGE, in the event of a total "loss" to a covered "auto", we will pay your additional legal obligation for any difference between the actual cash value of the "auto" at the time of the "loss" and the "outstanding balance" of the loan/lease.

"Outstanding balance" means the amount you owe on the loan/lease at the time of "loss" less any amounts representing taxes; overdue payments; penalties, interest or charges resulting from overdue payments; additional mileage charges; excess wear and tear charges; lease termination fees; security deposits not returned by the lessor; costs for extended warranties, credit life insurance, health, accident or disability insurance purchased with the loan or lease; and carry-over balances from previous loans or leases.

### 7. AIRBAG COVERAGE

Under Paragraph B. EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

The exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

### 8. ELECTRONIC EQUIPMENT - BROADENED COVERAGE

a. The exceptions to Paragraphs B.4 - EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE are replaced by the following:

Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- (1) Permanently installed in or upon the covered "auto";
- (2) Removable from a housing unit which is permanently installed in or upon the covered "auto";
- (3) An integral part of the same unit housing any electronic equipment described in Paragraphs (1) and (2) above; or

- (4) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

b. Section III – Version CA 00 01 03 10 of the Business Auto Coverage Form, Physical Damage Coverage, Limit of Insurance, Paragraph C.2 and Version CA 00 01 10 01 of the Business Auto Coverage Form, Physical Damage Coverage, Limit of Insurance, Paragraph C are each amended to add the following:

\$1,500 is the most we will pay for "loss" in any one "accident" to all electronic equipment (other than equipment designed solely for the reproduction of sound, and accessories used with such equipment) that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is:

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
- (2) Removable from a permanently installed housing unit as described in Paragraph 2.a. above or is an integral part of that equipment; or
- (3) An integral part of such equipment.

c. For each covered "auto", should loss be limited to electronic equipment only, our obligation to pay for, repair, return or replace damaged or stolen electronic equipment will be reduced by the applicable deductible shown in the Declarations, or \$250, whichever deductible is less.

#### **9. EXTRA EXPENSE - BROADENED COVERAGE**

Under Paragraph A. - COVERAGE - of SECTION III - PHYSICAL DAMAGE COVERAGE, we will pay for the expense of returning a stolen covered "auto" to you.

#### **10. GLASS REPAIR - WAIVER OF DEDUCTIBLE**

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

No deductible applies to glass damage if the glass is repaired rather than replaced.

#### **11. TWO OR MORE DEDUCTIBLES**

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

If another Hartford Financial Services Group, Inc. company policy or coverage form that is not an automobile policy or coverage form applies to the same "accident", the following applies:

- (1) If the deductible under this Business Auto Coverage Form is the smaller (or smallest) deductible, it will be waived;
- (2) If the deductible under this Business Auto Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

#### **12. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS**

The requirement in LOSS CONDITIONS 2.a. - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS - of SECTION IV - BUSINESS AUTO CONDITIONS that you must notify us of an "accident" applies only when the "accident" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) A member, if you are a limited liability company; or
- (4) An executive officer or insurance manager, if you are a corporation.

#### **13. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS**

If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not deny coverage under this Coverage Form because of such failure.

#### **14. HIRED AUTO - COVERAGE TERRITORY**

Paragraph e. of GENERAL CONDITIONS 7. - POLICY PERIOD, COVERAGE TERRITORY - of SECTION IV - BUSINESS AUTO CONDITIONS is replaced by the following:

- e. For short-term hired "autos", the coverage territory with respect to Liability Coverage is anywhere in the world provided that if the "insured's" responsibility to pay damages for "bodily injury" or "property damage" is determined in a "suit," the "suit" is brought in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

#### **15. WAIVER OF SUBROGATION**

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - of SECTION IV - BUSINESS AUTO CONDITIONS is amended by adding the following:

# Attachment 1

Attachment Code: D563844 Certificate ID: 16059467

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damages under this Coverage Form.

## 16. RESULTANT MENTAL ANGUISH COVERAGE

The definition of "bodily injury" in SECTION V-DEFINITIONS is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by any person, including mental anguish or death resulting from any of these.

## 17. EXTENDED CANCELLATION CONDITION

Paragraph 2. of the COMMON POLICY CONDITIONS - CANCELLATION - applies except as follows:

If we cancel for any reason other than nonpayment of premium, we will mail or deliver to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation.

## 18. HYBRID, ELECTRIC, OR NATURAL GAS VEHICLE PAYMENT COVERAGE

In the event of a total loss to a "non-hybrid" auto for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended as follows:

- a. If the auto is replaced with a "hybrid" auto or an auto powered solely by electricity or natural gas, we will pay an additional 10%, to a maximum of \$2,500, of the "non-hybrid" auto's actual cash value or replacement cost, whichever is less,
- b. The auto must be replaced and a copy of a bill of sale or new lease agreement received by us within 60 calendar days of the date of "loss,"

c. Regardless of the number of autos deemed a total loss, the most we will pay under this Hybrid, Electric, or Natural Gas Vehicle Payment Coverage provision for any one "loss" is \$10,000.

For the purposes of the coverage provision,

- a. A "non-hybrid" auto is defined as an auto that uses only an internal combustion engine to move the auto but does not include autos powered solely by electricity or natural gas.
- b. A "hybrid" auto is defined as an auto with an internal combustion engine and one or more electric motors; and that uses the internal combustion engine and one or more electric motors to move the auto, or the internal combustion engine to charge one or more electric motors, which move the auto.

## 19. VEHICLE WRAP COVERAGE

In the event of a total loss to an "auto" for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended to add the following:

In addition to the actual cash value of the "auto", we will pay up to \$1,000 for vinyl vehicle wraps which are displayed on the covered "auto" at the time of total loss. Regardless of the number of autos deemed a total loss, the most we will pay under this Vehicle Wrap Coverage provision for any one "loss" is \$5,000. For purposes of this coverage provision, signs or other graphics painted or magnetically affixed to the vehicle are not considered vehicle wraps.

Attachment 1

Attachment Code: D565978 Certificate ID: 16059467

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY**

**WC 00 03 13**  
(Ed. 4-84)

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

Schedule

**WHERE REQUIRED BY WRITTEN CONTRACT, PROVIDED THE CONTRACT IS SIGNED AND DATED PRIOR TO THE DATE OF LOSS TO WHICH THIS WAIVER APPLIES. IN NO INSTANCE SHALL THE PROVISIONS AFFORDED BY THIS ENDORSEMENT BENEFIT ANY COMPANY OPERATING AIRCRAFT FOR HIRE.**

Missouri Special Note: Any person or organization for which the employer has agreed by written contract, executed prior to loss, may execute a waiver of subrogation. However, for purposes of work performed by the employer in Missouri, this waiver of subrogation does not apply to any construction group of classifications as designated by the waiver of right to recover from others (subrogation) rule in our manual.

Per Policy Minimum Waiver Premium by State:

- AL, AR, CA, CO, CT, DC, HI, ID, IL, IN, IA, KS, ME, MD, MI, MN, MS, MT, NV, NM, OH, OK, OR, PA, RI, SC, SD, UT, VT, WA,
- \$500: WV
- \$250: AK, DE, LA, NY, TN, VA
- \$100: NC (per waiver)
- \$50: WI
- N/A: AZ, FL, GA, KY, MA, MO, NE, NH, NJ, TX

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

**(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)**

|                                |                                      |                       |          |
|--------------------------------|--------------------------------------|-----------------------|----------|
| Endorsement Effective 2/1/2021 | Policy No. T10210329                 | Endorsement No.       | 10       |
| Insured                        | Rincon Consultants, Inc.             | Policy Effective Date | 2/1/2021 |
| Insurance Company              | StarStone National Insurance Company |                       |          |

Countersigned By  \_\_\_\_\_

**WC 00 03 13**  
(Ed. 4-84)

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AMENDMENT NO. 1 TO THE AGREEMENT  
FOR CONSULTANT SERVICES  
BETWEEN THE CITY OF MORRO BAY AND RINCON CONSULTANTS, INC.

This Amendment No. 1 to the Agreement for Consultant Services (“Amendment”) is entered by and between the City of Morro Bay, a municipal corporation (“City”) and Rincon Consultants, Inc., a California corporation (“Consultant”), effective as of March ~~19, 2021~~ <sup>Apr 4, 2022</sup> (the “Effective Date”). City and Consultant are sometimes referred to herein collectively, as the “Parties”.

**RECITALS**

WHEREAS, City and Consultant entered into an Agreement for Consultant Services dated effective as of March 19, 2021 (the “Agreement”), for certain services to be performed by Consultant to prepare CEQA documents and studies in connection with a proposed Battery Energy Storage project (“Project”) by Morro Bay Power Company, LLC, a California limited liability company (“MBPC”) to be located at 1290 Embarcadero Road, in the City of Morro Bay (i.e., the former Morro Bay Power Plant (the “Site”) for a not to exceed amount of \$158,548 (the “Original Contract Sum”); and

WHEREAS, the Parties now agree to amend the Agreement to provide for certain additional services that have been determined to be required under CEQA in order to prepare the CEQA documents and studies for the Project in connection with the proposed environmental impact report (“EIR”) required for the Project, which requires an expansion of the tasks to be provided by Consultant under the Agreement; and

WHEREAS, due to the expansion of the tasks required to be provided under the Agreement, the scope of work and the compensation payable pursuant to the Agreement must be amended, and therefore, the Parties desire to amend the Agreement as set forth herein.

**TERMS**

NOW THEREFORE, the Parties mutually agree to amend the Agreement as follows:

1. Additional Services and Tasks Required Under the Agreement: The additional services to be provided by Consultant, pursuant to the Agreement as amended by this Amendment, shall include those set forth on Exhibit A, attached hereto and incorporated herein by this reference (the “Additional Work”). The Additional Work shall be commenced immediately upon execution of this Amendment, and satisfactorily completed in accordance with the schedule set forth in Exhibit A attached hereto. The terms and provisions set forth on Exhibit A attached hereto shall supplement and be added to the terms of the Exhibit A set forth in the Agreement.
2. Amendment to Compensation: The compensation to be paid for the Additional Work described in Exhibit A shall not exceed \$123,203, as set forth on Exhibit A. The total not to exceed amount stated in Section 5(a) of the Agreement shall be amended and revised to be \$281,751.

3. Amendment to Term of the Agreement. The Agreement shall remain and continue in effect until all tasks required under the Agreement (including the Additional Work) are satisfactorily completed, but in no event later than March 31, 2023, unless sooner terminated pursuant to the provisions of the Agreement.

4. Continuing Effect of Agreement. Except as expressly amended by this Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement, as amended by this Amendment.

5. Affirmation of Agreement. City and Consultant each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.

6. Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment.

7. Authority. The persons executing this Amendment on behalf of the Parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment on behalf of said party, (iii) by so executing this Amendment, such party is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which said party is bound.

8. Counterparts. This Amendment may be executed in counterparts, and all so executed shall constitute an agreement binding on the Parties. The Parties further agree that a digital or electronic signature shall have the same force and effect as a manual or wet-ink signature, and that a facsimile copy or a copy in pdf format of the executed counterparts shall have the same force and effect as an original.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties shall be deemed to have caused this Amendment to be executed by their duly authorized representatives as of the Effective Date.


**CITY**


CITY OF MORRO BAY

**CONSULTANT**

RINCON CONSULTANTS, INC.

By: *Scott Collins*  
Scott Collins (Apr 4, 2022 16:57 PDT)  
\_\_\_\_\_  
Scott Collins  
City Manager

  
By: \_\_\_\_\_  
Name: Richard Daulton,  
Title: Principal / Vice President

  
By: \_\_\_\_\_  
Name: Colby Boggs  
Title: Principal

**Attest:**

*Dana Swanson*  
Dana Swanson (Apr 4, 2022 17:02 PDT)  
\_\_\_\_\_  
Dana Swanson, City Clerk

**Approved As To Form:**

*Chris Neumeyer*  
Chris Neumeyer (Apr 4, 2022 16:40 PDT)  
\_\_\_\_\_  
Chris Neumeyer, City Attorney

**EXHIBIT A**

[ATTACHED]

Exhibit A



**Rincon Consultants, Inc.**

1530 Monterey Street, Suite D  
San Luis Obispo, California 93401

805 547 0900 OFFICE AND FAX

info@rinconconsultants.com  
www.rinconconsultants.com

February 15, 2022  
Project No: 19-08915

Attn: Cindy Jacinth, Senior Planner  
595 Harbor Street  
Morro Bay, California 93442  
805-772-6577 | [cjacinth@morrobayca.gov](mailto:cjacinth@morrobayca.gov)

**Subject: Fee Authorization Request #2 to Provide Additional Required Environmental Analysis for the 1290 Embarcadero Road Battery Energy Storage System Project EIR**

Dear Ms. Jacinth,

The purpose of this letter is to request an authorization of additional fees and work scope beyond those specified in the contract scope of work and budget between Rincon Consultants, Inc. (Rincon) and the City of Morro Bay for environmental services for the 1290 Embarcadero Road Battery Energy Storage System Project EIR. It is Rincon's understanding that the applicant is modifying their project description to include right-of-way improvements along Embarcadero Road, gen-tie connections from the proposed battery energy storage system to the existing substation located on the subject property, and demolition and removal of the existing Morro Bay Power Plant (MBPP) building and stacks. These additions to the project description require additional environmental analysis be included in the Project EIR above and beyond the scope of work and budget included in Rincon's existing contract.

This authorization would add services to our existing contract scope of work to provide the required environmental analysis necessary to fully evaluate the environmental effects of the revised project in the Project EIR. The primary services described in this authorization request are:

- Additional project management and contract administration
- Preparation of a revised EIR project description
- Additional technical resource evaluations
- Peer review of revised applicant prepared technical studies
- Additional Administrative Draft EIR Analysis
- Additional Response to Comments

The additional environmental analysis will be completed alongside Task 2 (Prepare Project Description) through Task 6 (Prepare Administrative Final EIR and Response to Comments) of the contract scope of work to fully respond to the City's environmental review requirements in support of the revised project.

The following section presents the additional scope of work that would be implemented for this effort. With City authorization, these tasks would be incorporated into our current contract as Task 11.



## Scope of Work

### Task 11.1: Project Management/Contract Administration

Rincon will manage the preparation of all environmental technical studies, coordinate the environmental review process schedule, and provide project updates for the environmental analysis. Consistent with Rincon's approved contract for this project, Rincon's principal in charge or project manager will review and comment on regular meeting minutes and agendas. To support the professional effort associated with Task 11, Rincon will continue to attend biweekly status meetings via conference call with the City's Project Manager for an additional duration of 12 months and will attend up to 8 additional meetings with City staff (and the project applicant team, if required). These meetings can be scheduled and selected at the City's discretion. We can conduct additional coordination with the City and complete other project management or technical tasks on a time-and-materials basis, in accordance with our schedule of fees, as authorized by the City.

### Task 11.2: Revised EIR Project Description & Initial Study

Rincon will coordinate with City staff and the project applicant team to prepare a revised Project Description based on detailed information to be provided by the project applicant, which we understand will describe the scope, scale, and location of additional project features not included in the original project application. Such features include right-of-way improvements along Embarcadero Road, gen-tie connections from the proposed battery energy storage system to the existing substation located on the subject property, and demolition and removal of the existing MBPP building and stacks.

The revised Project Description will include a discussion of project location, site characteristics, project objectives, project construction and operational features, and requested entitlements. The project location, boundaries, and components will be depicted on up to eight graphics, including four revised versions of graphics developed under Rincon's contract scope of work as well as four additional graphics to illustrate new and revised project components. The revised Project Description will be provided to the City and project applicant for review and revised based on one consolidated set of comments from City staff and the project applicant. One electronic version of this deliverable will be provided in MS Word and PDF formats. Rincon will submit a draft of the revised Project Description EIR section within two weeks of approval of this authorization request and receipt of consolidated comments and recommended revisions from City staff and the project applicant team.

Based on the revised Project Description, Rincon will prepare a revised Initial Study intended to address potential environmental effects that may be deemed "less than significant" and to focus the EIR on critical environmental topics.

The Initial Study will compare the proposed project, as described in the Project Description developed in Task 2, to the CEQA Guidelines Appendix G checklist and provide discussion and evidence for checklist items that are able to be found "less than significant" using the project information and analysis provided by the project applicant. For topics in the CEQA Guidelines Appendix G checklist that require a higher level of detailed analysis or evaluation to make a finding, and for topics that have the potential to result in a significant environmental effect, the Initial Study will note that further discussion will be provided in the EIR.



## Task 11.3: Technical Resource Evaluations

### *Task 11.3.1: Hazardous Materials Evaluation*

Rincon will perform a Hazardous Materials Evaluation to identify potential impacts from hazardous materials and wastes associated with construction of the proposed Morro Bay BESS Project. This study will supplement the approved scope of work for a Hazards and Hazardous Materials Evaluation on the 22-acre portion of the MBPP property planned for the proposed BESS project (Task 10.2). The study will include a preliminary review of potential hazards associated with the expanded project site and land located within one eighth mile of the expanded project site that may affect the environment and construction/operation of the project, including:

- Identification of known onsite and adjacent releases (including Cortese sites) through a review of online resources at the Department of Toxic Substances Control (DTSC) EnviroStor website and State Water Resources Control Board (SWRCB) GeoTracker website.
- Review of agency records regarding the onsite and adjacent release sites (identified above).
- Review of historical aerial photographs, topographic maps, and fire insurance maps, as available.
- Review of solid waste landfills within 2,000 feet of the project site (California Department of Resources, Recycling, and Recovery – CalRecycle).
- Identification of oil and gas wells, and fields at the California Geologic Energy Management Division (CalGEM) website.
- Identification of buried hazardous material pipelines at the Department of Transportation, Pipeline and Hazardous Materials Safety Administration, National Pipeline Mapping System (NPMS) website.
- Identification of perfluorooctanoic acid/perfluorooctanesulfonic acid (PFOA/PFOS) investigations SWRCB website<sup>1</sup>.
- Identification of airports, educational facilities, and wildlands in the vicinity of the project site.
- Review of asbestos containing materials (ACM) and lead based paint (LBP) demolition surveys, as available.

The report will provide project site and vicinity information, per CEQA Appendix G Environmental Checklist Form, IX Hazards and Hazardous Materials, and will provide a general summary (Project Setting) of the hazardous materials that might be encountered during project construction/operation and recommendations for further assessment, if necessary. To support the EIR hazards and hazardous materials discussion, Rincon will also prepare Regulatory Setting and Impact Analysis documentation. This scope includes professional staff time to respond to one round of consolidated comments from City staff on the Hazardous Materials Evaluation.

**Baseline Assumptions.** In order to adequately prepare the Hazardous Materials Evaluation, Rincon requires access to documentation of hazardous release areas present on the project site and within one eighth mile of the project site. Based on our preliminary review, some of the required documentation may be available at the SWRCB GeoTracker website and the DTSC EnviroStor website<sup>2</sup>; however, approximately 100 documents were available for review. To save time and expense, the property owner/project applicant may direct us to the appropriate documents that adequately

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<sup>1</sup> <https://www.waterboards.ca.gov/pfas/>

<sup>2</sup> [https://www.envirostor.dtsc.ca.gov/public/profile\\_report.asp?global\\_id=80001832](https://www.envirostor.dtsc.ca.gov/public/profile_report.asp?global_id=80001832)



summarize the known soil, soil vapor, and groundwater hazardous material impacts within the project site and vicinity. Therefore, this proposed scope of work is based on the following assumptions:

- The project applicant/developer will identify and provide for our review the hazardous material release reports/documentation needed to adequately prepare our report. The documents anticipated to be provided may include, but are not limited to, asbestos and lead based paint (LBP) surveys, subsurface investigations, health risk assessments, remedial action plans, agency letters, land use covenants, soil management plans, groundwater assessments, etc.
- Up to 30 hours of review time is anticipated for the review of documents provided by the project applicant/developer. If we identify that the volume of documentation would require additional staff time to adequately review, Rincon will request a budget augmentation to provide the required resources to ensure the Hazardous Materials Evaluation provides a complete and accurate discussion of historic hazardous material release reports/documentation.
- Rincon's scope of work assumes the DTSC-approved Soil Management Plan (Final Soil Management Plan for the Former Tank Farm Area, May 2021) provides soil and groundwater management procedures to handle all contaminants of potential concern (COPC) at the project site. The COPCs at the project site will include, but are not limited to, total petroleum hydrocarbons (TPH), metals, volatile organic compounds (VOCs), polyaromatic hydrocarbons (PAHs), polychlorinated biphenyls (PCBs), and asbestos in soil (or naturally occurring asbestos [NOA]).
- Rincon will complete additional research regarding asbestos containing materials (ACM), lead based paint (LBP), educational facilities, airports, landfills, PFAS, oil wells, hazardous material pipelines, and wildland fires.

### *Task 11.3.2: Geologic Hazards Evaluation*

Rincon will perform a Geologic Hazards Evaluation to identify potential geologic hazard impacts that may result from development of the proposed project. This desktop study will supplement the approved scope of work for a Geologic Hazards Evaluation on the 22-acre portion of the MBPP property planned for the proposed BESS project (Task 10.3), and will include a preliminary review of potential geologic hazards associated with the expanded project footprint that may affect the environment and construction/operation of the project, including:

- Mapped Faults, including Alquist-Priolo Earthquake Fault Zones
- Estimated seismically-induced ground shaking
- Ground surface fault rupture
- Liquefaction potential
- Slope stability and landslides
- Erosion and scour
- Tsunami
- Seiche

Based on our preliminary review of the locations that would be incorporated into the project footprint, we anticipate that the Geologic Hazards Evaluation will be supported by a detailed review of similar database sources/materials described in our approved scope of work for Task 10.3 (e.g., U.S. Geological Survey [USGS] topographic maps; USGS and California Geological Survey (CGS) geologic maps; seismic hazard zone maps; landslide and tsunami hazard maps; USGS and CGS active fault maps and ground





shaking maps; Alquist-Priolo Special Studies Zones Earthquake Fault maps; Natural Resources Conservation Services soils maps; and California Emergency Management Agency dam inundation maps); however, due to the expanded project area we anticipate additional documentation will be identified from these sources. As a result, we have allocated additional professional staff time per source to support the required background document review for the expanded project area.

Our report will provide project and vicinity geologic information, a general summary of the geologic hazards, and recommendations for further assessment, if necessary. In addition, this evaluation will include an impact analysis in accordance with CEQA Appendix G Environmental Checklist Form, Section VII Geology and Soils. This scope includes professional staff time to respond to one round of consolidated comments from City staff on the Geologic Hazards Technical Study.

### *Task 11.3.3: Paleontological Resources Evaluation*

Rincon will perform a Paleontological Resources Evaluation to identify potential impacts to paleontological resources from the proposed project. This desktop study will supplement the approved scope of work for a Paleontological Resources Evaluation on the 22-acre portion of the MBPP property planned for the proposed BESS project (Task 10.4). The paleontological resource study will be designed to support applicable environmental review and consist of reviewing existing geologic maps, searching online museum databases (e.g., University of California Museum of Paleontology), and examining primary literature regarding fossiliferous geologic units within the project vicinity and region.

Based on our preliminary review of the locations that would be incorporated into the project footprint, we anticipate that the Paleontological Resources Evaluation will be supported by a detailed review of similar literature and records described in our approved scope of work for Task 10.4. Rincon will also complete a records search with the Natural History Museum of Los Angeles County. Our report will provide project and vicinity information, per CEQA Appendix G Environmental Checklist Form, VI Geology and Soils, and will:

- Discuss the results of the literature review and record search;
- Provide a discussion of the regional geology and the geologic unit(s) present within the project site;
- Characterize the paleontological sensitivity of the geologic units present within the project site using the Society of Vertebrate Paleontology's paleontological sensitivity classification system;
- Assess the potential for significant impacts to scientifically important paleontological resources under state and federal guidelines; and
- Provide management recommendations for avoiding or reducing impacts to paleontological resources from project development, as necessary.

This scope includes professional staff time to respond to one round of consolidated comments from City staff on the Paleontological Resources Technical Study.

### *Task 11.3.3: Historical Resources Evaluation*

Rincon will conduct a historical resources evaluation of the MBPP property to confirm if the property qualifies as a historical resource and would be negatively impacted by the proposed project. This analysis will be completed to support compliance with CEQA, and not the requirements of the California Energy Commission (CEC) or Section 106 of the National Historic Preservation Act.



## Exhibit A

City of Morro Bay  
1290 Embarcadero Road Battery Energy Storage System Project EIR

Rincon understands a historical resources evaluation of the power plant was prepared in 2001 as part of a previous project application to the CEC, and this scope of work anticipates the 2001 evaluation and associated documentation will be provided for review. Although this documentation will be validated and used to the greatest extent feasible, an updated evaluation will be required in accordance with the guidance of the California Office of Historic Preservation, which recommends updates to historical resource evaluations after five years. The updated historical resources evaluation will be completed by a qualified Rincon architectural historian and include a review of previous documentation and other relevant information, site visit, and preparation of a technical report summarizing the evaluation results.

This scope of work assumes access to the MBPP property will be arranged by the project applicant and will not require any safety trainings or certifications. The site visit will serve to identify and document the existing conditions and construction history of the MBPP property and associated facilities and structures. Supplemental archival research will subsequently be completed to identify any significant historical and/or architectural significance the property may have. The MBPP property will then be evaluated for historical resources eligibility on California Department of Parks and Recreation (DPR) 523 series forms. The DPR forms will be attached to a technical report which will present the methods, regulatory context, findings, and any recommendations. This scope includes professional staff time to respond to one round of consolidated comments from City staff on the Historical Resources Evaluation. Rincon will provide an electronic version of the Historical Resources Evaluation and attachments in PDF format; paper copies of these documents will not be submitted.

### Task 11.4: Peer Review of Revised Applicant Prepared Studies

Rincon will provide a technical peer review of the data and conclusions in the revised applicant-prepared technical studies originally reviewed in Task 1.2 of Rincon's contract scope of work. Rincon's resource specialists, engineering geologists, biological and cultural resources specialists, hydrologists, and AQ/GHG and noise technical analysts provided technical review and recommendations for applicant-prepared technical studies including:

- Air Quality, Greenhouse Gas Emissions, and Energy Report;
- Biological Resources Assessment Report, as well as reports addressing rare plant surveys and Morro shoulderband snail surveys);
- Cultural Resources Report – Extended Phase 1 Cultural Survey;
- Noise Report (focusing on construction impacts);
- Traffic Report (focusing on construction impacts);
- Visual Simulations; and
- Project Alternatives Paper.

It is our understanding that the project applicant and their consultants will update these studies to respond to Rincon's original recommendations, and also to describe the setting and potential environmental effects associated with the revised project description.

The purpose of the peer review will be to evaluate the updated applicant-prepared studies for technical accuracy, field-verify applicable conclusions and assumptions, and evaluate recommendations and mitigation measures to ensure that they would minimize identified resource impacts that will be identified in the EIR. The findings of this peer review will be summarized in a memorandum report to the City. If specific technical deficiencies are identified in any of the updated applicant-prepared technical



studies, Rincon will provide recommendations to address the deficiencies in the peer review memorandum.

Rincon's scope for the peer review task assumes the applicant's consultant team will respond to the peer review comments and recommendations and incorporate the findings of our peer review into revised technical reports as appropriate. We anticipate the updated applicant-prepared technical studies will be generally adequate for incorporation into the environmental documentation for the project and will not require substantial review or new environmental analysis or field surveys.

### Task 11.5: Expanded Administrative Draft EIR Analysis

Rincon will prepare the Administrative Draft EIR in accordance with the State CEQA Guidelines, which set the standards for adequacy of an EIR. This task supplements the approved scope of work for an Administrative Draft EIR evaluating the 22-acre portion of the MBPP property planned for the proposed BESS project (refer to Task 4 of Rincon's contract scope of work). Based on our preliminary review of the modified project description (expanded project footprint, right-of-way improvements along Embarcadero Road, gen-tie connections from the proposed battery energy storage system to the existing substation located on the subject property, and demolition and removal of the existing MBPP building and stacks), we anticipate that the Administrative Draft EIR analysis will be supported by Rincon's evaluations of hazardous materials, geologic hazards, paleontological resources, and historical resources (refer to Task 11.3) and the findings of the peer reviewed technical reports provided by the project applicant (refer to Task 11.4). In addition to these tasks, Rincon anticipates expanded discussion of the following environmental topics in the Administrative Draft EIR to fully address the applicant's requested changes to the project application:

- Aesthetics/visual resources
- Air quality
- Biological resources
- Cultural resources and tribal cultural resources
- Greenhouse gas emissions, climate change, and sea level rise
- Land use and planning
- Noise
- Transportation
- Construction and demolition effects
- Cumulative impacts and mandatory findings of significance

The Administrative Draft EIR will include analysis of project impacts anticipated to be potentially significant based on the revised Initial Study (Task 11.2) and public input received during the scoping period (refer to Task 3 of Rincon's contract scope of work). A determination of significance will be made for each issue area and mitigation measures will be provided as necessary for identified significant effects.

In the contract scope of work and budget between Rincon and the City, Rincon proposed to address up to three alternatives, including the required "No Project Alternative." The key consideration for potential alternatives to the project is the ability of each alternative to avoid or mitigate the significant environmental impacts identified in the EIR while satisfying most of the basic project objectives. As a result of the expanded project footprint and additional project components, this additional scope of



work anticipates that the Administrative Draft EIR would address one additional project alternative (for a total of up to four alternatives). Each environmental issue area will be briefly evaluated in a qualitative manner to determine whether the alternative would have the potential to result in greater, similar, or reduced environmental impacts when compared to the impacts of the proposed project. This section will also identify the “environmentally superior alternative.” If the No Project Alternative is determined to be environmentally superior, the EIR will identify the environmentally superior alternative among the remaining scenarios.

Rincon will submit the Administrative Draft EIR to the City for review in electronic format within twelve weeks of the close of the NOP Scoping Period and receipt of any final technical documentation from the applicant.

## Task 11.6: Additional Response to Comments

In the contract scope of work and budget between Rincon and the City, Rincon budgeted a total of 60 hours of professional staff time to prepare responses to comments received on the Public Review Draft EIR and 16 hours of staff time to address City comments on the draft responses and prepare the Administrative Final EIR, including Responses to Comments on the Draft EIR. As a result of the modified project description (expanded project footprint, right-of-way improvements along Embarcadero Road, gen-tie connections from the proposed battery energy storage system to the existing substation located on the subject property, and demolition and removal of the existing MBPP building and stacks), we anticipate an increase in the level of technical detail in the Draft EIR as well as a heightened level of public scrutiny on the Draft EIR that may result in a larger volume of public comments, as well as more detailed public comments.

This scope of work includes 30 additional hours of professional staff time to prepare responses to comments received on the Public Review Draft EIR and an additional 12 hours of staff time to address City comments on the draft responses. If we identify that the public comments received during public review require additional staff time to adequately address, Rincon will request a budget augmentation to provide the required resources to ensure the Final EIR provides a through discussion of all environmental topics raised by commenters. The scope of work also assumes that the City and/or applicant will provide assistance addressing any comments pertaining to information, data, analysis, or technical studies provided by City staff and/or the applicant.

## Cost and Schedule

Rincon is requesting an additional \$123,202.50 to complete the scope of work tasks described in this request, as shown in the attached cost spreadsheet.

The Rincon team is prepared to begin the amended work program described in this proposal immediately upon authorization to proceed with this contract amendment request. As depicted on the attached schedule, the additional environmental analysis described herein to support the Project EIR will be completed alongside the Administrative Draft of the EIR, providing an expedited schedule that allows the Draft EIR to be circulated within approximately six months and the EIR process to be concluded within approximately twelve months. This schedule assumes that the applicant-prepared technical studies would be complete and found to be adequate to evaluate environmental effects under CEQA within twelve weeks of Notice to Proceed. Due to the public hearings planned for the project, the scheduling of which would be determined at the discretion of the City, the final schedule for the EIR



Exhibit A

City of Morro Bay  
1290 Embarcadero Road Battery Energy Storage System Project EIR

process will require coordination with City staff. We are committed to processing the environmental review for the project in a timely and efficient manner, while maintaining a high level of public inclusion.

We are committed to working with the City of Morro Bay through the successful completion of this project. Please contact us if you have any questions regarding this scope and cost augmentation.

Sincerely,

**Rincon Consultants, Inc.**

A handwritten signature in black ink, appearing to read "CBM", with a long horizontal line extending to the right.

Chris Bersbach, MESM

Supervising Environmental Planner/Project Manager

A handwritten signature in black ink, appearing to read "Richard Daulton", with a long horizontal line extending to the right.

Richard Daulton, MURP

Vice President/Principal-in-Charge

**Attachments: Cost Spreadsheet, Proposed Schedule**



**RINCON CONSULTANTS, INC.**  
**19-08915 Morro Bay Battery Energy Storage System EIR**  
**Cost Estimate**

|   | Rate   | Hours         | Labor Budget      | Direct Expenses | Total Budget      |
|---|--------|---------------|-------------------|-----------------|-------------------|
| <b>Task 11: Contract Amendment #2</b>   |        |               | <b>784.00</b>     |                 | <b>123,202.50</b> |
| <b>Task 11.1: Project Management/Contract Administration</b>                          |        | <b>128.00</b> | <b>21,044.00</b>  | <b>0.00</b>     | <b>21,044.00</b>  |
| Principal II  | 247.00 | 16.00         | 3,952.00          |                 |                   |
| Supervisor Planner I  | 201.00 | 12.00         | 2,412.00          |                 |                   |
| Senior Planner I  | 165.00 | 56.00         | 9,240.00          |                 |                   |
| Planner II  | 134.00 | 35.00         | 4,824.00          |                 |                   |
| Admin Assistant/Billing Specialist  | 77.00  | 8.00          | 616.00            |                 |                   |
| <b>Task 11.2: Revised BR Project Description &amp; Initial Study</b>                  |        | <b>64.00</b>  | <b>9,996.00</b>   | <b>0.00</b>     | <b>9,996.00</b>   |
| <b>Task 11.2.1: Revised BR Project Description</b>                                    |        | <b>40.00</b>  | <b>6,148.00</b>   | <b>0.00</b>     | <b>6,148.00</b>   |
| Principal II  | 247.00 | 2.00          | 494.00            |                 |                   |
| Supervisor Planner I  | 201.00 | 4.00          | 804.00            |                 |                   |
| Senior Planner I  | 165.00 | 12.00         | 1,980.00          |                 |                   |
| Planner II  | 134.00 | 12.00         | 1,608.00          |                 |                   |
| GIS/CADD Specialist II  | 129.00 | 8.00          | 1,032.00          |                 |                   |
| Technical Editor  | 115.00 | 2.00          | 230.00            |                 |                   |
| <b>Task 11.2.2: Revised Initial Study</b>   |        | <b>24.00</b>  | <b>3,848.00</b>   | <b>0.00</b>     | <b>3,848.00</b>   |
| Principal II  | 247.00 | 2.00          | 494.00            |                 |                   |
| Supervisor Planner I  | 201.00 | 4.00          | 804.00            |                 |                   |
| Senior Planner I  | 165.00 | 6.00          | 990.00            |                 |                   |
| Planner II  | 134.00 | 8.00          | 1,072.00          |                 |                   |
| GIS/CADD Specialist II  | 129.00 | 2.00          | 258.00            |                 |                   |
| Technical Editor  | 115.00 | 2.00          | 230.00            |                 |                   |
| <b>Task 11.3: Technical Resource Evaluations</b>                                      |        | <b>310.00</b> | <b>46,439.00</b>  | <b>433.50</b>   | <b>46,872.50</b>  |
| <b>Task 11.3.1: Hazards and Hazardous Materials Evaluation (Task 10.2 Supplement)</b> |        | <b>89.00</b>  | <b>13,474.00</b>  | <b>287.50</b>   | <b>13,761.50</b>  |
| Principal II  | 247.00 | 9.00          | 2,223.00          |                 |                   |
| Director I  | 227.00 | 7.00          | 1,589.00          |                 |                   |
| Environmental Scientist II  | 134.00 | 60.00         | 8,040.00          |                 |                   |
| GIS/CADD Specialist II  | 129.00 | 8.00          | 1,032.00          |                 |                   |
| Environmental Scientist I   | 118.00 | 5.00          | 590.00            |                 |                   |
| Record Search   |        |               |                   | 287.50          |                   |
| <b>Task 11.3.2: Geologic Hazards Evaluation (Task 10.3 Supplement)</b>                |        | <b>62.00</b>  | <b>9,844.00</b>   | <b>0.00</b>     | <b>9,844.00</b>   |
| Principal II  | 247.00 | 6.00          | 1,482.00          |                 |                   |
| Supervisor Planner I  | 201.00 | 6.00          | 1,206.00          |                 |                   |
| Senior Planner I  | 165.00 | 16.00         | 2,640.00          |                 |                   |
| Environmental Scientist III   | 134.00 | 26.00         | 3,484.00          |                 |                   |
| GIS/CADD Specialist II  | 129.00 | 8.00          | 1,032.00          |                 |                   |
| <b>Task 11.3.3: Paleontological Resources Evaluation (Task 10.4 Supplement)</b>       |        | <b>20.00</b>  | <b>3,398.00</b>   | <b>0.00</b>     | <b>3,398.00</b>   |
| Principal II  | 247.00 | 4.00          | 988.00            |                 |                   |
| Senior Archaeologist II   | 180.00 | 6.00          | 1,080.00          |                 |                   |
| Archaeologist III   | 134.00 | 8.00          | 1,072.00          |                 |                   |
| GIS/CADD Specialist II  | 129.00 | 2.00          | 258.00            |                 |                   |
| <b>Task 11.3.4: Historical Resources Evaluation</b>                                   |        | <b>139.00</b> | <b>10,723.00</b>  | <b>146.00</b>   | <b>10,869.00</b>  |
| Principal II  | 247.00 | 4.00          | 988.00            |                 |                   |
| Supervisor Archaeologist I  | 201.00 | 16.00         | 3,216.00          |                 |                   |
| Senior Archaeologist I  | 165.00 | 32.00         | 5,280.00          |                 |                   |
| GIS/CADD Specialist II  | 129.00 | 4.00          | 516.00            |                 |                   |
| Archaeologist II  | 118.00 | 80.00         | 9,440.00          |                 |                   |
| Technical Editor  | 115.00 | 1.00          | 115.00            |                 |                   |
| Production Specialist I   | 91.00  | 1.00          | 91.00             |                 |                   |
| Admin Assistant/Billing Specialist  | 77.00  | 1.00          | 77.00             |                 |                   |
| Travel - Mileage  |        |               |                   | 146.00          |                   |
| <b>Task 11.4: Peer Review of Revised Applicant Prepared Technical Studies</b>         |        | <b>48.00</b>  | <b>9,296.00</b>   | <b>0.00</b>     | <b>9,296.00</b>   |
| Principal II  | 247.00 | 8.00          | 1,976.00          |                 |                   |
| Supervisor Planner I  | 201.00 | 20.00         | 4,020.00          |                 |                   |
| Senior Planner I  | 165.00 | 20.00         | 3,300.00          |                 |                   |
| <b>Task 11.5: Expanded Administrative Draft BR Analysis</b>                           |        | <b>192.00</b> | <b>29,478.00</b>  | <b>0.00</b>     | <b>29,478.00</b>  |
| <b>Task 11.5.1: Environmental Impacts and Mitigation Measures</b>                     |        | <b>172.00</b> | <b>26,504.00</b>  | <b>0.00</b>     | <b>26,504.00</b>  |
| Principal II  | 247.00 | 6.00          | 1,482.00          |                 |                   |
| Supervisor Planner I  | 201.00 | 16.00         | 3,216.00          |                 |                   |
| Senior Planner I  | 165.00 | 60.00         | 9,900.00          |                 |                   |
| Planner II  | 134.00 | 80.00         | 10,720.00         |                 |                   |
| GIS/CADD Specialist II  | 129.00 | 6.00          | 774.00            |                 |                   |
| Technical Editor  | 115.00 | 2.00          | 230.00            |                 |                   |
| Production Specialist I   | 91.00  | 2.00          | 182.00            |                 |                   |
| <b>Task 11.5.2: Alternatives</b>  |        | <b>20.00</b>  | <b>2,974.00</b>   | <b>0.00</b>     | <b>2,974.00</b>   |
| Principal II  | 247.00 | 1.00          | 247.00            |                 |                   |
| Supervisor Planner I  | 201.00 | 1.00          | 201.00            |                 |                   |
| Senior Planner I  | 165.00 | 4.00          | 660.00            |                 |                   |
| Planner II  | 134.00 | 12.00         | 1,608.00          |                 |                   |
| GIS/CADD Specialist II  | 129.00 | 2.00          | 258.00            |                 |                   |
| <b>Task 11.6: Additional Response to Comments</b>                                     |        | <b>42.00</b>  | <b>6,516.00</b>   | <b>0.00</b>     | <b>6,516.00</b>   |
| <b>Task 11.6.1: Draft Responses to Comments</b>                                       |        | <b>30.00</b>  | <b>4,604.00</b>   | <b>0.00</b>     | <b>4,604.00</b>   |
| Principal II  | 247.00 | 2.00          | 494.00            |                 |                   |
| Supervisor Planner I  | 201.00 | 2.00          | 402.00            |                 |                   |
| Senior Planner I  | 165.00 | 8.00          | 1,320.00          |                 |                   |
| Planner II  | 134.00 | 16.00         | 2,144.00          |                 |                   |
| GIS/CADD Specialist II  | 129.00 | 1.00          | 129.00            |                 |                   |
| Technical Editor  | 115.00 | 1.00          | 115.00            |                 |                   |
| <b>Task 11.6.2: Administrative Final BR Preparation</b>                               |        | <b>12.00</b>  | <b>1,912.00</b>   | <b>0.00</b>     | <b>1,912.00</b>   |
| Principal II  | 247.00 | 1.00          | 247.00            |                 |                   |
| Supervisor Planner I  | 201.00 | 1.00          | 201.00            |                 |                   |
| Senior Planner I  | 165.00 | 4.00          | 660.00            |                 |                   |
| Planner II  | 134.00 | 6.00          | 804.00            |                 |                   |
| <b>Project Total</b>  |        | <b>784.00</b> | <b>122,769.00</b> | <b>433.50</b>   | <b>123,202.50</b> |

## Project Schedule

| Key Task   | Schedule  | Potential Date Complete |
|--|---|-------------------------|
| Final Project Description Received from Applicant              | <i>Assumption</i>   | February 18             |
| Kickoff; Project Description/Initial Study Update              | Within 2 weeks of contract amendment authorization and Final Project Description  | March 4                 |
| City/Applicant Review of PD/IS                                 | 2 weeks after submittal of PD/IS  | March 18                |
| Receipt of Revised Draft Applicant Technical Studies           | <i>Assumption</i>   | March 18                |
| Initiate NOP Scoping Period                                    | 2 weeks after receiving consolidated City/Applicant comments on PD/IS   | April 1                 |
| Second Peer Review of Applicant Technical Studies <sup>3</sup> | Within 2 weeks of receiving applicant-prepared technical studies  | April 1                 |
| Receipt of Final Applicant Technical Studies                   | Within 4 weeks of peer review of applicant technical studies  | April 29                |
| Rincon Completes Supplementary Technical Studies               | Within 6 weeks of receiving City comments on PD/IS  | April 29                |
| Close of NOP Scoping Period                                    | 4 weeks (30 day statutory requirement)  | May 2                   |
| City Review of Rincon Technical Studies                        | 2 weeks after submittal of Rincon Technical Studies   | May 13                  |
| Complete Rincon Technical Studies                              | 2 weeks after receiving City comments on Rincon Technical Studies   | May 27                  |
| Administrative Draft EIR (ADEIR)                               | Within 12 weeks of close of NOP Scoping Period AND within eight weeks of completion of Applicant/Rincon Technical Studies | August 19               |
| First City Review of ADEIR                                     | 3 weeks after submittal of ADEIR  | September 9             |
| Revised ADEIR  | 3 weeks after receiving City comments on ADEIR  | September 30            |

<sup>3</sup> Assumed to include project boundary updates of technical evaluations previously provided by Vistra and peer-reviewed by Rincon. Also assumed to include hazards and hazardous materials evaluation for demolition of existing structures. Technical studies will need to account for direct impact areas associated with BESS project, demolition of MBPP structures and stacks, and any required off-site improvements (e.g., roadway ROW/utility improvements along Embarcadero)



Exhibit A

City of Morro Bay  
1290 Embarcadero Road Battery Energy Storage System Project EIR

| Key Task   | Schedule   | Potential Date Complete |
|--|--|-------------------------|
| Second City Review of ADEIR                              | 1 week after submittal of Revised ADEIR                              | October 7               |
| Public Draft EIR (DEIR) Production                       | 2 weeks after receiving City comments on ADEIR                       | October 21              |
| Public Review Period                                     | 6.5 weeks (45 day statutory requirement)                             | December 5              |
| Administrative Draft Responses to Comments (ADRTC)       | 4 weeks after close of Public Review Period                          | December 30             |
| City review of ADRTC                                     | 2 weeks after submittal of ADRTC                                     | January 13              |
| Final Comments and Responses                             | 2 weeks from receiving City comments on ADRTC                        | January 27              |
| CEQA Findings and Statement of Overriding Considerations | 4 weeks from receiving City comments on ADRTC (includes City review) | January 27              |
| Final EIR Production (DEIR, RTC, and MMRP)               | 2 weeks after City approval of Final Comments and Responses          | January 27              |
| Meetings and Presentations                               | To be determined based on City hearing schedule                      | TBD                     |














# Rincon Consultants\_Morro Bay BESS EIR\_2023

Final Audit Report

2022-04-05

|                 |  |
|-----------------|--|
| Created:        | 2022-03-30                                   |
| By:             | Heather Goodwin (hgoodwin@morrobayca.gov)    |
| Status:         | Signed                                       |
| Transaction ID: | CBJCHBCAABAAIMokPRLYP8A9HfRTre0FLxDQVeMAnSGE |

## "Rincon Consultants\_Morro Bay BESS EIR\_2023" History

-  Document created by Heather Goodwin (hgoodwin@morrobayca.gov)  
2022-03-30 - 6:26:05 PM GMT
-  Document emailed to Chris Neumeyer (cneumeyer@awattorneys.com) for signature  
2022-03-30 - 6:27:37 PM GMT
-  Email viewed by Chris Neumeyer (cneumeyer@awattorneys.com)  
2022-03-31 - 11:09:27 PM GMT
-  Email viewed by Chris Neumeyer (cneumeyer@awattorneys.com)  
2022-04-04 - 11:40:17 PM GMT
-  Document e-signed by Chris Neumeyer (cneumeyer@awattorneys.com)  
Signature Date: 2022-04-04 - 11:40:45 PM GMT - Time Source: server
-  Document emailed to Scott Collins (scollins@morrobayca.gov) for signature  
2022-04-04 - 11:40:48 PM GMT
-  Email viewed by Scott Collins (scollins@morrobayca.gov)  
2022-04-04 - 11:56:32 PM GMT
-  Document e-signed by Scott Collins (scollins@morrobayca.gov)  
Signature Date: 2022-04-04 - 11:57:00 PM GMT - Time Source: server
-  Document emailed to Dana Swanson (dswanson@morrobayca.gov) for signature  
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Signature Date: 2022-04-05 - 0:02:00 AM GMT - Time Source: server

✔ Agreement completed.

2022-04-05 - 0:02:00 AM GMT

AMENDMENT NO. 2 TO THE AGREEMENT  
FOR CONSULTANT SERVICES  
BETWEEN THE CITY OF MORRO BAY AND RINCON CONSULTANTS, INC.

This Amendment No. 2 to the Agreement for Consultant Services ("Amendment") is entered by and between the City of Morro Bay, a municipal corporation ("City") and Rincon Consultants, Inc., a California corporation ("Consultant"), effective as of April 1, 2022 (the "Effective Date"). City and Consultant are sometimes referred to herein collectively, as the "Parties".

**RECITALS**

WHEREAS, City and Consultant entered into an Agreement for Consultant Services dated effective as of March 19, 2021 (as amended by that certain Amendment No. 1 to the Agreement for Consultant Services between the City and Consultant, the "Agreement"), for certain services to be performed by Consultant to prepare CEQA documents and studies in connection with a proposed Battery Energy Storage project ("Project") by Morro Bay Power Company, LLC, a California limited liability company ("MBPC") to be located at 1290 Embarcadero Road, in the City of Morro Bay (i.e., the former Morro Bay Power Plant (the "Site") for a not to exceed amount of \$281,751 (the "Amended Contract Sum"); and

WHEREAS, the Parties now agree to amend the Agreement to provide for certain additional services that have been determined to be required under CEQA in order to prepare the CEQA documents and studies for the Project in connection with the proposed environmental impact report ("EIR") required for the Project, which requires an expansion of the tasks to be provided by Consultant under the Agreement; and

WHEREAS, due to the expansion of the tasks required to be provided under the Agreement, the scope of work and the compensation payable pursuant to the Agreement must be amended, and therefore, the Parties desire to amend the Agreement as set forth herein.

**TERMS**

NOW THEREFORE, the Parties mutually agree to amend the Agreement as follows:

1. Additional Services and Tasks Required Under the Agreement: The additional services to be provided by Consultant, pursuant to the Agreement as amended by this Amendment, shall include those set forth on Exhibit A, attached hereto and incorporated herein by this reference (the "Additional Work"). The Additional Work shall be commenced immediately upon execution of this Amendment, and satisfactorily completed in accordance with the schedule set forth in Exhibit A attached hereto. The terms and provisions set forth on Exhibit A attached hereto shall supplement and be added to the terms of the Exhibit A set forth in the Agreement.
2. Amendment to Compensation: The compensation to be paid for the Additional Work described in Exhibit A shall not exceed \$23,180, as set forth on Exhibit A. The total not to exceed amount stated in Section 5(a) of the Agreement shall be amended and revised to be \$304,931.

### Attachment 3

3. Amendment to Term of the Agreement. The Agreement shall remain and continue in effect until all tasks required under the Agreement (including the Additional Work) are satisfactorily completed, but in no event later than March 31, 2023, unless sooner terminated pursuant to the provisions of the Agreement.
4. Continuing Effect of Agreement. Except as expressly amended by this Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement, as amended by this Amendment.
5. Affirmation of Agreement. City and Consultant each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.
6. Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment.
7. Authority. The persons executing this Amendment on behalf of the Parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment on behalf of said party, (iii) by so executing this Amendment, such party is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which said party is bound.
8. Counterparts. This Amendment may be executed in counterparts, and all so executed shall constitute an agreement binding on the Parties. The Parties further agree that a digital or electronic signature shall have the same force and effect as a manual or wet-ink signature, and that a facsimile copy or a copy in pdf format of the executed counterparts shall have the same force and effect as an original.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties shall be deemed to have caused this Amendment to be executed by their duly authorized representatives as of the Effective Date.

**CITY**

CITY OF MORRO BAY


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

  
Scott Collins  
City Manager

**CONSULTANT**

RINCON CONSULTANTS, INC.


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

  
Name: Richard Daulton,  
Title: Principal / Vice President

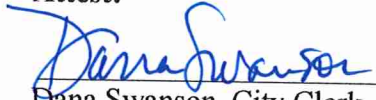
By: \_\_\_\_\_

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

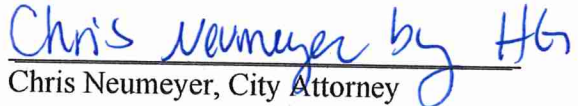
Title: \_\_\_\_\_

  
City Clerk  
Principal

**Attest:**

  
Dana Swanson, City Clerk

**Approved As To Form:**

  
Chris Neumeyer, City Attorney

**EXHIBIT A**

[ATTACHED]

## Attachment 3

### Exhibit A



#### Rincon Consultants, Inc.

1530 Monterey Street, Suite D  
San Luis Obispo, California 93401

805 547 0900 OFFICE AND FAX

info@rinconconsultants.com  
www.rinconconsultants.com

September 30, 2021  
Project No: 19-08915

Attn: Cindy Jacinth, Senior Planner  
595 Harbor Street  
Morro Bay, California 93442  
805-772-6577 | [cjacinth@morrobayca.gov](mailto:cjacinth@morrobayca.gov)

**Subject: Fee Authorization Request #1 to Provide Hazards and Hazardous Materials, Geohazards, and Paleontological Resources Review for the 1290 Embarcadero Road Battery Energy Storage System Project EIR**

Dear Ms. Jacinth,

The purpose of this letter is to request an authorization of additional fees and work scope beyond those specified in the April 2021 contract scope of work and budget between Rincon Consultants, Inc. (Rincon) and the City of Morro Bay for environmental services for the 1290 Embarcadero Road Battery Energy Storage System Project EIR. This authorization would add services to our existing contract scope of work to provide the required environmental analysis for hazards and hazardous materials, geologic hazards, and paleontological resources to support the Project EIR. The need for this additional environmental analysis was identified during Rincon's peer review of applicant-prepared materials supporting Vistra's application for the Project. Rincon's peer review identified the need for additional analysis, per CEQA Appendix G Environmental Checklist Form, VI Geology and Soils, and IX Hazards and Hazardous Materials. The additional environmental analysis will be completed as part of the Administrative Draft of the EIR to fully respond to the City's environmental review requirements in support of the project.

The following section presents the additional scope of work that would be implemented for this effort. With City authorization, these tasks would be incorporated into our current contract as Task 10.

## Scope of Work

### Task 10.1: Project/Contract Management

Rincon will manage the preparation of all environmental technical studies, coordinate the environmental review process schedule, and provide project updates for the environmental analysis. Consistent with Rincon's approved contract for this project, Rincon's principal in charge or project manager will review and comment on regular meeting minutes and agendas. To support the professional effort associated with Task 10, Rincon will continue to attend biweekly status meetings for an additional duration of 2 months and will attend up to 2 additional meetings with City staff.

### Task 10.2: Hazards and Hazardous Materials Evaluation

Rincon will perform a Hazards and Hazardous Materials Technical Evaluation to identify potential impacts from hazardous materials and wastes associated with construction of the proposed project. This study will include a preliminary review of potential hazards associated with the existing site that may affect the environment and construction/operation of the project, including:



- Identification of known onsite and adjacent releases (including Cortese sites) through a review of online resources at the Department of Toxic Substances Control (DTSC) Envirostor website and Regional Water Quality Control Board (RWQCB) Geotracker website.
- Review agency records regarding the onsite and adjacent release sites (identified above).
- Review of historical aerial photographs, topographic maps, and fire insurance maps, as available.
- Review of solid waste landfills within 2,000 feet of the subject property (California Department of Resources, Recycling, and Recovery - CalRecycle).
- Review of environmental documents provided by the applicant.
- Identification of oil and gas wells, and fields at the California Geologic Energy Management Division (CalGEM) website.
- Identification of buried hazardous material pipelines at the Department of Transportation, Pipeline and Hazardous Materials Safety Administration, National Pipeline Mapping System (NPMS) website.
- Identification of perfluorooctanoic acid/perfluorooctanesulfonic acid (PFOA/PFOS) investigations at the RWQCB website.
- Identification of airports, educational facilities, and wildlands in the vicinity of the project.
- Review of asbestos containing materials (ACM) and lead based paint (LBP) demolition surveys, as available.

Our report will provide project and vicinity information, per CEQA Appendix G Environmental Checklist Form, IX Hazards and Hazardous Materials, and will provide a general summary of the hazardous materials that might be encountered during project construction/operation and recommendations for further assessment, if necessary. This scope includes professional staff time to respond to one round of consolidated comments from City staff on the Hazardous Materials Technical Study. Rincon will provide an electronic version of the Hazardous Materials Technical Study and attachments in Portable Document File (PDF) format; paper copies of these documents will not be submitted.

### Task 10.3: Geologic Hazards Evaluation

Rincon will perform a Geologic Hazards Evaluation to identify potential geologic hazard impacts that may result from development of the proposed project. This study will include a preliminary review of potential geologic hazards associated with the project site that may affect the environment and construction/operation of the project, including:

- Mapped Faults, including Alquist-Priolo Earthquake Fault Zones
- Estimated seismically-induced ground shaking
- Ground surface fault rupture
- Liquefaction potential
- Slope stability and landslides
- Erosion and scour
- Tsunami
- Seiche





## Exhibit A

City of Morro Bay  
1290 Embarcadero Road Battery Energy Storage System Project EIR

Information sources to be reviewed will include the following publicly available documents:

- U.S. Geological Survey (USGS) topographic maps
- USGS and California Geological Survey (CGS) geologic maps
- Seismic hazard zone maps
- Landslide and tsunami hazard maps
- USGS and CGS active fault maps and ground shaking maps
- Alquist-Priolo Special Studies Zones Earthquake Fault maps
- Natural Resources Conservation Services soils maps
- California Emergency Management Agency dam inundation maps

Our report will provide project and vicinity information, per CEQA Appendix G Environmental Checklist Form, VII Geology and Soils, and will provide a general summary of the geologic hazards that might be encountered during project construction/operation and recommendations for further assessment, if necessary. This scope includes professional staff time to respond to one round of consolidated comments from City staff on the Geologic Hazards Technical Study. Rincon will provide an electronic version of the Geologic Hazards Technical Study and attachments in PDF format; paper copies of these documents will not be submitted.

#### Task 10.4: Paleontological Resources Evaluation

Rincon will conduct a paleontological resources study to identify the geologic units that may be impacted by development of the proposed project, determine the paleontological sensitivity of geologic unit(s) within the project site, assess potential for impacts to paleontological resources from development of the proposed project, and recommend mitigation measures to avoid or mitigate impacts to scientifically significant paleontological resources. The paleontological resource study will be designed to support applicable environmental review and consist of reviewing existing geologic maps, searching online museum databases (e.g., University of California Museum of Paleontology), and examining primary literature regarding fossiliferous geologic units within the project vicinity and region. Rincon will also complete a records search with the Natural History Museum of Los Angeles County.

Rincon will summarize the results of the paleontological resources evaluation in a technical report. Our report will provide project and vicinity information, per CEQA Appendix G Environmental Checklist Form, VI Geology and Soils, and will:

- Discuss the results of the literature review and record search;
- Provide a discussion of the regional geology and the geologic unit(s) present within the project site;
- Characterize the paleontological sensitivity of the geologic units present within the project site using the Society of Vertebrate Paleontology's paleontological sensitivity classification system;
- Assess the potential for significant impacts to scientifically important paleontological resources under state and federal guidelines; and
- Provide management recommendations for avoiding or reducing impacts to paleontological resources from project development, as necessary.

This scope includes professional staff time to respond to one round of consolidated comments from City staff on the Paleontological Resources Technical Study. Rincon will provide an electronic version of the



Paleontological Resources Technical Study and attachments in PDF format; paper copies of these documents will not be submitted.

## Cost and Schedule

Rincon is requesting an additional \$23,180 to complete the scope of work tasks described in this request, as shown in the attached cost spreadsheet.

The additional environmental analysis for hazards and hazardous materials, geologic hazards, and paleontological resources described herein to support the Project EIR will be completed alongside the Administrative Draft of the EIR, and are anticipated to add approximately two weeks to the project schedule beyond the current twelve weeks anticipated for the Administrative Draft EIR stage in our April 2021 contract scope of work. This schedule is dependent up on City review requirements and timely responses to information and data requests from the project applicant and City staff.

We are committed to working with the City of Morro Bay through the successful completion of this project. Please contact us if you have any questions regarding this scope and cost augmentation.

Sincerely,

**Rincon Consultants, Inc.**

A handwritten signature in black ink, appearing to read "CBM".

Chris Bersbach, MESM  
Supervising Environmental Planner/Project Manager

A handwritten signature in black ink, appearing to read "Richard Daulton".

Richard Daulton, MURP  
Vice President/Principal-in-Charge

**Attachment: Cost Spreadsheet**

Exhibit A

City of Morro Bay  
1290 Embarcadero Road Battery Energy Storage System Project EIR



**RINCON CONSULTANTS, INC.**  
1290 Embarcadero Road BESS EIR Project - Cost Amendment #1

Cost Estimate

| Tasks  | Rincon Labor Classification → |                 |            | Principal II    | Supervisor I    | Senior Professional II | Professional III | Technical Editor | Production Specialist | GIS/CADD Specialist II | Clerical      |
|--|-------------------------------|-----------------|------------|-----------------|-----------------|------------------------|------------------|------------------|-----------------------|------------------------|---------------|
|  | Labor Cost                    | Direct Expense  | Hours      |                 |                 |                        |                  |                  |                       |                        |               |
| <b>Task 10.1: Project/Contract Management</b>                |                               |                 |            | \$247           | \$201           | \$180                  | \$134            | \$115            | \$91                  | \$129                  | \$77          |
| Subtask 10.1.1 Project/Contract Management                   | \$4,604                       |                 | 24         | 6               | 14              |                        |                  |                  |                       |                        | 4             |
| <b>Task Subtotal</b>   | <b>\$4,604</b>                |                 | <b>24</b>  | <b>6</b>        | <b>14</b>       |                        |                  |                  |                       |                        | <b>4</b>      |
| <b>Task 10.2: Hazards and Hazardous Materials Evaluation</b> |                               |                 |            |                 |                 |                        |                  |                  |                       |                        |               |
| Subtask 10.2.1 Research                                      | \$2,010                       | \$288           | 15         |                 |                 |                        | 15               |                  |                       |                        |               |
| Subtask 10.2.2 Agency Review                                 | \$804                         |                 | 6          |                 |                 |                        | 6                |                  |                       |                        |               |
| Subtask 10.2.3 Reporting                                     | \$2,675                       |                 | 17         | 2               | 3               |                        | 6                |                  |                       | 6                      |               |
| Subtask 10.2.4 Response to Comments                          | \$845                         |                 | 5          | 1               | 1               |                        | 2                |                  |                       | 1                      |               |
| <b>Task Subtotal</b>   | <b>\$5,334</b>                | <b>\$288</b>    | <b>43</b>  | <b>3</b>        | <b>4</b>        |                        | <b>29</b>        |                  |                       | <b>7</b>               |               |
| <b>Task 10.3: Geologic Hazards Evaluation</b>                |                               |                 |            |                 |                 |                        |                  |                  |                       |                        |               |
| Subtask 10.3.1 Research                                      | \$2,412                       |                 | 18         |                 |                 |                        | 18               |                  |                       |                        |               |
| Subtask 10.3.2 Agency Review                                 | \$804                         |                 | 6          |                 |                 |                        | 6                |                  |                       |                        |               |
| Subtask 10.3.3 Reporting                                     | \$3,143                       |                 | 20         | 2               | 2               | 3                      | 6                |                  |                       | 7                      |               |
| Subtask 10.3.4 Response to Comments                          | \$1,025                       |                 | 6          | 1               | 1               | 1                      | 2                |                  |                       | 1                      |               |
| <b>Task Subtotal</b>   | <b>\$7,384</b>                |                 | <b>50</b>  | <b>3</b>        | <b>3</b>        | <b>4</b>               | <b>32</b>        |                  |                       | <b>8</b>               |               |
| <b>Task 10.4: Paleontological Resources Evaluation</b>       |                               |                 |            |                 |                 |                        |                  |                  |                       |                        |               |
| Subtask 10.4.1 Paleo Study and Report                        | \$2,530                       | \$51            | 18         | 1               | 2               |                        | 10               | 2                | 2                     | 1                      |               |
| Subtask 10.4.2 Locality Search                               | \$665                         | \$794           | 5          |                 |                 |                        | 4                |                  |                       | 1                      |               |
| Subtask 10.4.3 Response to Comments                          | \$531                         |                 | 3          |                 | 2               |                        |                  |                  |                       | 1                      |               |
| <b>Task Subtotal</b>   | <b>\$3,726</b>                | <b>\$844</b>    | <b>26</b>  | <b>1</b>        | <b>4</b>        |                        | <b>14</b>        | <b>2</b>         | <b>2</b>              | <b>3</b>               |               |
| <b>Subtotal Cost</b>   | <b>\$ 22,048</b>              | <b>\$ 1,132</b> | <b>143</b> | <b>\$ 3,211</b> | <b>\$ 4,221</b> | <b>\$ 720</b>          | <b>\$ 7,236</b>  | <b>\$ 230</b>    | <b>\$ 819</b>         | <b>\$2,322</b>         | <b>\$ 308</b> |

Direct Cost Detail

|   |                 |
|---|-----------------|
| Historical Aerials, Topos, and Fire Insurance Maps            | \$ 288          |
| Los Angeles County Museum (NHMA) Records Search: 2 quads      | \$ 794          |
| United States Geological Survey (USGS) Geologic Maps: 2 quads | \$ 51           |
| <b>Subtotal Additional Costs</b>                              | <b>\$ 1,132</b> |

Summary

|                             |                  |
|-----------------------------|------------------|
| Professional Fees Subtotal  | <b>\$22,048</b>  |
| Direct Costs Subtotal       | <b>\$1,132</b>   |
| <b>Total Project Budget</b> | <b>\$ 23,180</b> |

Environmental Scientists

Planners

Professional Services are based on Rincon's standard fee schedule and labor classifications. The above is provided as an estimate of Rincon's effort per task. Rincon may reallocate budget between staff and tasks, as long as the total contract price is not exceeded.

Annual Escalation - Standard rates subject to 3% escalation annually

Engineers



# CERTIFICATE OF LIABILITY INSURANCE

2/1/2023

DATE (MM/DD/YYYY)

1/27/2022

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**


|   |                                       |                                |
|---|---------------------------------------|--------------------------------|
| <b>PRODUCER</b> Lockton Insurance Brokers, LLC<br>777 S. Figueroa Street, 52nd Fl.<br>CA License #0F15767<br>Los Angeles CA 90017<br>(213) 689-0065 | <b>CONTACT NAME:</b><br>_____         |                                |
|   | <b>PHONE (A/C, No, Ext):</b><br>_____ | <b>FAX (A/C, No):</b><br>_____ |
| <b>E-MAIL ADDRESS:</b><br>_____   |                                       |                                |
| <b>INSURER(S) AFFORDING COVERAGE</b>  |                                       | <b>NAIC #</b>                  |
| <b>INSURER A :</b> Crum & Forster Specialty Insurance Co  |                                       | 44520                          |
| <b>INSURER B :</b> Hartford Fire Insurance Company  |                                       | 19682                          |
| <b>INSURER C :</b> Starstone National Insurance Company   |                                       | 25496                          |
| <b>INSURER D :</b> Colony Insurance Company   |                                       | 39993                          |
| <b>INSURER E :</b>  |                                       |                                |
| <b>INSURER F :</b>  |                                       |                                |

**COVERAGES RINCO01 CERTIFICATE NUMBER: 16059467 REVISION NUMBER: XXXXXXXX**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE  | ADDL INSD | SUBR WVD | POLICY NUMBER            | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS  |
|----------|--|-----------|----------|--------------------------|-------------------------|-------------------------|---|
| A        | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br><input checked="" type="checkbox"/> SIR: \$50,000<br><input checked="" type="checkbox"/> P&I<br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC<br>OTHER: _____ | Y         | Y        | EPK-133853               | 2/1/2021                | 2/1/2023                | EACH OCCURRENCE \$ 3,000,000<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000<br>MED EXP (Any one person) \$ 10,000<br>PERSONAL & ADV INJURY \$ 3,000,000<br>GENERAL AGGREGATE \$ 4,000,000<br>PRODUCTS - COMP/OP AGG \$ 4,000,000<br>\$ |
| B        | <input checked="" type="checkbox"/> AUTOMOBILE LIABILITY<br><input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY<br><input checked="" type="checkbox"/> HIRED AUTOS ONLY<br><input type="checkbox"/> SCHEDULED AUTOS<br><input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY  | Y         | Y        | 72UENOL5481              | 2/1/2022                | 2/1/2023                | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000<br>BODILY INJURY (Per person) \$ XXXXXXXX<br>BODILY INJURY (Per accident) \$ XXXXXXXX<br>PROPERTY DAMAGE (Per accident) \$ XXXXXXXX<br>Comp./Coll. Ded \$ 1,000                                |
| A<br>D   | <input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR<br><input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE<br><input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000   | N         | N        | EFX-119720<br>EXO4278419 | 2/1/2022<br>2/1/2022    | 2/1/2023<br>2/1/2023    | EACH OCCURRENCE \$ 10,000,000<br>AGGREGATE \$ 10,000,000<br>\$ XXXXXXXX   |
| C        | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY<br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below<br>Y/N <input checked="" type="checkbox"/> N  | N/A       | Y        | T10220329                | 2/1/2022                | 2/1/2023                | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER<br>E.L. EACH ACCIDENT \$ 1,000,000<br>E.L. DISEASE - EA EMPLOYEE \$ 1,000,000<br>E.L. DISEASE - POLICY LIMIT \$ 1,000,000                                       |
| A        | Contractors Pollution Liab<br>E&O Liab.  | N         | N        | EPK-133853               | 2/1/2021                | 2/1/2023                | Limit: \$3,000,000/\$4,000,000<br>Limit: \$3,000,000/\$4,000,000<br>Retro Date: 12/9/1994   |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Cyber Liability: Carrier: AXIS Surplus Insurance Company, Policy No. Renewal Policy No. P-001-000809984-01, Policy Term: 2/1/2022-2/1/2023, Limit: \$5,000,000, SIR: \$75,000; Cyber Excess Liability: Carrier: Evanston Insurance Company, Policy No. MKLV3XCX000065, Policy Term: 2/1/2022-2/1/2023, Limit: \$5,000,000.

|   |  |
|---|--|
| <b>CERTIFICATE HOLDER</b><br>16059467<br>City of Morro Bay<br>955 Shasta Ave.<br>Morro Bay CA 93442 | <b>CANCELLATION</b> See Attachments<br><br>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br><br>AUTHORIZED REPRESENTATIVE<br> |
|---|--|

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### Attachment 3

CONTINUATION DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS (Use only if more space is required)

City of Morro Bay and its officials, employees and agents are Additional Insureds for General Liability with respect to work performed for them by the Named Insured as required by written contract, per Blanket Additional Insured endorsement EN0320-0211 & EN0147-1111. Liability Coverage is Primary and Non-Contributory, per endorsement EN0147-1111. Blanket Waiver of Subrogation applies to General Liability, per Endorsement EN0147-1111.

Policy Number: EPK-133853

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

| Name Of Additional Insured Person(s) Or Organization(s):   | Location(s) of Covered Operations  |
|--|--|
| Blanket when specifically required in a written contract with the named insured.                       | Blanket when specifically required in a written contract with the named insured. |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. |  |

**A. Section III — Who Is An Insured** within the Common Provisions is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" cause, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf; in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Policy Number: EPK-133853

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

| Name of Additional Person(s) or Organization(s):   | Location And Description Of Completed Operations                                 |
|--|--|
| Blanket when specifically required in a written contract with the named insured.                       | Blanket when specifically required in a written contract with the named insured. |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. |  |

**A. Section III — Who Is An Insured** within the Common Provisions is amended to include as an insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

Policy Number: EPK-133853

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PRIMARY AND NON-CONTRIBUTORY ADDITIONAL INSURED  
WITH WAIVER OF SUBROGATION**

This endorsement modifies insurance provided under the following:

- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- CONTRACTORS POLLUTION LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS LIABILITY COVERAGE PART

**SCHEDULE**

|   |
|---|
| <p><b>Name Of Additional Insured Person(s) or Organization(s)</b></p> <p>Blanket when specifically required in a written contract with the named insured.</p> |
|---|

- A. SECTION III — WHO IS AN INSURED** within the Common Provisions is amended to include as an additional insured the person(s) or organization(s) indicated in the Schedule shown above, but only with respect to liability arising out of "your work" for that person or organization performed by you, or by those acting on your behalf.
- B. As respects additional insureds as defined above, this insurance also applies to "bodily injury" or "property damage" arising out of your negligence when the following written contract requirements are applicable:
  1. Coverage available under this coverage part shall apply as primary insurance. Any other insurance available to these additional insureds shall apply as excess and not contribute as primary to the insurance afforded by this endorsement.
  2. We waive any right of recovery we may have against the person(s) or organization(s) indicated in the Schedule shown above because of payments we make for injury or damage arising out of "your work" performed under a written contract with that person(s) or organization(s).
  3. The term "additional insured" is used separately and not collectively, but the inclusion of more than one "additional insured" shall not increase the limits or coverage provided by this insurance.

This Endorsement does not reinstate or increase the Limits of Insurance applicable to any "claim" to which the coverage afforded by this Endorsement applies.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMMERCIAL AUTOMOBILE BROAD FORM ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **BUSINESS AUTO COVERAGE FORM**

To the extent that the provisions of this endorsement provide broader benefits to the "insured" than other provisions of the Coverage Form, the provisions of this endorsement apply.

#### **1. BROAD FORM INSURED**

##### **A. Subsidiaries and Newly Acquired or Formed Organizations**

The Named Insured shown in the Declarations is amended to include:

- (1) Any legal business entity other than a partnership or joint venture, formed as a subsidiary in which you have an ownership interest of more than 50% on the effective date of the Coverage Form. However, the Named Insured does not include any subsidiary that is an "insured" under any other automobile policy or would be an "insured" under such a policy but for its termination or the exhaustion of its Limit of Insurance.
- (2) Any organization that is acquired or formed by you and over which you maintain majority ownership. However, the Named Insured does not include any newly formed or acquired organization:
  - (a) That is a partnership or joint venture,
  - (b) That is an "insured" under any other policy,
  - (c) That has exhausted its Limit of Insurance under any other policy, or
  - (d) 180 days or more after its acquisition or formation by you, unless you have given us notice of the acquisition or formation.

Coverage does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you formed or acquired the organization.

##### **B. Employees as Insureds**

Paragraph A.1. - WHO IS AN INSURED - of SECTION II - LIABILITY COVERAGE is amended to add:

- d. Any "employee" of yours while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

##### **C. Lessors as Insureds**

Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:

- e. The lessor of a covered "auto" while the "auto" is leased to you under a written agreement if:
  - (1) The agreement requires you to provide direct primary insurance for the lessor and
  - (2) The "auto" is leased without a driver.

Such a leased "auto" will be considered a covered "auto" you own and not a covered "auto" you hire.

##### **D. Additional Insured if Required by Contract**

(1) Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:

- f. When you have agreed, in a written contract or written agreement, that a person or organization be added as an additional insured on your business auto policy, such person or organization is an "insured", but only to the extent such person or organization is liable for "bodily injury" or "property damage" caused by the conduct of an "insured" under paragraphs a. or b. of Who Is An Insured with regard to the ownership, maintenance or use of a covered "auto."

The insurance afforded to any such additional insured applies only if the "bodily injury" or "property damage" occurs:

- (1) During the policy period, and
- (2) Subsequent to the execution of such written contract, and
- (3) Prior to the expiration of the period of time that the written contract requires such insurance be provided to the additional insured.

(2) How Limits Apply

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the most we will pay on behalf of such additional insured is the lesser of:

- (a) The limits of insurance specified in the written contract or written agreement; or
- (b) The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to Limits of Insurance shown in the Declarations and described in this Section.

(3) Additional Insureds Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance.

(4) Duties in The Event Of Accident, Claim, Suit or Loss

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the additional insured shall be required to comply with the provisions in LOSS CONDITIONS 2. - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS – OF SECTION IV – BUSINESS AUTO CONDITIONS, in the same manner as the Named Insured.

**E. Primary and Non-Contributory if Required by Contract**

Only with respect to insurance provided to an additional insured in 1.D. - Additional Insured If Required by Contract, the following provisions apply:

(3) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract or written agreement that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in Other Insurance 5.d.

(4) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (3) and (4) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, by the method described in Other Insurance 5.d.

**2. AUTOS RENTED BY EMPLOYEES**

Any "auto" hired or rented by your "employee" on your behalf and at your direction will be considered an "auto" you hire.

The OTHER INSURANCE Condition is amended by adding the following:

If an "employee's" personal insurance also applies on an excess basis to a covered "auto" hired or rented by your "employee" on your behalf and at your direction, this insurance will be primary to the "employee's" personal insurance.

### 3. AMENDED FELLOW EMPLOYEE EXCLUSION

EXCLUSION 5. - FELLOW EMPLOYEE - of SECTION II - LIABILITY COVERAGE does not apply if you have workers' compensation insurance in-force covering all of your "employees".

Coverage is excess over any other collectible insurance.

### 4. HIRED AUTO PHYSICAL DAMAGE COVERAGE

If hired "autos" are covered "autos" for Liability Coverage and if Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form for any "auto" you own, then the Physical Damage Coverages provided are extended to "autos" you hire or borrow, subject to the following limit.

The most we will pay for "loss" to any hired "auto" is:

- (1) \$100,000;
- (2) The actual cash value of the damaged or stolen property at the time of the "loss"; or
- (3) The cost of repairing or replacing the damaged or stolen property,

whichever is smallest, minus a deductible. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning. Hired Auto Physical Damage coverage is excess over any other collectible insurance. Subject to the above limit, deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

We will also cover loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss, subject to a maximum of \$1000 per "accident".

This extension of coverage does not apply to any "auto" you hire or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company)

### 5. PHYSICAL DAMAGE - ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE COVERAGE

Paragraph A.4.a. of SECTION III - PHYSICAL DAMAGE COVERAGE is amended to provide a limit of \$50 per day and a maximum limit of \$1,000.

### 6. LOAN/LEASE GAP COVERAGE

Under SECTION III - PHYSICAL DAMAGE COVERAGE, in the event of a total "loss" to a covered "auto", we will pay your additional legal obligation for any difference between the actual cash value of the "auto" at the time of the "loss" and the "outstanding balance" of the loan/lease.

"Outstanding balance" means the amount you owe on the loan/lease at the time of "loss" less any amounts representing taxes; overdue payments; penalties, interest or charges resulting from overdue payments; additional mileage charges; excess wear and tear charges; lease termination fees; security deposits not returned by the lessor; costs for extended warranties, credit life insurance, health, accident or disability insurance purchased with the loan or lease; and carry-over balances from previous loans or leases.

### 7. AIRBAG COVERAGE

Under Paragraph B. EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

The exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

### 8. ELECTRONIC EQUIPMENT - BROADENED COVERAGE

a. The exceptions to Paragraphs B.4 - EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE are replaced by the following:

Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- (1) Permanently installed in or upon the covered "auto";
- (2) Removable from a housing unit which is permanently installed in or upon the covered "auto";
- (3) An integral part of the same unit housing any electronic equipment described in Paragraphs (1) and (2) above; or

- (4) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

b. Section III – Version CA 00 01 03 10 of the Business Auto Coverage Form, Physical Damage Coverage, Limit of Insurance, Paragraph C.2 and Version CA 00 01 10 01 of the Business Auto Coverage Form, Physical Damage Coverage, Limit of Insurance, Paragraph C are each amended to add the following:

\$1,500 is the most we will pay for "loss" in any one "accident" to all electronic equipment (other than equipment designed solely for the reproduction of sound, and accessories used with such equipment) that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is:

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
- (2) Removable from a permanently installed housing unit as described in Paragraph 2.a. above or is an integral part of that equipment; or
- (3) An integral part of such equipment.

c. For each covered "auto", should loss be limited to electronic equipment only, our obligation to pay for, repair, return or replace damaged or stolen electronic equipment will be reduced by the applicable deductible shown in the Declarations, or \$250, whichever deductible is less.

**9. EXTRA EXPENSE - BROADENED COVERAGE**

Under Paragraph A. - COVERAGE - of SECTION III - PHYSICAL DAMAGE COVERAGE, we will pay for the expense of returning a stolen covered "auto" to you.

**10. GLASS REPAIR - WAIVER OF DEDUCTIBLE**

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

No deductible applies to glass damage if the glass is repaired rather than replaced.

**11. TWO OR MORE DEDUCTIBLES**

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

If another Hartford Financial Services Group, Inc. company policy or coverage form that is not an automobile policy or coverage form applies to the same "accident", the following applies:

- (1) If the deductible under this Business Auto Coverage Form is the smaller (or smallest) deductible, it will be waived;
- (2) If the deductible under this Business Auto Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

**12. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS**

The requirement in LOSS CONDITIONS 2.a. - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS - of SECTION IV - BUSINESS AUTO CONDITIONS that you must notify us of an "accident" applies only when the "accident" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) A member, if you are a limited liability company; or
- (4) An executive officer or insurance manager, if you are a corporation.

**13. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS**

If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not deny coverage under this Coverage Form because of such failure.

**14. HIRED AUTO - COVERAGE TERRITORY**

Paragraph e. of GENERAL CONDITIONS 7. - POLICY PERIOD, COVERAGE TERRITORY - of SECTION IV - BUSINESS AUTO CONDITIONS is replaced by the following:

- e. For short-term hired "autos", the coverage territory with respect to Liability Coverage is anywhere in the world provided that if the "insured's" responsibility to pay damages for "bodily injury" or "property damage" is determined in a "suit," the "suit" is brought in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

**15. WAIVER OF SUBROGATION**

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - of SECTION IV - BUSINESS AUTO CONDITIONS is amended by adding the following:

## Attachment 3

Attachment Code: D563844 Certificate ID: 16059467

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damages under this Coverage Form.

### 16. RESULTANT MENTAL ANGUISH COVERAGE

The definition of "bodily injury" in SECTION V-DEFINITIONS is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by any person, including mental anguish or death resulting from any of these.

### 17. EXTENDED CANCELLATION CONDITION

Paragraph 2. of the COMMON POLICY CONDITIONS - CANCELLATION - applies except as follows:

If we cancel for any reason other than nonpayment of premium, we will mail or deliver to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation.

### 18. HYBRID, ELECTRIC, OR NATURAL GAS VEHICLE PAYMENT COVERAGE

In the event of a total loss to a "non-hybrid" auto for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended as follows:

- a. If the auto is replaced with a "hybrid" auto or an auto powered solely by electricity or natural gas, we will pay an additional 10%, to a maximum of \$2,500, of the "non-hybrid" auto's actual cash value or replacement cost, whichever is less,
- b. The auto must be replaced and a copy of a bill of sale or new lease agreement received by us within 60 calendar days of the date of "loss,"

c. Regardless of the number of autos deemed a total loss, the most we will pay under this Hybrid, Electric, or Natural Gas Vehicle Payment Coverage provision for any one "loss" is \$10,000.

For the purposes of the coverage provision,

- a. A "non-hybrid" auto is defined as an auto that uses only an internal combustion engine to move the auto but does not include autos powered solely by electricity or natural gas.
- b. A "hybrid" auto is defined as an auto with an internal combustion engine and one or more electric motors; and that uses the internal combustion engine and one or more electric motors to move the auto, or the internal combustion engine to charge one or more electric motors, which move the auto.

### 19. VEHICLE WRAP COVERAGE

In the event of a total loss to an "auto" for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended to add the following:

In addition to the actual cash value of the "auto", we will pay up to \$1,000 for vinyl vehicle wraps which are displayed on the covered "auto" at the time of total loss. Regardless of the number of autos deemed a total loss, the most we will pay under this Vehicle Wrap Coverage provision for any one "loss" is \$5,000. For purposes of this coverage provision, signs or other graphics painted or magnetically affixed to the vehicle are not considered vehicle wraps.

Attachment 3

Attachment Code: D565978 Certificate ID: 16059467

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY  
WC 04 03 06**

(Ed. 4-84)

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT—CALIFORNIA**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from US.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be \_\_\*\_\_% of the California workers' compensation premium otherwise due on such remuneration.

**Person or Organization**

**Job Description**

WHERE YOU ARE REQUIRED BY WRITTEN CONTRACT TO OBTAIN THIS AGREEMENT FROM US, PROVIDED THE CONTRACT IS SIGNED AND DATED PRIOR TO THE DATE OF LOSS TO WHICH THIS WAIVER APPLIES. IN NO INSTANCE SHALL THE PROVISIONS AFFORDED BY THIS ENDORSEMENT BENEFIT ANY COMPANY OPERATING AIRCRAFT FOR HIRE.

\*The premium charge for this endorsement shall be 2% of the premium developed in the State of California, but not less than \$500 policy minimum premium.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

|                       |                                      |            |           |                       |          |
|-----------------------|--------------------------------------|------------|-----------|-----------------------|----------|
| Endorsement Effective | 2/1/2022                             | Policy No. | T10220329 | Endorsement No.       | 23       |
| Insured               | Rincon Consultants, Inc.             |            |           | Policy Effective Date | 2/1/2022 |
| Insurance Company     | StarStone National Insurance Company |            |           |                       |          |

Countersigned By \_\_\_\_\_



**WC 04 03 06**  
(Ed. 4-84)

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## DEPOSIT AND REIMBURSEMENT AGREEMENT

This DEPOSIT AND REIMBURSEMENT AGREEMENT (“Agreement”) is executed as of this 27<sup>th</sup> day of January, 2022 (“Effective Date”), by and among the CITY OF MORRO BAY, a California municipal corporation (“City”), and MORRO BAY POWER COMPANY LLC, a Delaware limited liability company (“Vistra”). City and Vistra are sometimes referred to herein, individually as a “Party” or together as the “Parties.”

### RECITALS

**WHEREAS**, Vistra is the owner of that certain property generally located at 1290 Embarcadero, in the City of Morro Bay, California (“Property”);

**WHEREAS**, Vistra desires to develop and operate a battery energy storage system (“BESS”) on the Property and demolish the non-operational power plant located on the Property (together, the “Project”);

**WHEREAS**, in December 2020, Vistra filed an application with the City for certain entitlements for the Project (as amended/modified from time to time, the “Application”) and the City has deemed the Application complete. As of the Effective Date, Vistra has not yet obtained all necessary permits, approvals, and entitlements for development of the Project, including a Coastal Development Permit, compliance with the California Environmental Quality Act (“CEQA”), and other agreements or approvals that may be required to implement the Project (collectively, the “Entitlements and Approvals”);

**WHEREAS**, Vistra paid the fees required to date by the City for its Application and has made other deposits required by the City for processing the Project and necessary Entitlements and Approvals and the initial CEQA Processing (as such term is defined below) for the Project (such fees and deposits, collectively, the “Existing Deposit”);

**WHEREAS**, to facilitate the City’s consideration of approval of the Project, the City requires that Vistra submit certain deposits and make reimbursements to the City for its reasonably incurred costs and expenses related to processing the Application, Project, and Entitlements and Approvals based on staff time at the City’s regular rate of pay (including overtime rates), third-party consulting costs (without any mark-up) and the City’s legal costs associated with the Project, as well as the environmental review and associated approvals associated with the Project (the “CEQA Approvals”);

**WHEREAS**, the City is the lead agency, within the meaning of CEQA, for purposes of conducting environmental review for the Project, and as such, will prepare all CEQA reports and documentation, distribute such reports and documents to responsible agencies and others, hold public hearings and consider public comments, and consider approval or certification of such reports and other documents as it deems necessary and appropriate in accordance with CEQA;

**WHEREAS**, the Parties desire to enter into this Agreement to facilitate a streamlined procedure for Vistra to reimburse the City for its reasonably incurred costs associated with processing the Application, the Project, CEQA Approvals, and Entitlements and Approvals;

**WHEREAS**, as of the date of execution of this Agreement, the City has already incurred certain costs and attorneys’ fees in connection with processing the Application, the Project, initial

CEQA Processing (as defined below), and the Entitlements and Approvals, and such costs and fees are intended to be included as reimbursable costs to the City pursuant to this Agreement;

**WHEREAS**, Vistra acknowledges that the Existing Deposit does not include all deposits that will be required for the City Costs (as defined below) nor does the Existing Deposit include the anticipated cost associated with the Planning Commission and City Council meetings and, as such, Vistra agrees to add to the Existing Deposit to satisfy the City requirements and pay for City Costs associated with the Project; and

**WHEREAS**, the Parties further acknowledge that the Existing Deposit made by Vistra associated with the Application will be credited toward Vistra's obligation to pay the City Costs (as defined below).

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants set forth herein, and for other consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

## TERMS

**1. Incorporation of Recitals.** The Recitals set forth above are true and correct and are incorporated herein by this reference.

**2. Vistra Responsibility for City Costs.** Vistra shall be responsible for, and shall reimburse City for, all reasonably incurred costs, fees and expenses of the City with no markup related to the following (collectively, "**City Costs**"): (i) all applicable City staff, legal, consultant fees and costs, in reviewing, preparing, negotiating, processing, and obtaining approval for the Project, the Application, this Agreement, the Entitlements and Approvals, and the CEQA Approvals (and CEQA Processing associated therewith); (ii) all costs related to studies, proformas, and reports that are deemed necessary by the City for processing the Entitlements and Approvals and all CEQA Processing for the Project (including any review, negotiation, and preparation of same); (iii) City staff, legal, consultant, or other third-party costs incurred in connection with any litigation brought against the City by third parties in connection with the City's approval of the Project, Entitlements and Approvals, or any CEQA Approvals issued by the City with respect to the Project; and, (v) any other fees and costs that are reasonably necessary for the City in order to process, review, or act upon the Application, Project, the Entitlements and Approvals, and the CEQA Approvals, including preparing for and holding public hearings, meetings or workshops. Reimbursable City Attorney rates will not exceed \$350 per hour. Vistra's obligation to deposit and reimburse City Costs are in addition to Vistra's duty to indemnify, defend, and hold harmless City Parties, as set forth in Section 8.2, below. Vistra acknowledges and agrees that the Deposits (as defined below) shall be used to reimburse the City for previously incurred City Costs between September 1, 2021 (the "**Cost Commencement Date**") through to the Effective Date of this Agreement.

For purposes of this Agreement, the term "**CEQA Processing**" shall mean: (i) preparing necessary CEQA reports and documents, including traffic engineering, other environmentally-pertinent analyses, and additional supporting documentation, as necessary and appropriate in accordance with CEQA, including, without limitation an Environmental Impact Report; (ii) distributing such documentation to responsible agencies and others; (iii) noticing and holding public



hearings and considering public comments on such CEQA documents and reports; (iv) considering certification of such CEQA documents and reports and other documentation through a City Council Resolution in accordance with CEQA; and (v) preparing, negotiating, and approving all environmental documents required under CEQA.

Vistra shall, within seven (7) business days from the Effective Date, deposit with City an additional sum of **One Hundred and Seventy-Five Thousand Dollars (\$175,000)** (“**New Deposit**”) against which, together with any balance remaining on the Existing Deposit, City Costs will be drawn down (together with the Existing Deposit, and any other deposits required herein, the “**Deposits**”).

**2.1 Additional Deposits by Vistra.** In the event the New Deposit (together with any other Deposits previously provided to the City prior to the Effective Date of this Agreement) are drawn down to less than \$50,000 (the “**Deposit Minimum Balance**”), Vistra shall make additional deposits to the City within ten (10) business days of City’s written request to Vistra, which request must include the following information: (i) what City Costs have been incurred to date, (ii) the additional City Costs that are anticipated to be incurred during the term of this Agreement by the City, and (iii) the amount of the new deposit the City requires in connection with same. Any such additional amounts that are deposited are referred to herein as “**Additional Deposits**” (which shall be added to and included within the definition of the “**Deposits**” hereunder). If any deposited sums ultimately exceed the costs incurred by City (with respect to all City Costs), City shall refund the difference to Vistra. In the event of a dispute regarding any Additional Deposits by either Party, the Parties (which in the case of Vistra may be solely its attorneys set forth in the notice address set forth herein, which are entitled to represent Vistra on its behalf in such negotiations) hereby agree to meet and confer by phone within 5 business days of a written request by either Party.

**2.2 City’s Right to Cease Work.** In the event that Vistra does not promptly deliver all Deposits (including the Additional Deposits), and the Deposit Minimum Balance has been depleted to less than \$50,000, City may cease all work related to or concerning the Project.

**2.3 Interest on Deposit.** The Deposits shall not earn interest and may be commingled with other City funds.

**2.4 Accounting.** City shall keep a detailed accounting of the City Costs incurred by City and all Deposits made by Vistra. The City shall provide to Vistra (and/or its attorneys) a summary of all expenditures made from the Deposits for City Costs within thirty (30) days of receipt of a written request from Vistra; provided that such request shall not be made more than once during any three (3) month period during the term of this Agreement. The City hereby agrees to communicate via email or via telephone to Vistra’s attorneys if the City reasonably anticipates that the City Costs, in the aggregate, will exceed one-hundred thousand dollars (\$100,000.00) in any given month (“**Monthly Cost Estimation**”). If requested in writing by Vistra’s attorneys, the Parties agree to meet and confer (telephonically or via email) within 5 business days, regarding any dispute Vistra may have regarding the Monthly Cost Estimation provided by the City. Vistra shall not unreasonably dispute the Monthly Cost Estimation or any City Costs incurred by the City and the City shall only seek reimbursement for the actual City Costs incurred.

**2.5 Unexpended Funds.** Within 120 days after all approvals for the Project issued by the City become final for all purposes (including expiration of all applicable appeal periods relating

to lawsuits challenging approvals by the City for the Project, CEQA Approvals, or Entitlements and Approvals), and there are no outstanding obligations of Vistra with respect to the Project or the Entitlements or Approvals that require further imposition of City Costs, City shall return any unexpended portion of the Deposits to Vistra.

**3. Additional Taxes, Fees, and Charges.** Notwithstanding any provision to the contrary, Vistra shall pay all normal and customary fees and charges applicable to all permits necessary for the Project, and any taxes, fees, and charges hereafter imposed by City in connection with the Project, and the Entitlements and Approvals which are standard and uniformly-applied to similar projects in the City.

**4. Termination.** This Agreement shall terminate (i) ten (10) days after Vistra provides written notice to the City that it no longer seeks to pursue the Project and withdraws the Application or (ii) 120 days after all approvals for the Project and CEQA Approvals become final for all purposes, including expiration of all applicable appeal periods relating to lawsuits challenging approvals by the City for the Project, CEQA Approvals, and Entitlements and Approvals, and there are no outstanding obligations of Vistra with respect to the Project or the Entitlements or Approvals that require further imposition of City Costs.

**5. Remedies.** In the event of a breach by either Party, the non-breaching Party may, in addition to any other remedies, seek to recover its reasonable attorneys' fees in enforcing this Agreement. This provision will not be interpreted to curtail either Party's remedies at law or equity against the other, nor shall it be interpreted as a waiver of any defense.

**6. Conflicts of Interest.**

**6.1 No Financial Relationship.** Vistra acknowledges the requirements of Government Code Sections 1090 *et seq.* ("1090 Laws") and represents and warrants that it has not entered into any financial or transactional relationships or arrangements that would violate the 1090 Laws, nor shall Vistra solicit, participate in, or facilitate a violation of the 1090 Laws. By law, the documents required by CEQA must be independently reviewed and approved by City in accordance with its independent judgment and subject to its sole discretion. Accordingly, despite any funding mechanism provided in this Agreement, during the existence of the City's contract with the Environmental Consultant (as defined below), and for a period of one (1) year after final resolution / approval of the Project, the CEQA Approvals, and any applicable Entitlements and Approvals, Vistra and any of its affiliated entities shall not enter into any financial relationship with the Environmental Consultant or with any City official, employee, or contractor. Nor, during such period, shall Vistra propose to enter into any future relationship with the Environmental Consultant or with any City official, employee, or contractor. This shall not prevent Vistra's consulting with Environmental Consultant as permitted by Sections 9 and 10 of this Agreement.

**6.2 Vistra's Representations and Warranties.** Vistra represents and warrants that it is duly authorized to do business in the State of California. Vistra further represents and warrants that, for the 12-month period preceding the Effective Date of this Agreement, it has not entered into any arrangement to pay financial consideration to, and has not made any payment to, any City official, agent or employee that would create a legally cognizable conflict of interest as defined in the Political Reform Act (California Government Code sections 87100 *et seq.*).

7. **Vistra Acknowledgements.** Subject to the reimbursement obligations set forth in this Agreement, Vistra acknowledges and agrees that, with respect to the work concerning the Project, the Application, the CEQA Processing, and the Entitlements and Approvals:

7.1 City shall have sole discretion to select which of its employees and contractors are assigned to the work, including the Environmental Consultant (as defined in Section 9).

7.2 City shall have sole discretion to direct the work and evaluate the performance of its employees and/or contractors assigned to the work, and City retains the right to terminate or replace at any time any such person.

7.3 City, not Vistra, shall pay employees and contractors assigned to the work from a City account.

7.4 City makes no representations or assurances to Vistra that the Project will be approved, or that Vistra will receive any priority treatment for processing the Project or its Entitlements and Approvals.

**8. Indemnification and Hold Harmless.**

8.1 **Non-liability of City.** The Parties acknowledge that there may be challenges to approval of the Application, the Project, the CEQA Approvals, and the Entitlements and Approvals, which could delay development of the Project. The Parties agree that the City and its officials, officers, employees and agents shall not be responsible in any way for any delays or liabilities of any type whatsoever resulting from any such legal challenges to the Project or the CEQA Approvals, or the fact that any required Entitlements and Approvals were not issued by the City or any other agency. No official, officer, employee or agent of the City shall be personally liable hereunder to any extent. The Parties further acknowledge and agree that this Agreement is not a debt of the City. The City shall not in any event be liable hereunder other than to return the unexpended and uncommitted portions of the Deposits as provided in Section 2.5 above, and to provide an accounting under Section 2.4 above. The City shall not be obligated to advance any of its own funds with respect to CEQA documents or for any other purpose.

8.2 **Indemnification.** Vistra agrees to indemnify, protect, defend, and hold harmless the City and its officials, officers, employees, agents, boards, commissions, departments, agencies, and instrumentalities thereof ("**City Parties**"), from any and all actions, suits, claims, demands, writs of mandamus, liabilities, losses, damages, penalties, obligations, expenses, and any other actions or proceedings (whether legal, equitable, declaratory, administrative, adjudicatory, or otherwise, in nature), and alternative dispute resolution procedures (including, but not limited to, arbitrations, mediations, and other such procedures) asserted by third parties against the City Parties that challenge, or seek to void, set aside, or otherwise modify or annul, the action of, or any approval by, the City Parties for or concerning this Agreement, the Project, the Entitlements and Approvals, the Application, or any CEQA Approvals, or any aspect or portion thereof (including, but not limited to, reasonable attorneys' fees and costs) (herein the "**Claims and Liabilities**"), whether such Claims and Liabilities arise under planning and zoning laws, the Subdivision Map Act, CEQA, or any other federal, state, or local statute, law, ordinance, rule, regulation, or any decision of a court of competent jurisdiction.

In the event any action for any Claims and Liabilities is brought against the City and/or City Parties, the City shall promptly notify Vistra of same, and upon City's notification to Vistra of such Claims and Liabilities, Vistra shall make a minimum deposit in an amount sufficient to pay all of Vistra's indemnification obligations to the City for the following ninety (90) days that the Parties reasonably anticipate to be incurred (including reasonable legal costs and fees). Thereafter, upon the commencement of each subsequent period of ninety (90) days, Vistra shall make a further deposit sufficient to pay all of Vistra's indemnification obligations to the City for the following ninety (90) days, as reasonably determined by the Parties. Vistra shall make deposits required under this Section within ten (10) business days of receipt of the City's written request. At no point during the pendency of such Claims and Liabilities shall the minimum balance of the deposits provided by Vistra for all Claims and Liabilities fall below One Hundred Thousand Dollars (\$100,000). If Vistra fails to timely pay such funds, the City may abandon the defense without liability to Vistra and may recover from Vistra any attorneys' fees and other costs for which the City may be liable as a result of abandonment of the action.

The City acknowledges that Vistra shall be primarily responsible for defending Claims and Liabilities. With respect to the defense of any Claims or Liabilities, the City shall have the right to utilize the City Attorney's office, or use other comparable legal counsel of its choosing (subject to approval by Vistra which may not be unreasonably withheld), as well as the right to utilize consultants and specialists, in connection with any defense of any Claims and Liabilities. Vistra's obligation to pay the defense costs of the City shall continue until final judgment, including any appeals. City agrees to fully cooperate pursuant to the terms of this Agreement with Vistra in the defense of any matter in which Vistra is defending and/or holding the City harmless.

**8.3 Exception.** The obligations of Vistra under this Section 8 shall not apply to any claims, actions, or proceedings arising (as determined by a judge of a court of competent jurisdiction) through the sole negligence or willful misconduct of the City Parties.

**8.4 Period of Indemnification.** The indemnity obligations under Section 8.2 shall begin upon the Effective Date and shall survive termination or expiration of this Agreement for a period of twelve (12) months, or until the expiration of all statutes of limitations for any Claims and Liabilities, whichever event occurs later in time.

**9. Compliance with Guidelines; Independent Judgment.** The CEQA Guidelines, including Sections 15084 and 15090, require the City as lead agency to exercise its independent judgment in CEQA findings and approvals with respect to the Project. The City has engaged and may continue to engage with one or more consultants to prepare CEQA documents and assist in the CEQA Processing, including, without limitation, Rincon Consultants, Inc. (collectively, the "**Environmental Consultant**") for the Project and the CEQA Approvals. Accordingly, it is understood that any such Environmental Consultant hired by the City to prepare CEQA documents or assist in the CEQA Processing shall be under contract to and directed by the City, and Vistra shall not attempt to direct, influence, or otherwise control the Environmental Consultant in the performance of the work. Any questions or concerns Vistra may have will be directed to the City. Notwithstanding the foregoing, and in accordance with CEQA Guidelines Section 15084, Vistra may retain and direct other environmental consultants to prepare various technical reports and analyses that may be used and relied upon by the Environmental Consultant and the City in preparing the draft and final CEQA

document (including but not limited to consultants retained to prepare traffic, air quality, noise, and historical studies or analyses (collectively, the “**Technical Consultants**”). The City retains the sole and absolute right to review and approve any and all reports prepared and submitted to the City and the Environmental Consultant by the Technical Consultants in accordance with its independent judgment and ultimate sole discretionary authority.

**10. Vistra’s Rights Concerning Review of Documents.** City shall provide Vistra with draft copies of all reports and studies produced in connection with the CEQA Processing and funded through this Agreement subject to applicable law. Vistra may discuss issues with the City Parties or their consultants and may make comments orally or in writing. The City Parties, at Vistra’s written request, shall also use reasonable efforts consistent with law to permit Vistra’s review with respect to agendas and staff reports for all open City Council, Planning Commission and other public body meetings at which the Project or related matters are to be considered. As set forth herein, it is expressly understood that the Environmental Consultant (and other City consultants retained hereunder) is under contract solely with the City, and the City is free to disregard the comments of Vistra and exercise its independent judgment in making payments to the Environmental Consultant or revising or accepting the Environmental Consultant’s work product, without any liability whatsoever to Vistra therefor.

**11. No Obligation to Adopt CEQA Documents or to Approve Project.** The provisions of this Agreement shall in no way obligate the City to adopt or certify any CEQA documents or take any action related to approval of the Project or any Entitlements and Approvals related thereto. The City shall use its independent judgment in determining whether to approve the Project’s proposed Entitlements and Approvals, whether to approve draft CEQA documents for circulation, and whether to certify or to not certify any CEQA documents. In the event that the City certifies any CEQA documents in connection with the Project or the proposed Entitlements and Approvals, the City shall use its independent judgment in determining the significance of any impacts, approving any mitigation program, adopting a statement of overriding considerations, or taking any other action. The City Parties shall have no liability to Vistra in any manner whatsoever therefor, other than providing the accounting of expenses as provided herein.

**12. Assignment/Transfer.** Except with respect to an Affiliate of Vistra, this Agreement may not be assigned or transferred to another entity unless agreed to in writing by City and upon proof of the financial viability of the successor entity to fulfill the obligations of Vistra under this Agreement, in the City’s discretion. For purposes of this Agreement, the term “**Affiliate**” shall mean a company or entity that is controlled by Vistra Corp.

**13. Relationship Between the Parties.** The Parties agree that this Agreement does not operate to create the relationship of partnership, joint venture, or agency between City and Vistra. Nothing herein shall be deemed to make Vistra an agent of City.

**14. Qualification; Authority.** Vistra represents and warrants that it has the legal capacity to enter into the Agreement. Each Party warrants that the individuals who have signed the Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party. Each individual executing this Agreement on behalf of Vistra represents, warrants and covenants to City that (a) Vistra is duly formed and authorized to do business in the state of its formation and the State of California, (b) such person is duly authorized to execute and deliver this Agreement on behalf

of Vistra in accordance with authority granted under the organizational documents of Vistra, and (c) Vistra is bound under the terms of this Agreement.

15. **Notices.** Any notices, requests, demands, documents approvals or disapprovals given or sent under this Agreement from one Party to another (each a “Notice”, and collectively, the “Notices”) shall be given to the Party entitled thereto at its address set forth below or at such other address as such Party may provide to the other Parties in writing. Any such Notice may be given (i) by personal delivery which will be deemed received on the day of delivery; (ii) by national overnight delivery service which shall be deemed received the following day; or (iii) by mailing the same by registered or certified US mail, return receipt requested which will be deemed delivered three (3) days after depositing same in the mail, addressed to the Party to whom the Notice is directed as set forth below:

**To City:** City of Morro Bay  
595 Harbor Street  
Morro Bay, CA 93442  
Attention: City Manager Scott Collins  
Telephone: 805-772-6206  
Email: scollins@morrobayca.gov

**With a Copy to:** City of Morro Bay  
955 Shasta Avenue  
Morro Bay, CA 93442  
Attention: Community Development Director Scot Graham  
Telephone: 805-772-6291  
Email: sgraham@morrobayca.gov

**With a Copy to:** City of Morro Bay  
595 Harbor Street  
Morro Bay, CA 93442  
Attention: City Clerk Dana Swanson  
Telephone: 805-772-6205  
Email: dswanson@morrobayca.gov

**With a Copy to:** Aleshire & Wynder, LLP  
18881 Von Karman Ave., Suite 1700  
Irvine, CA 92612  
Attention: Chris Neumeyer  
Telephone: (949) 223-1170  
Email: cneumeyer@awattorneys.com

**To Vistra:** Morro Bay Power Company LLC  
6555 Sierra Drive  
Irving, TX 95039  
Attention: Gabe Vazquez  
Email: gabe.vasquez@vistracorp.com

**With a Copy to:** Paul Hastings, LLP  
101 California St., 48th Floor  
San Francisco, CA 94111  
Attention: Navi Dhillon and Chris Carr  
Email: navidhillon@paulhastings.com

**16. Cooperation; Further Acts.** The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate, or convenient to attain the purposes of this Agreement.

**17. Construction; References; Captions.** It being agreed the Parties or their agents have participated in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against either Party. Unless otherwise specified, any term referencing time, days, or period for performance shall be deemed calendar days and not business days, provided, that any deadline that falls on a weekend or holiday shall be extended to the next City business day. All references to City include all City Parties. The captions of the various paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

**18. Amendment; Modification.** No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

**19. Waiver.** No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual right by custom, estoppel, or otherwise.

**20. Binding Effect.** Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.

**21. No Third Party Beneficiaries.** There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

**22. Invalidity; Severability.** If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

**23. Consent to Jurisdiction and Venue.** This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this Agreement, or which in any way arises out of the Parties' activities undertaken

pursuant to this Agreement, shall be filed and prosecuted in the United States District for the Central District of California or the Superior Court of California, County of San Luis Obispo. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding. Without limiting the generality of the foregoing waiver, Vistra expressly waives any right to have venue transferred pursuant to California Code of Civil Procedure Section 394.

**24. Time is of the Essence.** Time is of the essence with respect to this Agreement.

**25. Counterparts.** This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument. The signature of any Party to this Agreement transmitted to any other Party by facsimile or e-mail shall be deemed an original signature of the transmitting Party.

**26. Entire Agreement.** This Agreement contains the entire agreement between City and Vistra with respect to the subject matter of this Agreement and supersedes any prior oral or written statements or agreements between City and Vistra with respect to the subject matter of this Agreement. In the event of any conflict between this Agreement and an agreement between the City and the City Attorney concerning private party reimbursement, the terms of this Agreement shall control.

**27. Attorneys' Fees.** In the event of any litigation or other legal proceeding including, but not limited to, arbitration or mediation between the Parties arising from this Agreement, the prevailing party will be entitled to recover, in addition to any other relief awarded or granted, its reasonable costs and expenses (including attorneys' fees) incurred in the proceeding.

[signatures on the following page]




IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

**VISTRA:**

MORRO BAY POWER COMPANY LLC, a  
Delaware limited liability company

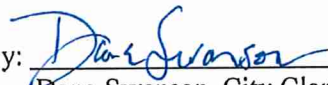
**CITY:**

CITY OF MORRO BAY, a California  
municipal corporation

By:   
Name: Stephanie Moore  
Title: EVP & General Counsel & Chief Compliance Officer


By:   
Scott Collins, City Manager

**ATTEST:**

By:   
Dana Swanson, City Clerk

**APPROVED AS TO FORM:**

ALESHIRE & WYNDER, LLP

By:   
Chris Neumeyer (Feb 10, 2022 16:54 PST)  
Chris Neumeyer, City Attorney

VISTRA SHALL PROVIDE CITY WITH COPIES OF APPROPRIATE DOCUMENTS EVIDENCING AUTHORITY OF SIGNATORY TO EXECUTE AND BIND VISTRA. VISTRA'S SIGNATURE SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO VISTRA'S BUSINESS ENTITY.

**MORRO BAY POWER COMPANY LLC**  
**ASSISTANT SECRETARY'S CERTIFICATE**

---

I, Seth Rasmussen, Assistant Secretary of Morro Bay Power Company LLC (formerly known as Dynegy Morro Bay, LLC, the "Company"), a Delaware limited liability company, hereby certify, solely in my official capacity and not in any individual capacity, to the following as of the date hereof:

- (1) The following individuals are duly elected, qualified, and acting officers of the Company (collectively, the "Officers" and each, an "Officer") and that each Officer is now serving in the official capacity set opposite his or her name:

|                         |   |
|-------------------------|---|
| Morgan, Curtis A.       | Chief Executive Officer   |
| Burke, James A.         | President and Chief Financial Officer                                   |
| Kirby, Carrie L.        | Executive Vice President and Chief Administrative Officer               |
| Moore, Stephanie Zapata | Executive Vice President, General Counsel, and Chief Compliance Officer |
| Muscato, Stephen J.     | Executive Vice President and Chief Commercial Officer                   |
| Boswell, Barry T.       | Executive Vice President-Generation Operations and Services             |
| Moldovan, Kristopher E. | Senior Vice President and Treasurer                                     |
| Howard, Carla A.        | Senior Vice President and General Tax Counsel                           |
| Farrah, Tom             | Senior Vice President and Chief Information Officer                     |
| Dobry, Christy          | Senior Vice President and Controller                                    |
| Vodopivec, Cynthia      | Senior Vice President   |
| Kelly, Daniel J.        | Senior Vice President and Deputy General Counsel                        |
| Goering, Matthew A.     | Senior Vice President   |
| Whitmire, Yuki          | Vice President, Associate General Counsel, and Corporate Secretary      |
| Dusek, Brad             | Vice President  |
| Elliott, Ben            | Vice President  |
| Siegel, Sam             | Vice President  |
| Reyes, Paul H.          | Vice President  |
| Garcia, Ruben           | Vice President of Finance and Assistant Treasurer                       |
| Rasmussen, Seth         | Assistant Secretary   |

- (2) All necessary internal governance approvals have been obtained in connection with full and final approval by the Company of that certain Deposit and Reimbursement Agreement (the "DRA") between the City of Morro Bay and the Company.
- (3) Each Officer, signing singly, is duly authorized by the Company to execute and deliver agreements (including the DRA), certificates, and instruments, or otherwise take necessary actions, on and in behalf of the Company.

*[Signature Page Follows]*

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of January, 2022



Seth Rasmussen  
Assistant Secretary  
*Morro Bay Power Company LLC*

State of Texas

County of Dallas

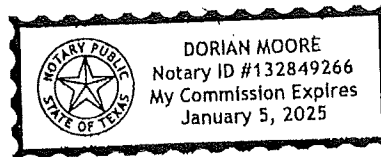
Before me, Dorian Moore, on this day appeared Seth Rasmussen, Assistant Secretary, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same, in his capacity as Assistant Secretary for Morro Bay Power Company LLC

Given under my hand and seal of office this 24th day of January 2022.



Dorian Moore,  
Texas Notary Public

My Commission Expires  
January 5, 2025








# Vistra\_Morro Bay Power Co. LLC Deposit & Reimbursement Agreement\_2022

Final Audit Report

2022-02-11

|                 |  |
|-----------------|--|
| Created:        | 2022-02-10                                   |
| By:             | Heather Goodwin (hgoodwin@morrobayca.gov)    |
| Status:         | Signed                                       |
| Transaction ID: | CBJCHBCAABAAzP2O7WD8PXIfmqPls_7CiOoDXeB0tl4X |

## "Vistra\_Morro Bay Power Co. LLC Deposit & Reimbursement Agreement\_2022" History

-  Document created by Heather Goodwin (hgoodwin@morrobayca.gov)  
2022-02-10 - 6:21:35 PM GMT- IP address: 72.29.177.94
-  Document emailed to Chris Neumeyer (cneumeyer@morrobayca.gov) for signature  
2022-02-10 - 6:23:40 PM GMT
-  Email viewed by Chris Neumeyer (cneumeyer@morrobayca.gov)  
2022-02-11 - 0:54:05 AM GMT- IP address: 50.112.162.3
-  Document e-signed by Chris Neumeyer (cneumeyer@morrobayca.gov)  
Signature Date: 2022-02-11 - 0:54:59 AM GMT - Time Source: server- IP address: 50.112.162.3
-  Agreement completed.  
2022-02-11 - 0:54:59 AM GMT



AGENDA NO: A-4

MEETING DATE: June 14, 2022

# Staff Report

**TO:** Honorable Mayor and City Council

**DATE:** May 11, 2022

**FROM:** Eric Endersby, Harbor Director

**SUBJECT:** Adoption of Resolution No. 49-22 Approving the Assignment and Assumption and Conditionally Authorizing the Mayor to Execute Documents Necessary for the Assignment and Assumption at Lease Site 90/90W (Port House Restaurant, 885 Embarcadero Road)

## RECOMMENDATION

Staff recommend the City Council adopt Resolution No. 49-22 allowing the Mayor to authorize the assignment and assumption, and authorizing the Mayor to execute necessary documents, as approved by the City Attorney, regarding the sale of the leasehold interest at Lease Site 90/90W to Callender Commercial Properties, LLC (Cliff Branch).

## ALTERNATIVES

Do not approve Resolution No. 49-22.

## FISCAL IMPACT

There is no fiscal impact to this action.

## BACKGROUND

In 2017, a new 47-year lease for Lease Site 90/90W, formerly known as the Otter Rock Café, was executed as part of a global settlement of a seawall failure issue on the lease site adjacent and interconnected, 89/89W (the "Boatyard"), with a partnership that included Cliff Branch, the managing principal at 89/89W. This new lease was predicated on a substantial redevelopment of Lease Site 90/90W, which was completed by Branch in 2018.

Mr. Branch initially sublet the site to Smith Livestock, LLC, owned by Sonny Smith, under which Mr. Smith opened and operated the Port House Restaurant. Mr. Branch subsequently sold the lease site to Mr. Smith in July, 2020, and Mr. Smith continues to operate Port House today.

Mr. Smith and Smith Livestock have decided to close the restaurant and sell the leasehold back to Mr. Branch, and is requesting approval of the assignment and assumption to Mr. Branch. This assignment and assumption is subject to the normal assignment and assumption approval process as outlined in the lease.

Smith Livestock at Lease Site 90/90W and Cliff Branch at Lease Site 89/89W are both tenants in good standing.

Prepared By: EE

Dept Review: EE

City Manager Review: SC

City Attorney Review: JWP

## **DISCUSSION**

Smith Livestock, LLC has applied to have their lease agreement assigned to and assumed by Callender Commercial Properties, an LLC with majority ownership and management by Cliff Branch. As with all of our waterfront leases, this lease agreement stipulates such an assignment and assumption approval cannot be unreasonably withheld by the City, provided the proposed new master tenant "is financially reliable and qualified to conduct the business" for which the lease was granted. Because Mr. Branch is a current, successfully performing leaseholder since 2005 when he acquired the Boatyard site and has submitted adequate financial and other documents for staff review, he and his LLC would be deemed a financially acceptable partner for the City on Lease Site 90/90W as well. The application fee and other documents necessary for the assignment are submitted.

There is no lending or deed of trust associated with this assignment and assumption.

## **CONCLUSION**

Mr. Branch's intent for the site is to establish a new restaurant subtenant as Mr. Smith is intending to close Port House, as indicated in Mr. Branch's May 30, 2022 letter to the City, included as Attachment 1 to this report.

Staff recommends the City Council adopt Resolution No. 49-22 approving the assignment and assumption of Lease Site 90/90W to Callender Commercial Properties, LLC as-presented.

## **ATTACHMENTS**

1. May 30, 2022 letter of intent and attachments and June 2, 2022 summary overview document from Cliff Branch
2. Resolution No. 49-22

To: Eric Endersby  
From: Cliff Branch

May 30, 2022

Re: Purchase/Transfer of Master Lease 90/90W, Located at 885 Embarcadero, Morro Bay, CA

Note: The purchase of the 90/90W MLA is currently in escrow at First American Title Co. in San Luis Obispo, and escrow documents have been executed by both Buyer and Seller.

### **Background on Cliff Branch & Callender Commercial Properties LLC**

Cliff Branch is the owner/manager of Boatyard LLC (Master Leaseholder of Lease Site 89/89W) and is the manager of Callender Commercial Properties, LLC.

Note: Callender Commercial Properties is purchasing the 90/90W MLA (Port House) next to the existing Boat Yard (Lease Site 89/89W).

Statement by Cliff Branch:

I have been a serial entrepreneur in San Luis Obispo County for 50+ years. I was the founder of two national companies: Stereo West and Warehouse Sound Co. (which I sold to CBS corporation), and California Cooperage (which I sold to the Coleman Company).

My local real estate projects:

- A. Avila Bay Athletic Club & Spa in Avila Beach
- B. Bassi Ranch Estates development in Avila Valley
- C. Railroad Square in San Luis Obispo
- D. Bishops Peak Ranch in San Luis Obispo
- E. The Network mall in San Luis Obispo
- F. Alta Mira Lane estate subdivision at the San Luis Obispo Country Club
- G. The Stoneridge II subdivision in San Luis Obispo
- H. Miscellaneous other projects along the coast from Santa Maria to Paso Robles and also in Fresno.

Note: A number of the buildings that my office currently owns and manages can be viewed on [CalCoastCommercial.com](http://CalCoastCommercial.com)

Note: Boatyard LLC (Cliff Branch) had originally sold the 90/90W MLA to Smith Livestock LLC (Vernon Smith III) and we are now "buying back" the 90/90W MLA.

The existing Port House restaurant was hard-hit by the pandemic, and the owner no longer wants to operate a restaurant. It is our intent to find a well-suited restaurateur to execute a long-term sublease and to establish a successful business. Since my office already manages the Boat Yard at the adjacent Lease Site 89/89W, this is a natural extension of our existing operation.

1. Cliff Branch Contact Information:

a. Office: (805) 544-3030

b. Cell: [REDACTED]

c. Attorney (Paul Parker): [REDACTED]

d. Assistant (Tyler Jenkins): [REDACTED]

2. Attached:

a. Proof of funds necessary to purchase Lease Site 90/90W MLA in the form of a copy of one of my personal bank accounts.

b. For further Personal Background Information please see Google: "Cliff Branch - San Luis Obispo"

c. CA Secretary of State Statement of Information for Callender Commercial Properties LLC



Cliff Branch  
Schwab Account

5-19-22

#



Cash & Money Market

| Symbol, sort<br>ascendingSymbol / Name,<br>sort ascendingName | Quantity, sort<br>descending Quantity | Price, sort<br>descending Price | Price Change,<br>sort<br>descending Price<br>Change<br>\$   % | Market Value                   |
|---|---------------------------------------|---------------------------------|---|--------------------------------|
| SNAXX<br>SCHWAB VALUE<br>ADVANTAGE MONEY<br>ULTRA             | Quantity1,751,608.98                  | Price\$1.00                     | Price ChangeN/A   | Market Value<br>\$1,751,608.98 |

Cash & Cash  
Investments2, Held  
in 2 Accounts.

Value \$862,605.89

**Cash & Money  
Market Total**

**Total Market  
Value\$2,614,214.87**

Disclosures

Hide



**Secretary of State  
Statement of Information  
(Limited Liability Company)**

**LLC-12**

**22-A33150**

**FILED**

In the office of the Secretary of State  
of the State of California

**JAN 19, 2022**

This Space For Office Use Only

**IMPORTANT** — This form can be filed online at [bizfile.sos.ca.gov](http://bizfile.sos.ca.gov).

[Read instructions](#) before completing this form.

**Filing Fee - \$20.00**

**Copy Fees** - First page \$1.00; each attachment page \$0.50;

Certification Fee - \$5.00 plus copy fees

**1. Limited Liability Company Name** (Enter the **exact** name of the LLC. If you registered in California using an alternate name, [see instructions](#).)

CALLENDER COMMERCIAL PROPERTIES, LLC

**2. 12-Digit Secretary of State Entity Number**

201802210048

**3. State, Foreign Country or Place of Organization** (only if formed outside of California)

CALIFORNIA

**4. Business Addresses**

| a. Street Address of Principal Office - Do not list a P.O. Box                                    | City (no abbreviations) | State     | Zip Code |
|---|-------------------------|-----------|----------|
| 755 Santa Rosa Street, Suite 310  | San Luis Obispo         | CA        | 93401    |
| b. Mailing Address of LLC, if different than item 4a  | City (no abbreviations) | State     | Zip Code |
| 755 Santa Rosa Street, Suite 310  | San Luis Obispo         | CA        | 93401    |
| c. Street Address of California Office, if Item 4a is not in California<br>Do not list a P.O. Box | City (no abbreviations) | State     | Zip Code |
| 755 Santa Rosa Street, Suite 310  | San Luis Obispo         | <b>CA</b> | 93401    |

**5. Manager(s) or Member(s)**

If no managers have been appointed or elected, provide the name and address of each member. At least one name and address must be listed. If the manager/member is an individual, complete Items 5a and 5c (leave Item 5b blank). If the manager/member is an additional managers/members, enter the names(s) and address(es) on [Form LLC-12A](#).

| a. First Name, if an individual - Do not complete Item 5b | Middle Name             | Last Name | Suffix   |
|---|-------------------------|-----------|----------|
| Clifford  |                         | Branch    |          |
| b. Entity Name - Do not complete Item 5a                  |                         |           |          |
| c. Address  | City (no abbreviations) | State     | Zip Code |
| 755 Santa Rosa Street, Suite 310                          | San Luis Obispo         | CA        | 93401    |

**6. Service of Process** (Must provide either Individual **OR** Corporation.)

**INDIVIDUAL** – Complete Items 6a and 6b only. Must include agent's full name and California street address.

|   |  |                     |                   |
|---|--|---------------------|-------------------|
| a. California Agent's First Name (if agent is <b>not</b> a corporation)<br>Clifford   | Middle Name                                | Last Name<br>Branch | Suffix            |
| b. Street Address (if agent is <b>not</b> a corporation) - <b>Do not enter a P.O. Box</b><br>755 Santa Rosa Street, Suite 310 | City (no abbreviations)<br>San Luis Obispo | State<br><b>CA</b>  | Zip Code<br>93401 |

**CORPORATION** – Complete Item 6c only. Only include the name of the registered agent Corporation.

|   |
|---|
| c. California Registered Corporate Agent's Name (if agent is a corporation) – Do not complete Item 6a or 6b |
|---|

**7. Type of Business**

|   |
|---|
| Describe the type of business or services of the Limited Liability Company<br>Real Estate |
|---|

**8. Chief Executive Officer, if elected or appointed**

|               |                         |           |          |
|---------------|-------------------------|-----------|----------|
| a. First Name | Middle Name             | Last Name | Suffix   |
| b. Address    | City (no abbreviations) | State     | Zip Code |

**9. Labor Judgment**

|  |   |
|--|---|
| Does a Manager or Member have an outstanding final judgment issued by the Division of Labor Standards Enforcement or a court of law, for which no appeal therefrom is pending, for the violation of any wage order or provision of the Labor Code? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
|--|---|

**10.** By signing, I affirm under penalty of perjury that the information herein is true and correct and that I am authorized by California law to sign.

01/19/2022      Clifford Branch      Manager  
 \_\_\_\_\_  
 Date      Type or Print Name      Title      Signature

**Memo to:** Eric Endersby  
Harbor Department  
Morro Bay, CA.

6-2-22

**From:** Cliff Branch, owner/manager of Callender Commercial Properties, LLC

**Per our request, here is a summary overview, and documentation as requested.**

- Commercial Properties LLC currently owns 9 separate commercial parcels in Arroyo Grande. Each parcel ranges from 1.2 to 4.5 acres.
- We are currently selling three of the smaller parcels for [REDACTED] cash, and the escrow is due to close on or before June 20, 2022. And in the event that the 1031-escrow does not close on time for any reason, I would personally put up the cash for Callender Commercial LLC to close on Site 90/90W – which is why I sent a copy of one of my personal bank accounts to demonstrate “proof of funds.”
- We are paying [REDACTED] cash for the 90/90W lease site.
- Callender Commercial owns and leases real property and takes in about \$30,000 per month in rental. The remaining 6 commercial parcels have a value of +/- \$5.3mm, so the net value of Callender Commercial LLC assets is approximately \$9,200,000. There is no bank loan against the parcels, as we put up the cash to pay of the bank loan off, a couple years ago.
- My wife and I own about 53%, and the Jim Smith estate owns about 27% (80% in total) of Callender Commercial Properties LLC – which is similar to our ownership of the Boat Yard LLC. Since we are using a portion of the 1031 exchange funds from the Callender Commercial LLC closing on June 20<sup>th</sup>, we need to leave the new MLA in the Callender Commercial Properties LLC name. I will still own the majority interest and am the controlling manager of both the Boat Yard LLC and Callender Commercial Properties LLC.
- We currently have approximately \$500,000 in our Callender Commercial checking accounts, and approximately \$400,000 in our Boat Yard LLC checking accounts.

I hope this will satisfy the City as to our financial ability to be the new MLA holder.

Call me if you need more info: (805) 544-3030

Your help is appreciated.

Cliff Branch

page 1 of 10.

**RESOLUTION NO. 49-22**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA  
ASSIGNING LEASE SITE 90-90W  
TO CALLENDER COMMERCIAL PROPERTIES, LLC,  
AND CONDITIONALLY AUTHORIZING THE MAYOR  
TO EXECUTE DOCUMENTS NECESSARY FOR THE  
ASSIGNMENT AND ASSUMPTION AT LEASE SITE 90-90W,  
LOCATED AT 885 EMBARCADERO ROAD, MORRO BAY**

**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 City Tidelands leases and properties; and

**WHEREAS**, since 2020, Smith Livestock, LLC (managing and controlling owner Sonny Smith) has been the lessee of Lease Site 90-90W, located at 885 Embarcadero Road and is a tenant in good standing; and

**WHEREAS**, Smith Livestock, LLC is selling the leasehold interest and improvements to Callender Commercial Properties, LLC, a limited liability company whose managing and controlling owner is Cliff Branch; and

**WHEREAS**, Smith Livestock and Callender Commercial Properties have satisfactorily submitted the necessary documents for the assignment and assumption.

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

1. The City Council approves the assignment and assumption of the leasehold interest at Lease Site 90-90W to Callender Commercial Properties, LLC.
2. The Mayor is hereby authorized to execute said assignment and assumption, as approved by the City Attorney.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of June, 2022 on the following vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
John Headding, Mayor

ATTEST:

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

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AGENDA NO: A-5

MEETING DATE: June 14, 2022

# Staff Report

TO: Honorable Mayor and City Council

DATE: June 2, 2022

FROM: Chris F. Neumeyer, City Attorney

SUBJECT: **Resolution Making Findings Related to the Continued Existence of a State of Emergency Due to COVID-19 and Re-Authorizing for Public Health and Safety the Conduct of Public Meetings of the Legislative Bodies of the City via Remote Teleconferencing (including partially remote) for a Continued 30-Day Period Pursuant to the Ralph M. Brown Act as Amended by Assembly Bill No. 361**

## RECOMMENDATION

Staff recommends Council consider adoption of attached Resolution No. 50-22 reauthorizing for public health and safety the conduct of public meetings of the legislative bodies of the City via remote teleconferencing (including partially remote) for 30 days, thereby allowing the City Council and the City's advisory bodies to meet remotely (including partially remote) through July 14, 2022.

## ALTERNATIVES

Do not consider adoption of the attached resolution and/or provide further direction to staff.

## FISCAL IMPACT

No immediate fiscal impact.

## BACKGROUND

On March 4, 2020, the Governor proclaimed a State of Emergency to exist in California because of the spread of COVID-19. Beginning in March, 2020 the Governor also issued a number of Executive Orders (e.g., N-25-20, N-29-20, N-35-20) (the "Brown Act Orders") for the public health and safety that waived requirements in the Brown Act that expressly or impliedly required the physical presence of City Councilmembers, staff, or the public at meetings of the City Council, Planning Commission and other City boards, commissions and committees ("legislative bodies") that are subject to the Brown Act. The Brown Act Orders allowed City legislative bodies that are subject to the Brown Act to modify how meetings were conducted to protect the health and safety of staff and the public while ensuring transparency and accessibility for open and public meetings. The most recent Brown Act Order expired on September 30, 2021.

On September 16, 2021, Governor Newsom signed Assembly Bill 361 ("AB 361") into law. AB 361 was made effective on October 1, 2021, on an urgency basis, to correspond to the timing of expiration of the Brown Act Orders. AB 361 provides for the ability to continue teleconferencing (whether completely or hybrid) Brown Act meetings of City legislative bodies for public health and safety

Prepared By:   CFN   Dept Review: \_\_\_\_\_  
City Manager Review:   SC   City Attorney Review:   CFN

reasons under certain conditions, akin to the authority to do so under the Brown Act Orders.

## **DISCUSSION**

Assembly Bill 361 allows City legislative bodies to continue to utilize remote/virtual platforms for public meetings (consistent with certain statutory requirements) during a state of emergency proclaimed by the Governor that includes the City if certain conditions are met.

On October 26, 2021, the City Council adopted Resolution No. 70-21 making findings related to the continued existence of a state of emergency due to COVID-19 and re-authorizing for public health and safety the conduct of public meetings of City's legislative bodies via remote teleconferencing for an initial 30-day period pursuant to the Ralph M. Brown Act as amended by Assembly Bill No. 361. On November 9, 2021, and no later than every 30 days thereafter, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing for public health and safety as authorized by AB 361, and upon making necessary findings, adopted resolutions authorizing such meetings for an additional thirty days.

If a state of emergency remains active, or State or local officials have imposed or recommended measures to promote social distancing, AB 361 imposes certain requirements to continue use of its provisions after the initial 30-day period, or a 30-day period thereafter, has elapsed.

Government Code section 54953(e)(3) provides that "not later than 30 days after teleconferencing for the first time pursuant" to AB 361, "and every 30 days thereafter," the City Council shall make the following findings by majority vote for the City to continue using the teleconferencing provisions of AB 361:

1. The City Council has reconsidered the circumstances of the state of emergency; **and**
2. Either of the following circumstances exist:
  - a. The state of emergency continues to directly impact the ability of the members to meet safely in person, **or**
  - b. State or local officials continue to impose or recommend measures to promote social distancing.

At the March 22, 2022 Meeting, the City Council directed staff to bring back timely subsequent AB 361 resolutions to provide a remote option for Council Members and Advisory Board members should the need occur.

## **CONCLUSION**

Staff recommends Council consider adoption of the proposed Resolution No. 50-22 making the findings required to re-authorize use of AB 361. Doing so will allow meetings of the City Council, City boards and City commissions to continue to occur by teleconference (including under a hybrid format) for the public health and safety. Continued reliance on AB 361 will require adoption of a new resolution making the required findings every 30 days thereafter.

## **ATTACHMENT**

1. Resolution No. 50-22



**RESOLUTION NO. 50-22**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA,  
MAKING FINDINGS RELATED TO THE CONTINUED EXISTENCE OF A STATE OF  
EMERGENCY DUE TO COVID-19 AND RE-AUTHORIZING FOR PUBLIC HEALTH AND  
SAFETY THE CONDUCT OF PUBLIC MEETINGS OF THE LEGISLATIVE BODIES OF THE  
CITY VIA REMOTE TELECONFERENCING FOR A CONTINUED  
30-DAY PERIOD PURSUANT TO THE RALPH M. BROWN ACT  
AS AMENDED BY ASSEMBLY BILL NO. 361**

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

**WHEREAS**, the City Council of the City of Morro Bay (“City”) is committed to preserving and nurturing public access and participation in meetings of the Legislative Bodies (as that term is defined in Government Code §54952, including the City Council, commissions, boards and committees subject to the Brown Act) of the City; and

**WHEREAS**, all meetings of the Legislative Bodies are open and public as required by the Ralph M. Brown Act, codified as Government Code §§ 54950 *et seq.*, so that any member of the public may attend, participate, and observe the Legislative Bodies conduct their business; and

**WHEREAS**, the Brown Act, at Government Code § 54953(e), as amended by Assembly Bill (AB) 361 effective October 1, 2021, makes provision for remote teleconferencing participation in public meetings by members of a Legislative Body without compliance with the provisions of Government Code § 54953(b)(3), subject to the existence of certain conditions; and

**WHEREAS**, a required condition under Government Code § 54953(e) for its initial use is that the meeting is held during a state of emergency that has been declared by the Governor pursuant to Government Code § 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code § 8558; and

**WHEREAS**, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the City’s boundaries, caused by natural, technological, or human-caused disasters

**WHEREAS**, a required condition under Government Code § 54953(e) for its initial use is that state or local officials have imposed or recommended measures to promote social distancing, or that the legislative body is meeting to determine or has previously determined that meeting in person would present imminent risks to the health or safety of attendees; and

**WHEREAS**, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor proclaimed a state of emergency for the State of California and thereafter issued a number of executive orders aimed at containing COVID-19; and

**WHEREAS**, on March 19, 2020, the City Council adopted Resolution No. 23-20, proclaiming and affirming the existence of a local emergency, and confirming and ratifying proclamation by City's Director of Emergency Services of Existence of a Local Emergency, in response to COVID-19 (Coronavirus). The Legislative Bodies have since conducted meetings via remote teleconferencing consistent with the declaration of local emergency and executive orders issued by the Governor; and

**WHEREAS**, the executive orders issued by the Governor, among other things, for the public health and safety waived requirements of the Brown Act expressly or impliedly requiring the physical presence of members of the legislative body, the clerk or other personnel of the body, or of the public as a condition of participation in or for the purpose of establishing a quorum for a public meeting; and

**WHEREAS**, on June 11, 2021, the Governor issued Executive Order N-08-21, which rescinded the modifications made by the aforementioned executive orders, effective September 30, 2021. On September 16, 2021, the Governor signed AB 361, creating a modified set of provisions for local agencies for compliance with the Brown Act relative to remote meetings. AB 361 was made effective on October 1, 2021; and

**WHEREAS**, on October 26, 2021, the City Council adopted Resolution No. 70-21 making findings related to the continued existence of a state of emergency due to COVID-19 and re-authorizing for public health and safety the conduct of public meetings of City's legislative bodies via remote teleconferencing for an initial 30-day period pursuant to the Ralph M. Brown Act as amended by Assembly Bill No. 361; and

**WHEREAS**, On November 9, 2021, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 78-21 authorizing such meetings for an additional thirty days; and

**WHEREAS**, On November 18, 2021, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 81-21 authorizing such meetings for an additional thirty days; and

**WHEREAS**, On December 14, 2021, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 84-21 authorizing such meetings for an additional thirty days; and

**WHEREAS**, On January 11, 2022, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 03-22 authorizing such meetings for an additional thirty days; and

**WHEREAS**, On January 25, 2022, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 07-22 authorizing such meetings for an additional thirty days; and

**WHEREAS**, On February 22, 2022, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 16-22 authorizing such meetings for an additional thirty days; and

**WHEREAS**, On March 22, 2022, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 25-22 authorizing such meetings for an additional thirty days; and

**WHEREAS**, On April 12, 2022, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing (including partially remote) for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 29-22 authorizing such meetings for an additional thirty days; and

**WHEREAS**, On May 10, 2022, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing (including partially remote) for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 40-22 authorizing such meetings for an additional thirty days; and

**WHEREAS**, On May 24, 2022, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing (including partially remote) for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 43-22 authorizing such meetings for an additional thirty days; and

**WHEREAS**, the Governor's proclaimed state of emergency and the City's proclaimed local emergency related to COVID-19 remain in effect and encompass the jurisdictional boundaries of the City; and

**WHEREAS**, the California Department of Public Health continues to impose or recommend measures to promote social distancing, and the Centers for Disease Control and Prevention ("CDC") continues to impose or recommend measures to promote social distancing; and

**WHEREAS**, Government Code Section 54953(e)(3) requires that the City Council review the need and make findings for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing as authorized by AB 361 at least once every thirty days until the Governor terminates the state of emergency; and

**WHEREAS**, for the public health and safety the Council wishes to affirm the need and findings necessary for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing as authorized by AB 361; and

**WHEREAS**, the City Council does hereby intend that, as a consequence of the persisting state of emergency and the imposed or recommended social distancing measures, the Legislative Bodies shall be authorized to continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code § 54953, as authorized by subdivision (e) of Government Code § 54953, and that the Legislative Bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of Government Code § 54953; and

**WHEREAS**, consistent with AB 361, during the effectiveness of this Resolution, the Legislative Bodies meeting pursuant to the requirements of Government Code § 54953(e)(2) and their staff will give notice of the manner by which members of the public may access the Legislative Bodies' meetings and offer public comment; identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option; and allow members of the public to access the meeting, and the agenda shall include an opportunity for members of the public to address the Legislative Body directly.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1.** The foregoing recitals are true and correct and are incorporated herein by reference.

**SECTION 2.** The City Council hereby acknowledges and affirms the continued effectiveness of the Governor's proclaimed state of emergency and the City's proclaimed local emergency (as may have been amended since their initial proclamation) which encompass their jurisdictional boundaries.

**SECTION 3.** The City Council finds as follows: 1) they have reconsidered the circumstances of the state of emergency; 2) the state of emergency remains active within their jurisdictional boundaries; 3) the state of emergency continues to directly impact the ability of the City Council, the City's Legislative Bodies, City staff and the public to meet safely in person; and 4) State officials continue to impose or recommend measures to promote social distancing.

**SECTION 4.** The Legislative Bodies and staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting all open and public meetings of the Legislative Bodies in accordance with Government Code § 54953(e) and other applicable provisions of the Brown Act.

**SECTION 5.** This Resolution shall take effect immediately upon its adoption by the City Council and shall be effective for until the earlier of (i) July 14, 2022, or (ii) such time as the City Council adopts a subsequent resolution in accordance with Government Code § 54953(e)(3) to

extend the time during which the Legislative Bodies may continue to teleconference without compliance with paragraph (3) of subdivision (b) of Government Code § 54953.

**SECTION 6.** Should any provision, section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this Resolution as hereby adopted shall remain in full force and effect.

**SECTION 7.** The City Clerk shall certify to the adoption of this Resolution and enter it into the book of original Resolutions.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of June 2022 by the following vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
JOHN HEADDING, Mayor

ATTEST:

\_\_\_\_\_  
DANA SWANSON, City Clerk

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AGENDA NO: A-6  
MEETING DATE: June 14, 2022

# Staff Report

**TO:** Honorable Mayor and City Council                      **DATE:** June 8, 2022

**FROM:** Scott Collins, City Manager  
Dana Swanson, City Clerk/Human Resources Manager

**SUBJECT:** Adoption of Resolutions Approving the Tentative Agreement and Memorandum of Understanding between the City of Morro Bay and Service Employees International Union Local 620, approving new and amended job classifications, and establishing Compensation and Benefits for Unrepresented Management and Confidential, and Department Head Employees of the City of Morro Bay

## RECOMMENDATION

Staff recommends the City Council:

1. Adopt Resolution No. 52-22 approving the 2022-24 Tentative Agreement and the 2022-24 Memorandum of Understanding between the City of Morro Bay (“City”) and the Service Employees International Union Local 620 (“SEIU”), and
2. Adopt Resolution No. 53-22 approving new and amended job classifications and job descriptions, and
3. Adopt Resolution No. 54-22 amending and restating compensation and benefits for unrepresented Confidential Employees of the City of Morro Bay, and
4. Adopt Resolution No. 55-22 amending and restating compensation and benefits for unrepresented Management Employees of the City of Morro Bay, and
5. Adopt Resolution No. 56-22 amending and restating maximum compensation and benefits for Department Head Positions.

## FISCAL IMPACT

The total cost to the City in Fiscal Year 2022/23 (FY 2022/22) for salary and benefit adjustments is approximately \$464,258, which is broken out by employee group below. The total cost in FY 2022/23 for the additional monetary items agreed to by the City and SEIU is \$99,208. These costs will be included in the final proposed FY 2022/23 budget to be presented to Council at the June 28, 2022 Meeting.

Prepared By:   DS                        Dept Review:         
City Manager Review:   SC                City Attorney Review:   MCH

|                                 | FY 22/23 Cost by Employee Group | FY 23/24 Cost by Employee Group | Total              |
|---------------------------------|---------------------------------|---------------------------------|--------------------|
| SEIU                            | \$244,716                       | \$487,747                       | \$732,463          |
| City Manager & Department Heads | \$84,265                        | \$165,657                       | \$249,922          |
| Management                      | \$113,568                       | \$220,254                       | \$333,822          |
| Confidential                    | \$21,709                        | \$42,634                        | \$64,343           |
| <b>Totals</b>                   | <b>\$464,258</b>                | <b>\$916,292</b>                | <b>\$1,380,550</b> |

## **BACKGROUND**

The Morro Bay community is best served by attracting and retaining experienced, talented, and well-trained staff, minimizing turnover to the greatest extent possible. One outfall from the pandemic is the "great resignation" or "great reshuffling" in the labor market as employees quit their jobs at rates far greater than the pre-COVID-19 period. Whether employees grew overwhelmed with the challenges of working during the global pandemic or sought better working conditions or better pay in different organizations, or changed careers, we are now experiencing a very low unemployment rate nationwide and quit rates remain high. This is creating labor shortages and intense competition for talent in all sectors and volatility, for organizations.

The public sector, particularly state and local government, has been hit hard by the labor shortage, and the trend could worsen in the near-term. According to a December 2021 survey by MissionSquare Research Institute, more than half of state and local workers said they were considering leaving their positions to retire, change jobs, or leave the workforce entirely. It is becoming harder to hire talent and keep talent in local government. The inability to hire and retain talent is both expensive for cities in terms of the hiring and training process, but vacancies also negatively impact local government's ability to provide core services to the community, and increases the burden on the remaining employees, thus creating a cycle of burnout and greater turnover.

The Council recognizes the key to delivering services to our community and achieving City goals is attracting and retaining highly qualified employees and is committed to providing competitive and fair compensation that will facilitate recruitment and retention of City employees. It must also balance these issues against long term financial sustainability, rising pension liabilities, staffing capacity and a need to address significant deferred capital maintenance and improvements. Specifically, the City will need to balance operating costs with millions of dollars in City facilities and infrastructure and to continue to allocate funding toward proactively addressing the \$27 million dollar unfunded CalPERS liability. Achieving this balance will help ensure long-term fiscal sustainability for the City, its employees, and residents.

To assess the current compensation landscape, the Fiscal Year 2022-23 proposed Operating Budget includes funding for a Total Class & Compensation Study which will compare the City of Morro Bay's compensation rates with other similar agencies across all position types. With this study in hand, the City can begin to address external and internal equity issues to help retain talented and well-trained staff and ensure compensation does not dissuade people from beginning or continuing to work for the City.

### **CalPERS Retirement Benefits**

Citywide, full-time employees are enrolled in one of nine CalPERS retirement benefit tiers with varying benefit formulas and required employee contribution rates. Tier 1 and 2 "Classic"

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employees have a higher benefit formula and a lower employee contribution rate. Tier 3 or “PEPRA” employees have a lower benefit formula and are required to contribute 50% of the “normal” costs, which is projected to increase over time, including during the proposed contract period.

The chart below shows the FY 2022-23 required employee contribution as a percentage of payroll.

|                       | Tier 1 “Classic” |               |               | Tier 2 “Classic” |               |               | Tier 3 “PEPRA”  |               |               |
|-----------------------|------------------|---------------|---------------|------------------|---------------|---------------|-----------------|---------------|---------------|
|                       | Benefit Formula  | Employee Rate | Employer Rate | Benefit Formula  | Employee Rate | Employer Rate | Benefit Formula | Employee Rate | Employer Rate |
| Misc.                 | 2.7% @ 55        | 8%            | 14%           | 2% @ 60          | 7%            | 8.6%          | 2% @ 62         | 6.75%         | 7.5%          |
| Safety (Harbor HPOs)* | 3% @ 50          | 9%            | 23.8%         | 3% @ 55          | 9%            | 20.7%         | 2.7% @ 57       | 13%           | 12.8%         |
| Fire Safety           | 3% @ 50          | 9%            | 23.8%         | 3% @ 55          | 9%            | 20.7%         | 2.7% @ 57       | 13%           | 12.8%         |

\* Note that POA Safety Members already participate in a 2% cost share of the City’s Employer Rate and pay 11% and 13%; Fire and Harbor Safety do not.

CalPERS recently lowered its discount rate, or projected rate of return, from 7.0% to 6.8%, which will result in mandatory increases in employer's PERS costs, and in employee costs for those employees who entered the system after pension reform in 2012 (referred to as PEPRA employees). Employer costs are projected to rise by 2-5 percent in FY 2023-24. If CalPERS experiences even lower market returns in the near future, they may further lower the discount rate, which would further increase required employer contributions. These "normal cost" contributions for current year-retirement benefits are on top of the City's one-time unfunded actuarial liability (UAL).

Employees who are in the PEPRA tier will experience a cost increase estimated to range from 0.5% – 1.3% in FY 2023/24 as required by the pension reform law that governs their benefits. This has the potential to further widen the gap between total compensation for City employees in the “Classic” CalPERS tiers and the PEPRA pension reform tier, which is an inequitable dynamic the this agreement begins to address. The City currently has cost sharing in place with the Morro Bay Peace Officers’ Association and was able to successfully negotiate cost-sharing in FY 2023/24 with SEIU to start a process of equalizing employee contributions toward retirement costs on a Citywide basis.

**DISCUSSION**

City representatives met and conferred with each of the City’s bargaining groups and reached a Tentative Agreement (TA) and successor Memorandum of Understanding (MOU) for July 1, 2022 – June 30, 2024 with SEIU Local 620 which has been ratified by the bargaining group and is presented for Council approval. The City has also reached a TA with Morro Bay Peace Officers’ Association (MBPOA) which is pending signature and will be presented to Council for approval at the June 28, 2022 Meeting. The cost of living increases (COLAs) agreed to with the SEIU Local 620 and recommended to be extended to unrepresented Confidential, Management and Department Head employees, are provided below:

1. 6% cost of living increase (COLA) in FY 2022/23.
2. 4% COLA in FY 2023/24 with CalPERS Tier 1 & 2 Union represented contingent upon these employees contributing 1% to the employer’s contribution to CalPERS (i.e. 1% cost sharing) effective the first full payroll period after City Council approval of a CalPERS contract amendment providing for such payment commencing FY 2023/24, but in no event sooner than the pay period including July 1, 2023.

Additional monetary items agreed to by the City and SEIU include:

3. 2% incentive pay for Harbor Patrol Officers possessing a Rescue Water Craft Certification
4. The maximum City contribution, made on a 2:1 basis to an employee's deferred compensation 457 plan will be increased from \$600/year to \$1,200/year (i.e., employee contributes \$2, and City contributes \$1).
5. Employees whose regular work schedule includes work on Saturday or Sunday will receive \$.50 (fifty cents) per hour additional wages for each hour worked on Saturday or Sunday. This provision does not apply to unscheduled or unanticipated call-outs that may occur and for which the employee is receiving overtime pay.
6. The City has committed to conducting a Total Class & Compensation Study in FY 2022/23 and placed \$60,000 in an equity pool for future wage equity adjustments for SEIU classifications determined by that Study to be farthest below median, subject to meet and confer over said allocation and use of funds, if any.

### **Personnel Changes**

Due to the recovery from the pandemic, revenue growth, and the voters' passage of Measure E in 2020, the City has been able to restore staffing to pre-pandemic levels and in some cases increase staffing moderately where resources have been particularly constrained.

The FY 2022-23 budget includes adding two new full-time employees represented by SEIU, and a modest reorganization of the Building and Code Enforcement Division, resulting in the creation of five new job classifications which are described below and provided as Attachment 2.

- Addition of a Community Services Officer non-sworn position in the Police Department to assist the Department with significant workload challenges
- Addition of a Building Inspector/Code Enforcement Officer in the Community Development Department/Building Division to support the short-term rental ordinance implementation and to address increased needs for building inspections and plan checks
- Creation of a Building Permit Technician I/II series subject to complying with meet and confer requirements with SEIU, renaming the existing Permit Technician I classification formerly titled "Permit Tech – Certified" as "Building Permit Technician I" and creating a new "Building Permit Technician II" classification that reflects the more complex and independent work product produced by a seasoned Building Permit Technician. The employee currently serving as Permit Tech – Certified is proposed to be reclassified to Building Permit Technician II effective July 1, 2022.
- Creation of a Chief Building Inspector/Plans Examiner job classification to supervise and oversee the Building Division, including the Building Permit Technician, Building Inspector/Code Enforcement Officer, and part-time Code Enforcement Officer. The employee currently serving as Building Inspector/Plans Examiner is proposed to be reclassified to Chief Building Inspector/Plans Examiner effective July 1, 2022

### **CONCLUSION**

Staff recommends the City Council adopt the proposed Resolutions implementing the terms agreed to SEIU, approving new and amended job classifications, and establishing updated compensation and benefits to the City's unrepresented employees.

## **ATTACHMENTS**

1. Resolution No. 52-22 Service Employees International Union Local 620 (Tentative Agreement and Successor MOU)
2. Resolution No. 53-22 Adopting New and Amended Job Classifications
3. Resolution No. 54-22 Unrepresented Confidential Employees
4. Resolution No. 55-22 Unrepresented Management Employees
5. Resolution No. 56-22 Maximum Compensation and Benefits for Department Directors

**RESOLUTION NO. 52-22**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA,  
APPROVING THE TENTATIVE AGREEMENT FOR AND THE SUCCESSOR  
MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MORRO BAY AND THE  
SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU), LOCAL 620,  
FOR THE PERIOD OF JULY 1, 2022 THROUGH JUNE 30, 2024**

**THE CITY COUNCIL  
Morro Bay, California**

**WHEREAS**, the City of Morro Bay (“City”) has, and continues to, recognize the Service Employees International Union (“SEIU”), Local 620, as the sole exclusive employee organization representing the City’s miscellaneous employees for all matters concerning wages, hours and other terms and conditions of employment; and

**WHEREAS**, the current Memorandum of Understanding between the City and SEIU Local 620 (“SEIU MOU 2021-2022”), which was duly approved by the City Council on June 22, 2021, was set to expire on June 30, 2022; and

**WHEREAS**, the City and SEIU Local 620 entered into negotiations for a successor MOU covering the period of July 1, 2022 through June 30, 2024; and

**WHEREAS**, the City’s labor relations representatives and the SEIU Local 620 representatives successfully met and conferred to negotiate both a Tentative Agreement for the successor MOU and also the successor MOU between the parties, pursuant to both the Meyers-Milias-Brown Act (“MMBA”) (Gov’t Code Section 3500-3511) and the City’s Employer-Employee Relations Resolution, Resolution No. 08-17, and have jointly prepared and executed the attached Tentative Agreement (“SEIU MOU 2022-2024 Tentative Agreement”), and the successor MOU between the City and SEIU, for the period July 1, 2022 through, and including, June 30, 2024 (“SEIU MOU 2022-2024”), which were ratified by SEIU Local 620 on May 26, 2022; and

**WHEREAS**, the SEIU MOU 2022-2024 Tentative Agreement and SEIU MOU 2022-24 are subject to City Council acceptance and approval, which are made a part hereof by this reference; and

**WHEREAS**, once approved by the City Council, the SEIU MOU 2022-24 shall become binding agreements between the City and SEIU Local 620.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, AS FOLLOWS:**

**Section 1.** The above recitals are true and correct.

**Section 2.** The City Council approves the SEIU MOU 2022-2024 Tentative Agreement between the City and SEIU Local 620 for the period of July 1, 2022 through, and including, June 30, 2024, a copy of which is attached hereto as Exhibit 1.

**Section 3.** The City Council approves the SEIU MOU 2022-2024 as the successor MOU between the City and SEIU for the period of July 1, 2022 through, and including, June 30, 2024, a copy of which is attached hereto as Exhibit 2.

**Section 4.** The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

**Section 5.** This resolution shall be effective immediately upon its passage and adoption.

**PASSED AND ADOPTED**, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 14<sup>th</sup> day of June 2022, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

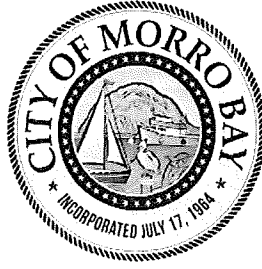
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JOHN HEADDING, Mayor

ATTEST:

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DANA SWANSON, City Clerk



**TENTATIVE AGREEMENT FOR A SUCCESSOR MEMORANDUM OF  
UNDERSTANDING  
BETWEEN THE CITY OF MORRO BAY AND  
SERVICE EMPLOYEES' INTERNATIONAL UNION LOCAL 620  
(Per Government Code Section 3505.1)**

The current Memorandum of Understanding (MOU) between the City of Morro Bay (City) and the Morro Bay Service Employees International Union Local No. 620 (SEIU) representing the Miscellaneous Employees Unit ("UNIT") as designated by the classifications attached as Exhibit A to the MOU, was adopted by Resolution No. 32-21 and covered the period January 1, 2021 through June 30, 2022 (SEIU MOU 2021-22), which is set to expire June 30, 2022. SEIU currently represents 49 total City employees and 37 classifications. SEIU provided an initial proposal dated January 31, 2022 for a successor MOU, and the parties subsequently thereafter began meeting and conferring and exchanging counter proposals.

The City and SEIU, through their respective designated labor representatives, have met and conferred in good faith on wages, hours and other terms and conditions of employment for City employees in the Miscellaneous Employees Unit and have reached tentative agreements contingent upon all being adopted together, which are set forth below in this Tentative Agreement For A Successor Memorandum Of Understanding ("Tentative Agreement") covering the period July 1, 2022, through June 30, 2024. Each individual agreement reached below sets forth the nature of that agreement and the Article and/or Section being modified in the prior MOU between the parties.

All items affecting compensation within the current SEIU MOU 2021-22 not addressed herein are proposed to remain unchanged. The parties, however, are continuing to meet and confer on non-compensation related clean-up language for the successor MOU. In addition, any language that had a sunset provision that will expire on or before June 30, 2022 will be deemed of no further force and effect.

This Tentative Agreement constitutes a joint recommendation by the labor representatives of both the City and SEIU. After ratification by SEIU membership, this Tentative Agreement has been signed by the parties' labor representatives to be submitted to the City of Morro Bay City Council ("City Council") for its final determination and approval. This Tentative Agreement is of no force or effect unless or until ratified and approved by the City Council. If the City Council adopts the Tentative Agreement, then the parties shall jointly prepare a written MOU per Government Code Section 3505.1, or such MOU may be concurrently presented to City Council.

**SEIU MOU 2022-24 Tentative Agreements By MOU Article and Other**

| <b>Article No., Section</b> | <b>Subject</b>           | <b>Existing MOU</b>  | <b>Agreement</b>  |
|-----------------------------|--------------------------|--|---|
| 3.1                         | Recognition              | Lists represented classifications.   | The following classifications shall be added to this Article:<br><br>Building Inspector/Code Enforcement Officer<br><br>Community Services Officer<br><br>IT Systems Analyst<br><br>Operational Technology Specialist<br><br>Utility Support Coordinator  |
| 4.6                         | Union Business           | New subsection.  | The Union may, with prior approval of the City Manager, be granted the use of City facilities for Union business meetings of City employees, provided space is available. No use fee will be charged.   |
| 7                           | Term                     | Except as otherwise specifically provided herein, the term of this MOU shall be from January 1, 2021, through June 30, 2022. | Except as otherwise specifically provided herein, the term of this MOU shall be from July 1, 2022, through June 30, 2024.   |
| 10.9                        | Weekend Differential Pay | New subsection.  | Employees whose regular work week includes work on Saturday or Sunday shall receive \$.50 (fifty cents) per hour additional wages for each hour worked on Saturday or Sunday providing such working assignment has been assigned/approved by the Department Director. This provision shall not apply to unscheduled or unanticipated call-outs that may occur and for which the employee is receiving overtime pay. |

|        |                     |   |  |
|--------|---------------------|---|--|
| 14.8   | Retirement Benefits | City will contribute, on a 2:1 basis (i.e., employee contributes \$2, and City contributes \$1) with City maximum of \$600.00 per employee in any calendar year, to an employee's deferred compensation 457 plan. | City will contribute, on a 2:1 basis (i.e., employee contributes \$2, and City contributes \$1) with City maximum of \$1,200.00 per employee in any calendar year, to an employee's deferred compensation 457 plan.  |
| 15.1.4 | Health Benefits     | New   | The parties agree herewith to re-open discussion with respect to this ARTICLE, for any changes to the 2024 health rates.   |
| 18.1   | Salaries            | No provision for FY 2022/23   | <p><b><u>6% COLA Year One</u></b><br/> [Delete existing provision and replace with the following along with the attached updated Exhibit A.]</p> <p>Effective the pay period including July 1, 2022, the CITY shall provide a Cost of Living Adjustment (COLA) increase to base salaries for all UNIT classifications of 6.00% (see Exhibit A updated salary table).</p>   |
| 18.2   |                     | Delete existing language.   | <p><b><u>4% COLA Year Two</u></b><br/> [Delete existing provision and replace with the following along with the attached updated Exhibit B.]</p> <p>Effective the pay period including July 1, 2023, the CITY shall provide a Cost of Living Adjustment (COLA) increase to base salaries for all UNIT classifications of 4.00% (see Exhibit B updated salary table).</p> <p>CalPERS Classic member Tier 1 &amp; Tier 2 Union represented employees shall make a 1% cost sharing contribution to the employer's contribution to</p> |



|      |                       |   |   |
|------|-----------------------|---|---|
|      |                       |   | CalPERS effective the first full payroll period after City Council approval of a CalPERS Contract Amendment providing for such payment commencing FY 2023/24, but in no event sooner than the pay period including July 1, 2023.  |
| 18.6 |                       | Attached Exhibit A reflects wages for UNIT members effective January 1, 2021. Exhibit B reflects wages for UNIT members effective July 1, 2021.   | Attached Exhibit A reflects wages for UNIT members effective July 1, 2022. Exhibit B reflects wages for UNIT members effective July 1, 2023.  |
| 19.4 | Special Pay Practices | <p>Class A Driver's License and Captain's License. Effective with City Council ratification of this MOU, UNIT members, possessing a Class A Driver's License, will receive \$50 per month.</p> <p>Effective with the City Council ratification of this MOU, UNIT members in the Harbor Department, possessing a Captain's License, will receive \$50 per month.</p> | <p>Class A Driver's License and Captain's License.</p> <p>UNIT members, possessing a Class A Driver's License, will receive \$50 per month.</p> <p>UNIT members in the Harbor Department, possessing a Captain's License, will receive \$50 per month.</p> <p>Effective the first full pay period after July 1, 2022, UNIT members in the Harbor Department, possessing a Rescue Water Craft (RWC) Certification shall receive additional compensation of two percent (2.0%) of base pay.</p> |
| 18.9 | New                   | New   | The City shall conduct a Total Class & Compensation Study in FY 22/23, in consultation with represented and unrepresented employees regarding classifications to be surveyed and comparison agencies to be used. The City will endeavor to make a best effort to complete the Total Class & Compensation Study slated for FY 22/23 by the end of February 2023.   |

|        |         |     |  |
|--------|---------|-----|--|
| 18.10  | New     | New | Effective July 1, 2022, City will place \$60,000 in an equity pool for future wage equity adjustments for SEIU classifications determined by that Study to be the farthest below median, subject to meet and confer over said allocation and use of funds, if any.   |
| 19.1.4 | Standby | New | Employees on Standby who receive an official work-related phone call that requires them to access computers from home for the analysis and/or response for service and are able to resolve the issue via computer without returning to the worksite shall receive a minimum of 30 minutes at the overtime rate of pay up to actual hours worked.   |
| 19.2.6 |         | New | If a UNIT employee has not had 8 hours off duty in the 15 hours prior to their shift beginning, the employee may utilize a paid 5-hour safety rest break at start at their shift, upon notification to their supervisor, unless there is a City designated emergency or other critical event when all available personnel are needed to help ensure the public's health and safety. Such emergency shall not be designated arbitrarily and capriciously and shall only be designated in concurrence with the City Manager. |

## Updated CalPERS Medical & Life Insurance MOU Provisions

### 15.1 Existing Language (to be deleted)

~~15.1.1 Employees of this UNIT shall participate in the CalPERS medical insurance plans on a cafeteria style basis, with the CITY contributing the CalPERS minimum (currently \$143/month) to the active employee's medical insurance, and \$1.00/month, or the amount required by CalPERS, to retiree medical insurance. Any costs in excess of these contribution rates shall be paid by the employee and retiree.~~

~~15.1.2 For 2021, UNIT employees shall receive a cafeteria plan contribution (including the amount required by CalPERS in 15.1.1 above) as follows:~~

- ~~\_\_\_\_\_ Employee only – up to \$715/month or cost of insurance, whichever is less~~
- ~~\_\_\_\_\_ Employee + 1 – up to \$1,135/month or cost of insurance, whichever is less~~
- ~~\_\_\_\_\_ Employee + family – up to \$1,460/month or cost of insurance, whichever is less~~

~~15.1.3 Effective 2013, UNIT employees who select plans with an actual cost less than the City contribution are not entitled to cash back.~~

### 15.1 Updated New Language (to be added) (current contributions)

15.1.1 Employees of this UNIT shall participate in the CalPERS medical insurance plans on a cafeteria style basis, with the CITY contributing the CalPERS minimum (\$143/month as of April 2022) to the active employee's medical insurance, and \$1.00/month, or the amount required by CalPERS, to retiree medical insurance. Any costs in excess of these contribution rates shall be paid by the employee and retiree.

15.1.2 For 2022, UNIT employees shall receive a cafeteria plan contribution (including the amount required by CalPERS in 15.1.1 above) as follows:

- Employee only – up to \$767/month or cost of insurance, whichever is less
- Employee + 1 – up to \$1,232/month or cost of insurance, whichever is less
- Employee + family – up to \$1,589/month or cost of insurance, whichever is less

15.1.3 Effective 2013, UNIT employees who select plans with an actual cost less than the City contribution are not entitled to cash-back.

### 15.2 Existing Language (to be deleted)

~~Life Insurance is provided at \$50,000 per employee. The following rates were effective January 1, 2017:~~

|               | <u>Vision</u> | <u>Dental</u> | <u>Life</u> | <u>Totals</u> | <u>City pays</u> | <u>EE pays</u> |
|---------------|---------------|---------------|-------------|---------------|------------------|----------------|
| Employee only | \$ 8.73       | \$ 56.68      | \$8.70      | \$ 74.11      | \$ 71.18         | \$ 2.93        |
| Employee + 1  | \$ 16.40      | \$156.84      | \$8.70      | \$ 181.94     | \$ 170.19        | \$11.75        |
| Employee + 2+ | \$ 23.34      | \$156.84      | \$8.70      | \$ 188.88     | \$ 176.67        | \$12.21        |

15.2 Proposed Language (to be added) (current contribution)

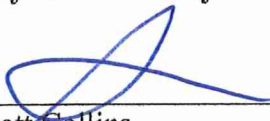
Life Insurance is provided at \$50,000 per employee. The following rates were effective January 1, 2022:


|               | <u>Vision</u> | <u>Dental</u> | <u>Life</u> | <u>Totals</u> | <u>City pays</u> | <u>EE pays</u> |
|---------------|---------------|---------------|-------------|---------------|------------------|----------------|
| Employee only | \$ 8.29       | \$ 57.81      | \$8.70      | \$ 74.80      | \$ 71.87         | \$ 2.93        |
| Employee + 1  | \$ 15.58      | \$159.98      | \$8.70      | \$ 184.26     | \$ 172.51        | \$11.75        |
| Employee + 2+ | \$ 22.17      | \$159.98      | \$8.70      | \$ 190.85     | \$ 178.64        | \$12.21        |

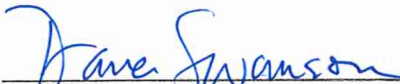
Subject to the foregoing, this Tentative Agreement is hereby executed by the authorized representatives of the City and SEIU.

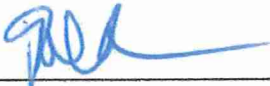
**City of Morro Bay**

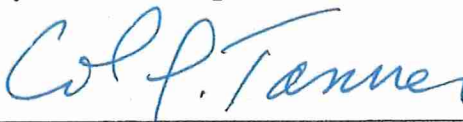
**SEIU Local No. 620**


  
 \_\_\_\_\_  
 Scott Collins,  
 City Manager


  
 \_\_\_\_\_  
 Nicole Bryant,  
 Field Representative/Internal Organizer

  
 \_\_\_\_\_  
 Dana Swanson,  
 City Clerk/HR Mngr.

  
 \_\_\_\_\_  
 Darryl Scheck,  
 Executive Director

  
 \_\_\_\_\_  
 Colin J. Tanner,  
 Deputy City Attorney/Labor  
 Negotiator

  
 \_\_\_\_\_  
 Kyle Quaglino,  
 Team Member

  
 \_\_\_\_\_  
 Becka Kelly,  
 Team Member

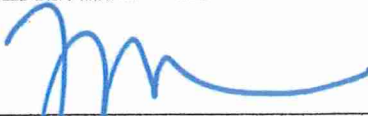
  
 \_\_\_\_\_  
 Tracy McConnell,  
 Team Member

EXHIBIT A

CITY OF MORRO BAY  
 COMBINED SALARY SCHEDULE  
 FISCAL YEAR 2022-23: Effective 7/1/22

| TITLE                               | STEP 1<br>Annual | STEP 2<br>Annual | STEP 3<br>Annual | STEP 4<br>Annual | STEP 5<br>Annual |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
| ACCOUNT CLERK IN-TRAINING           | 36,128           | 37,934           | 39,831           | 41,823           | 43,914           |
| ACCOUNT CLERK I                     | 43,677           | 45,861           | 48,154           | 50,562           | 53,090           |
| CONSOLIDATED MAINTENANCE WRK I      | 43,677           | 45,861           | 48,154           | 50,562           | 53,090           |
| OFFICE ASST. III                    | 43,677           | 45,861           | 48,154           | 50,562           | 53,090           |
| OFFICE ASST. IV                     | 47,222           | 49,583           | 52,062           | 54,665           | 57,399           |
| ACCOUNT CLERK II                    | 49,060           | 51,513           | 54,089           | 56,793           | 59,633           |
| CONSOLIDATED MAINTENANCE WRK II     | 49,060           | 51,513           | 54,089           | 56,793           | 59,633           |
| PERMIT TECHNICIAN                   | 50,244           | 52,756           | 55,394           | 58,164           | 61,072           |
| ACCOUNT CLERK III                   | 52,545           | 55,173           | 57,931           | 60,828           | 63,869           |
| CONSOLIDATED MAINTENANCE WRK III    | 52,545           | 55,173           | 57,931           | 60,828           | 63,869           |
| ADMINISTRATIVE TECHNICIAN           | 53,473           | 56,146           | 58,954           | 61,901           | 64,996           |
| PERMIT TECHNICIAN - CERTIFIED       | 53,473           | 56,146           | 58,954           | 61,901           | 64,996           |
| SUPPORT SERVICES TECHNICIAN         | 53,473           | 56,146           | 58,954           | 61,901           | 64,996           |
| PROPERTY EVIDENCE CLERK             | 53,473           | 56,146           | 58,954           | 61,901           | 64,996           |
| COMMUNITY SERVICES OFFICER          | 53,473           | 56,146           | 58,954           | 61,901           | 64,996           |
| MECHANIC                            | 55,184           | 57,943           | 60,840           | 63,882           | 67,076           |
| RECREATION COORDINATOR              | 55,184           | 57,943           | 60,840           | 63,882           | 67,076           |
| ENGINEERING TECHNICIAN III          | 62,504           | 65,629           | 68,911           | 72,356           | 75,974           |
| MAINTENANCE LEADWORKER              | 62,504           | 65,629           | 68,911           | 72,356           | 75,974           |
| RECREATION SUPERVISOR               | 62,504           | 65,629           | 68,911           | 72,356           | 75,974           |
| UTILITY OPERATOR                    | 62,600           | 65,730           | 69,017           | 72,468           | 76,091           |
| UTILITY SUPPORT COORDINATOR         | 62,600           | 65,730           | 69,017           | 72,468           | 76,091           |
| ASSISTANT PLANNER                   | 62,893           | 66,038           | 69,340           | 72,806           | 76,447           |
| HARBOR PATROL OFFICER               | 63,870           | 67,064           | 70,417           | 73,938           | 77,635           |
| BUILDING INSPECTOR                  | 65,405           | 68,675           | 72,109           | 75,715           | 79,500           |
| BUILDING INSPECTOR/CODE ENF OFFICER | 65,405           | 68,675           | 72,109           | 75,715           | 79,500           |
| UTILITY OPERATOR MC (MULTIPLE CERT) | 66,982           | 70,332           | 73,848           | 77,541           | 81,418           |
| HARBOR BUSINESS COORD               | 71,323           | 74,889           | 78,634           | 82,565           | 86,694           |
| IT SYSTEMS ANALYST                  | 73,196           | 76,856           | 80,699           | 84,734           | 88,970           |
| ENGINEERING TECHNICIAN IV           | 73,196           | 76,856           | 80,699           | 84,734           | 88,970           |
| ASSISTANT ENGINEER                  | 73,196           | 76,856           | 80,699           | 84,734           | 88,970           |
| ASSOCIATE PLANNER                   | 73,196           | 76,856           | 80,699           | 84,734           | 88,970           |
| BUILDING INSPECTOR/PLANS EXAMINER   | 73,196           | 76,856           | 80,699           | 84,734           | 88,970           |
| CONSOLIDATED MAINT FIELD SUPV       | 73,196           | 76,856           | 80,699           | 84,734           | 88,970           |
| LEAD UTILITY OPERATOR               | 74,660           | 78,393           | 82,313           | 86,428           | 90,750           |
| HARBOR PATROL SUPERVISOR            | 75,234           | 78,995           | 82,945           | 87,092           | 91,447           |
| OPERATIONAL TECHNOLOGY SPECIALIST   | 78,318           | 82,234           | 86,346           | 90,663           | 95,196           |
| ASSOCIATE ENGINEER                  | 84,175           | 88,383           | 92,802           | 97,443           | 102,315          |
| WASTEWATER SYSTEMS SUPV             | 84,175           | 88,383           | 92,802           | 97,443           | 102,315          |

EXHIBIT B

CITY OF MORRO BAY  
 COMBINED SALARY SCHEDULE  
 FISCAL YEAR 2023-24: Effective 7/1/23

| TITLE                               | STEP 1<br>Annual | STEP 2<br>Annual | STEP 3<br>Annual | STEP 4<br>Annual | STEP 5<br>Annual |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
| ACCOUNT CLERK IN-TRAINING           | 37,573           | 39,452           | 41,424           | 43,496           | 45,670           |
| ACCOUNT CLERK I                     | 45,424           | 47,695           | 50,080           | 52,584           | 55,213           |
| CONSOLIDATED MAINTENANCE WRK I      | 45,424           | 47,695           | 50,080           | 52,584           | 55,213           |
| OFFICE ASST. III                    | 45,424           | 47,695           | 50,080           | 52,584           | 55,213           |
| OFFICE ASST. IV                     | 49,111           | 51,566           | 54,145           | 56,852           | 59,695           |
| ACCOUNT CLERK II                    | 51,022           | 53,574           | 56,252           | 59,065           | 62,018           |
| CONSOLIDATED MAINTENANCE WRK II     | 51,022           | 53,574           | 56,252           | 59,065           | 62,018           |
| PERMIT TECHNICIAN                   | 52,254           | 54,866           | 57,610           | 60,490           | 63,515           |
| ACCOUNT CLERK III                   | 54,647           | 57,379           | 60,248           | 63,261           | 66,424           |
| CONSOLIDATED MAINTENANCE WRK III    | 54,647           | 57,379           | 60,248           | 63,261           | 66,424           |
| ADMINISTRATIVE TECHNICIAN           | 55,612           | 58,393           | 61,312           | 64,378           | 67,597           |
| PERMIT TECHNICIAN - CERTIFIED       | 55,612           | 58,393           | 61,312           | 64,378           | 67,597           |
| SUPPORT SERVICES TECHNICIAN         | 55,612           | 58,393           | 61,312           | 64,378           | 67,597           |
| PROPERTY EVIDENCE CLERK             | 55,612           | 58,393           | 61,312           | 64,378           | 67,597           |
| COMMUNITY SERVICES OFFICER          | 55,612           | 58,393           | 61,312           | 64,378           | 67,597           |
| MECHANIC                            | 57,391           | 60,261           | 63,274           | 66,438           | 69,760           |
| RECREATION COORDINATOR              | 57,391           | 60,261           | 63,274           | 66,438           | 69,760           |
| ENGINEERING TECHNICIAN III          | 65,004           | 68,254           | 71,667           | 75,250           | 79,013           |
| MAINTENANCE LEADWORKER              | 65,004           | 68,254           | 71,667           | 75,250           | 79,013           |
| RECREATION SUPERVISOR               | 65,004           | 68,254           | 71,667           | 75,250           | 79,013           |
| UTILITY OPERATOR                    | 65,104           | 68,359           | 71,777           | 75,366           | 79,134           |
| UTILITY SUPPORT COORDINATOR         | 65,104           | 68,359           | 71,777           | 75,366           | 79,134           |
| ASSISTANT PLANNER                   | 65,409           | 68,679           | 72,113           | 75,719           | 79,505           |
| HARBOR PATROL OFFICER               | 66,425           | 69,746           | 73,233           | 76,895           | 80,740           |
| BUILDING INSPECTOR                  | 68,021           | 71,422           | 74,993           | 78,743           | 82,680           |
| BUILDING INSPECTOR/CODE ENF OFFICER | 68,021           | 71,422           | 74,993           | 78,743           | 82,680           |
| UTILITY OPERATOR MC (MULTIPLE CERT) | 69,661           | 73,144           | 76,802           | 80,642           | 84,674           |
| HARBOR BUSINESS COORD               | 74,176           | 77,885           | 81,779           | 85,868           | 90,161           |
| IT SYSTEMS ANALYST                  | 76,124           | 79,930           | 83,927           | 88,123           | 92,529           |
| ENGINEERING TECHNICIAN IV           | 76,124           | 79,930           | 83,927           | 88,123           | 92,529           |
| ASSISTANT ENGINEER                  | 76,124           | 79,930           | 83,927           | 88,123           | 92,529           |
| ASSOCIATE PLANNER                   | 76,124           | 79,930           | 83,927           | 88,123           | 92,529           |
| BUILDING INSPECTOR/PLANS EXAMINER   | 76,124           | 79,930           | 83,927           | 88,123           | 92,529           |
| CONSOLIDATED MAINT FIELD SUPV       | 76,124           | 79,930           | 83,927           | 88,123           | 92,529           |
| LEAD UTILITY OPERATOR               | 77,646           | 81,529           | 85,605           | 89,885           | 94,380           |
| HARBOR PATROL SUPERVISOR            | 78,243           | 82,156           | 86,263           | 90,576           | 95,105           |
| OPERATIONAL TECHNOLOGY SPECIALIST   | 81,451           | 85,523           | 89,799           | 94,289           | 99,004           |
| ASSOCIATE ENGINEER                  | 87,542           | 91,919           | 96,515           | 101,341          | 106,408          |
| WASTEWATER SYSTEMS SUPV             | 87,542           | 91,919           | 96,515           | 101,341          | 106,408          |

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**THE MORRO BAY**  
**SERVICE EMPLOYEES**  
**INTERNATIONAL UNION**  
**LOCAL NO. 620**  
**AND**  
**THE CITY OF MORRO BAY**

**JULY~~ANUARY~~ 1, 2022~~1~~ – JUNE 30,**  
**~~2022~~2024**

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MEMORANDUM OF UNDERSTANDING BETWEEN  
SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL NO. 620  
AND THE CITY OF MORRO BAY  
~~JULY~~ANUARY 2022~~1~~ - JUNE 2022~~4~~

**ARTICLE 1 – PURPOSE**

- 1.1 **WHEREAS**, the City of Morro Bay is a municipal corporation existing under the laws of the State of California as a general law city; and
- 1.2 **WHEREAS**, the City of Morro Bay is limited, insofar as funds are concerned, because of a fixed tax rate, and in structure because it is a public entity rather than a profit making business; and
- 1.3 **WHEREAS**, Service Employees International Union Local No. 620 and the City of Morro Bay recognize that the mission and the purpose of the City is to provide for high-quality and economical municipal services and facilities to the residents of the City of Morro Bay.
- 1.4 **THEREFORE**, this Memorandum of Understanding (“MOU”) is entered into as of ~~January 1, 2021~~July 1, 2022, between the City of Morro Bay, hereafter called the "CITY," and Service Employees International Union Local No. 620, hereafter called the "UNION."
- 1.5 It is the intent and purpose of this MOU to assure sound and mutually beneficial working and economic relations and conditions between the parties hereto; to provide for an orderly and peaceable method and manner of resolving any differences which may arise; and to negotiate any misunderstanding, which could arise, and to set forth, herein, the basic and full agreement between the parties, concerning the pay, wages, hours of employment, and other terms and conditions of employment.

**ARTICLE 2 – MANAGEMENT**

- 2.1 In order to ensure that the CITY shall continue to carry out its municipal functions, programs, and responsibilities to the public imposed by law, and to maintain efficient public service for the citizens of Morro Bay, the CITY continues to reserve, and retain solely and exclusively, all management rights, regardless of the frequency of use, including those rights and responsibilities set forth by law, and those CITY rights set forth in the CITY’s Personnel Rules and Regulations, and including, but not limited, to the following:
  - 2.1.1 To manage the CITY, determine policies and procedures, and the right to manage the affairs of all Departments.
  - 2.1.2 To determine the existence, or nonexistence, of facts that are the basis of the management decision in compliance with State law.

- 2.1.3 To determine the necessity, organization, implementation, and termination of any service or activity conducted by the CITY or other government jurisdiction, and to expand or diminish services.
- 2.1.4 To direct, supervise, recruit, select, hire, evaluate, promote, transfer, discipline, discharge, terminate, demote, reduce, suspend, reprimand, withhold salary increases and benefits for disciplinary reasons, or otherwise discipline employees, in accordance with Department or CITY Rules, Regulations, or Ordinances.
- 2.1.5 To determine the nature, manner, means, extent, type, time, quantity, quality, technology, standard, and level of services to be provided to the public.
- 2.1.6 To require performance of other public services, not specifically stated herein, in the event of emergency or disaster, as deemed necessary by the CITY.
- 2.1.7 To lay off employees because of lack of work or funds or under conditions where continued work would be inefficient or nonproductive or not cost effective, as determined by the CITY.
- 2.1.8 To determine and/or change facilities, methods, technology, equipment, operations to be performed, organization structure, and allocate or assign work by which the CITY operations and services are to be conducted.
- 2.1.9 To determine method(s) of financing.
- 2.1.10 To plan, determine, and manage Departments' budget, which includes, but is not limited to, changes in the number of locations and types of operations, processes and materials to be used in carrying out all functions, and the right to contract or subcontract any work or operations.
- 2.1.11 To determine the size and composition of the work force, assign work to employees of the CITY, in accordance with requirements determined by the CITY, and to establish and require compliance to work hours and changes to work hours, work schedules, including call back, standby, and overtime, and other work assignments, except as otherwise limited by this MOU, or subsequent MOUs.
- 2.1.12 To establish and modify goals and objectives, related to productivity and performance programs and standards, including, but not limited to, quality and quantity, and required compliance therewith.
- 2.1.13 To determine qualifications, skills, abilities, knowledge, selection procedures and standards, job classification, job specifications, and to reallocate and reclassify employees, in accordance with division and/or CITY Rules and Regulations.

- 2.1.14 To determine the issues of public policy and the overall goals and objectives of the CITY, and to take necessary action to achieve the goals and objectives of the CITY.
- 2.1.15 To hire, transfer intra- or inter-Department, promote, reduce in rank, demote, reallocate, terminate, and take other personnel action for non-disciplinary reasons, in accordance with Department and/or CITY Rules, Regulations and Ordinances.
- 2.1.16 To determine policies, procedures and standards for recruiting, selecting, training and promoting employees.
- 2.1.17 To establish, implement, and/or modify Rules and Regulations, policies, and procedures related to productivity, performance, efficiency, personal appearance standards, code of ethics and conduct, safety, health, and order, and to require compliance therewith.
- 2.1.18 To maintain order and efficiency in facilities and operation.
- 2.1.19 To restrict the activity of an employee organization on CITY facilities, except as set forth in this MOU.
- 2.1.20 To take any and all necessary steps and actions to carry out the service requirements and mission of the CITY, in emergencies or any other time deemed necessary by the CITY, and not specified above.
- 2.2 Nothing herein is meant to diminish CITY rights provided by the Government Code.
- 2.3 Authority of Third Party Neutral – Management Rights:  
All management rights, powers, authority, and functions, whether heretofore or hereinafter exercised, shall remain vested exclusively with the CITY. No third party neutral shall have the authority to diminish any of the management rights that are included in this MOU.
- 2.4 Nothing herein is meant to diminish employee rights provided by the Government Code.

**ARTICLE 3 – RECOGNITION**

- 3.1 Pursuant to Resolution No. 08-17, the Employer-Employee Relations Resolution of the City of Morro Bay and applicable state law, Service Employees International Union Local 620 was designated by the City of Morro Bay City Council as the exclusive representative of City employees in the Miscellaneous Employees Unit (hereafter "UNIT"). The UNIT is comprised of the following classifications:  
  
  - Account Clerk In-Training
  - Account Clerk I
  - Account Clerk II
  - Account Clerk III
  - Administrative Technician

Administrative Utilities Technician  
Assistant Engineer  
Assistant Planner  
Associate ~~Civil~~ Engineer  
Associate Planner  
Building Inspector  
Building Inspector/Code Enforcement Officer  
Building Inspector/Plans Examiner  
Building Permit Technician I  
Building Permit Technician II  
Community Services Officer  
Consolidated Maintenance Worker I  
Consolidated Maintenance Worker II  
Consolidated Maintenance Worker III  
Consolidated Maintenance Leadworker  
Consolidated Maintenance Field Supervisor  
Engineering Technician III  
Engineering Technician IV  
Harbor Business Coordinator  
Harbor Patrol Officer  
Harbor Patrol Officer Supervisor  
IT Systems Analyst  
Mechanic  
Office Assistant III  
Office Assistant IV  
Operational Technology Specialist  
Permit Technician  
~~Permit Technician-Certified~~  
Property Evidence Clerk  
Recreation Supervisor - Sports  
Recreation Supervisor – Youth  
Recreation Coordinator  
Support Services Technician  
Utility Support Coordinator  
Utility Operator  
Utility Operator MC (Multiple Cert)  
Lead Utility Operator  
Wastewater Systems Supervisor

The term “employee” or “employees,” as used herein, shall refer only to the foregoing classifications.

3.2 Employees, working on a regular basis in the Classified Service as defined in the Personnel Rules & Regulations, but less than full-time, shall receive vacation and sick leave accruals on a pro-rated

basis, commensurate with hours worked. Effective January 1, 1998, all benefits for new hires, including insurance benefits, will be allocated on a pro-rated basis, commensurate with hours worked.

3.3 Electronic Deposit:

All Employees shall receive their pay by electronic methods. New hires must present account information for a checking or a savings account with an ACH-member financial institution.

**ARTICLE 4 - UNION BUSINESS**

4.1 Employee representatives, designated by the UNION, shall be granted time off, without loss of pay, to attend "meet and confer" sessions with the City Manager, and/or their designee, on subjects within the scope of representation, when such meetings are scheduled during regular working hours. Should such meeting extend beyond an employee representative's regular working hours, the employee representative shall be paid for only the regular working hours.

It is understood that this "time-off provision" shall only apply to a maximum of three (3) employees attending any one meeting between CITY and UNION. Where exceptional circumstances warrant, the City Manager may approve the attendance at such meetings of additional employee representatives. The UNION shall, whenever practicable, submit the names of all employee representatives to the City Manager, or designee, at least two working days in advance of such meetings. Provided further: 1) that no employee representative shall leave their duty or work station or assignment without specific approval of the department head or other authorized CITY management official; and 2) that any such meeting is subject to scheduling by CITY management and UNION, in a manner consistent with operating needs and work schedules.

4.2 Nothing provided herein shall limit or restrict CITY management and UNION from scheduling such meetings before or after regular CITY or work hours.

4.3 Off-duty employees will not be paid for attending meet and confer sessions, nor will over-time be paid for same.

4.4 If the UNION and the CITY are actively meeting and conferring (e.g. after a successor letter has been delivered to the CITY to initiate conferring), then pursuant to Government Code Section 3505.3, a reasonable number of UNION representatives shall be permitted paid release time from regular working hours upon reasonable notification to the CITY as follows:

- a. When formally meeting and conferring with representatives of the CITY on matters within the scope of representation;
- b. When testifying or appearing as the designated representative of UNION in conferences, hearings, or other proceedings before the board, or an agent thereof, in matters relating to a charge filed by the UNION against the CITY or by the CITY against the UNION;

- c. When testifying or appearing as the designated representative of the UNION in matters before a personnel or merit commission.
- d. For the purposes of this section, "designated representative" means an officer of the UNION or a member serving in proxy of the UNION.

4.5 The UNION will be permitted to retain and use bulletin boards for member informational purposes at the following locations: 1) City Hall 2) Public Works/Community Development 3) Recreation Services 4) Corporation Yard 5) Wastewater Treatment Plant 6) Fire Department and 7) Harbor Department.

4.6 The UNION may, with prior approval of the City Manager or their designee, be granted the use of City facilities for UNION business meetings of City employees, provided space is available. No use fee will be charged.

### **ARTICLE 5 - AUTHORIZED AGENTS**

For the purpose of administering the terms and provisions of this MOU:

- 5.1 Management's principal authorized agent shall be the City Manager, or their duly authorized representative (address: 595 Harbor Street, Morro Bay, CA 93442, telephone (805) 772-6201), except where a particular management representative is specifically designated in the MOU.
- 5.2 The UNION's principal authorized representative shall be: Service Employees International Union Local 620 (114 Vine Street, Santa Maria, CA 93454 (805) 963-0601).
- 5.3 The UNION shall furnish the CITY's City Manager with a written list, identifying by name and work location, up to three stewards and one chief steward.
- 5.4 UNION stewards shall be authorized, when participating in the investigation and processing of a grievance, to take a reasonable amount of CITY-time, without loss of compensation or benefits, to perform these duties.
- 5.5 UNION stewards shall be selected in accordance with current SEIU written policy on file with the CITY Human Resources Office.
- 5.6 Names and addresses of no more than two (2) employee representatives to whom notices, if sent pursuant to this agreement, will be deemed sufficient notice to the employee organization for any purpose.

### **ARTICLE 6 – UNION SECURITY and WITHHOLDING OF UNION DUES/FEEES**

- 6.1 The CITY will notify UNION's designated representative in writing or via email regarding all new hires at least ten (10) days prior to the employee's orientation unless there is an urgent need that was not reasonably foreseeable. Within the earlier of thirty (30) days after the date of hire or by

the first pay period of the month following the hire of each newly hired employee, the CITY will provide UNION's designated representative with the new employee's name, job title, department, work location, home mailing address, personal email, and work, home and personal cell phone numbers.

The new hire will receive a copy of the MOU with their new employee orientation packet. UNION shall be permitted one (1) hour for each orientation session to talk to new bargaining unit members to explain the rights and benefits under the MOU.

The CITY will provide UNION's designated representative a quarterly list of all employees in the represented bargaining unit, including the employee's name, job title, department, work location, home mailing address, personal email, and work, home and personal cell phone numbers.

Notwithstanding the foregoing, the CITY will not provide UNION with the home address, home telephone number, personal cell phone number, or personal email address or date of birth for any employee who has made a written request to the CITY regarding non-disclosure of said information.

The parties will mutually agree on a form to use to track said employee information and whether any employee requests that such information not be disclosed.

SEIU shall indemnify and hold harmless the CITY, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, or liability arising out of this Article.

- 6.2 As the recognized majority and/or exclusive employee organization, UNION requests that the CITY deduct membership dues, initiation fees, and general assessments, as well as payment of any other membership benefit program sponsored by UNION, from the wages and salaries of members of UNION. UNION hereby certifies that it has and shall maintain all such deduction authorizations signed by the individual from whose salary or wages the deduction is to be made and shall not be required to provide a copy of an individual authorization to the CITY unless a dispute arises about the existence or terms of the authorization.

UNION membership dues shall be deducted each pay period in accordance with CITY procedures and provisions of applicable law from the salary of each employee whose name is provided by UNION. CITY does not accept responsibility for computing the amounts of deductions or for meeting payment dates, which may not coincide with established pay periods. CITY will issue a single check to UNION for the total amount of deductions withheld from the individual employee's pay. The UNION will be responsible for the accounting and disbursing of all such funds received from CITY. The UNION will be responsible for properly notifying CITY of any changes in deductions, and will be the sole agent, through which CITY will act, in explaining, initiating, executing, or terminating the provisions of this Article. Such notification must be

received by the CITY at least two weeks prior to the effective date of the change. Also, such change of the notice sent to the employees officially, telling them of the change.

### **ARTICLE 7 - TERM**

Except as otherwise specifically provided herein, the term of this MOU shall be from ~~January~~July 1, 2022~~1~~, through June 30, 2024~~2~~.

### **ARTICLE 8 - RENEGOTIATIONS**

- 8.1 In the event either party wants to renegotiate a successor MOU, such party shall serve, upon the other during the period December 1, 2023~~1~~ to January 31, 2024~~2~~, its written request to begin negotiations, as well as its full and entire written proposals amending this MOU.
- 8.2 The parties agree that, except by mutual agreement, no new subjects may be introduced into the process after the third negotiations meeting.
- 8.3 Upon receipt of such written notice and proposals, negotiations shall begin no later than March 15, 2024~~2~~.

### **ARTICLE 9 - ANTI-DISCRIMINATION**

The CITY and UNION mutually agree they will not discriminate against employees for the exercise of their rights under the State of California Government Code Section 3502.

### **ARTICLE 10 - WORK SCHEDULE**

This ARTICLE is intended to define the normal hours of work, and shall not be construed as a guarantee of work per day or per week, or of days of work per week.

- 10.1 **Workday**  
The normal workday shall be eight hours of work in a 24 consecutive hour period, except in cases of emergencies. The CITY and UNION previously met and conferred over an administrative policy regarding alternative work schedules, which may be implemented provided they are not in violation of the Fair Labor Standards Act (FLSA) regulations.
- 10.2 **Work Shift**  
Employees shall be scheduled to work on regular work shifts having regular starting and quitting times. Except for emergencies, employees' work shifts shall not be changed without 24-hour prior notice to the employee. Call-out or overtime does not constitute as change in work shift.
- 10.3 **Work Week**  
The normal workweek shall be five workdays and two consecutive days of rest in a seven-day period, beginning Saturday, 12:00 a.m., and ending seven days later on Friday night at 11:59 p.m.,



except in cases of emergencies, or at the specific request of an employee and approval of department head. Nothing herein shall be construed to eliminate currently established irregular work schedules.

#### 10.4 Overtime Compensation

10.4.1 All work required by the CITY, and actually performed beyond 40 hours worked in a workweek, is defined as FLSA overtime. FLSA overtime shall be compensated at one and one-half times the employee's regular rate of pay, as defined by FLSA.

10.4.2 Designated CITY holidays shall be considered as time worked, for purposes of computing overtime, for personnel working a Monday through Friday, eight hours a day, schedule with Saturday and Sunday as regular days off. Employees working other schedules will accrue eight hours holiday time, and if working on the CITY designated holiday, be paid at the rate of one and one-half times the employee's regular rate of pay, as defined by FLSA. Effective upon the ratification of this contract, vacation hours used shall also be considered as time worked, for overtime calculation purposes.

10.4.3 There shall be no double compensation for the same hours of work, nor any "pyramiding" of overtime.

#### 10.5 Compensatory Time Off (CTO):

10.5.1 At the employee's option, CTO may be taken in lieu of payment for overtime.

10.5.2 CTO may be accrued. An employee's CTO balance shall indicate the amount of CTO available for employee's use. For example, if an employee works two hours of FLSA overtime, and elects to accrue CTO, the employee's CTO balance shall indicate three hours.

10.5.3 An employee's CTO balance shall not exceed a maximum of 60 hours. If overtime is earned that would exceed this limit, the excess shall be paid in cash.

10.5.4 All CTO, requested by an employee, must be approved in advance by the employee's Department Head.

10.5.5 Employees, separating from the CITY, are entitled to pay for accumulated CTO at their current base rate of pay.

#### 10.6 Emergencies

10.6.1 Nothing herein shall be construed to limit or restrict the authority of management to make temporary assignments to different or additional locations, shifts, or duties, for the purpose of meeting an emergency. Such emergency assignments shall not extend beyond the period of said emergency.

10.6.2 Short-staffing, caused solely by absences due to employees taking approved paid leave, shall not be considered an emergency.

10.7 Shift Rotation

Shift rotation shall coincide with the first day of a pay period.

10.8 Breaks

As a general practice, employees shall be permitted to take a minimum fifteen (15) minute paid rest/hydration/exercise break for every four (4) hours worked. In addition, employees shall be permitted to take a minimum thirty (30) minute and maximum sixty (60) minute unpaid meal break for up to ten (10) hours worked. The scheduling of these breaks shall be subject to departmental policy and will require approval of an employee's supervisor or manager. The inability of a department to schedule or allow such breaks or of an employee to take such breaks shall not give rise to any right to or claim for compensation and/or monetary damages of any kind.

10.9 Weekend Differential Pay

Employees whose regular work week includes work on Saturday or Sunday shall receive \$.50 (fifty cents) per hour additional wages for each hour worked on Saturday or Sunday providing such working assignment has been assigned/approved by the Department Director. This provision shall not apply to unscheduled or unanticipated call-outs that may occur and for which the employee is receiving overtime. This provision applies only to hours worked and does not apply to paid leave.

**ARTICLE 11 - VACATION LEAVE**

NOTE: All leave time (vacation, sick leave, holiday, etc.) will be taken off on an hour-for-hour basis, equaling employee actual time off, regardless of accumulation rates.

11.1 During the term of this MOU, paid vacation leave shall be earned at the following rate:

| Service Years | Maximum Entitlement |       |
|---------------|---------------------|-------|
|               | Days                | Hours |
| 1 thru 2      | 10                  | 80    |
| 3 thru 4      | 11                  | 88    |
| 5 thru 6      | 12                  | 96    |
| 7 thru 8      | 13                  | 104   |
| 9 thru 10     | 14                  | 112   |
| 11 thru 12    | 15                  | 120   |
| 13 thru 14    | 16                  | 128   |
| 15 thru 16    | 17                  | 136   |
| 17 thru 18    | 18                  | 144   |
| 19 thru 20    | 19                  | 152   |

- 11.2 The standard for vacation time is eight hours equals one day.
- 11.3 Effective July 1, 2014, employees will be provided an option to convert up to 40 hours of vacation into compensation per fiscal year provided that at the time of the conversion request at least 20 hours of vacation time remains in the employee's vacation bank. Conversion may be requested throughout the fiscal year, with a minimum of 30 days' notice to payroll, and Department Head approval. This provision shall expire on December 31, 2022 with the implementation of Section 11.4.

11.4 Effective January 1, 2023, employees will be provided an option to convert up to 40 hours of vacation into compensation per calendar year, subject to meeting the requirements of Section 11.4.1, provided that at the time of the conversion request at least 20 hours of vacation time remains in the employee's vacation bank.

11.4.1 To be eligible for cash out of accrued vacation leave pursuant to Section 11.4, a UNION employee must pre-elect the number of vacation hours they will cash out, up to a maximum of 40 hours, by December 15 of the preceding calendar year (*with December 15, 2022 being the election deadline for cash out in 2023*). The election will apply only to vacation hours accrued in the next calendar year. The election to cash out vacation hours in each designated year is irrevocable. UNION employees who elect to cash out vacation leave hours must cash out the number of accrued hours pre-designated on the irrevocable election form provided by the City. UNION employees who pre-designate cash out amounts may request a cash out at any time in the designated calendar year by submitting a cash out request at least 30 days in advance to Human Resources. Human Resources will confirm the cash out amount has accrued and is consistent with the amount the UNION employee pre-designated, then forward to payroll to complete the cash out request. If the full amount of hours designated for cash out is not available at the time of cash out request, the maximum available will be paid.

For UNION employees who have not requested payment of the elected cash out amount by November 1 of each year, payroll will automatically cash out the pre-designated amount in a paycheck issued on or after the payroll date including November 1. Additionally, the City may, prior to the end of the calendar year, automatically cash out the vacation leave accrued each pay period by a UNIT employee such that the vacation leave cash out is consistent with the UNION employee's pre-elected number of vacation leave cash out hours for that year.

UNION employees who do not pre-designate vacation leave cash out hours or who decline the cash out option by the December 15 deadline will be deemed to have waived the right and will not be eligible to cash out any vacation leave in that year.

11.54 Maximum Accumulation

It is recognized that long-standing accumulations of vacation time exist for some employees. In order to compensate employees for this unused vacation time, and reduce this liability for the CITY, CITY and UNION agree on the following policy:

11.54.1 CITY and UNION agree that the vacation cap to be in place for this UNIT will be 220 hours, to be achieved in the following manner:

11.54.1.1 ~~Unused vacation leave may be carried over into the calendar year 2008 and subsequent calendar years to a maximum of 220 hours.~~ Employees exceeding the 220-hour maximum, as of the pay period containing November 1<sup>st</sup> will be paid off for vacation time that exceeds the 220-hour maximum. Payment shall be computed based upon the employee's current base hourly rate of pay. Vacation pay out will occur in the first pay period occurring on or after December 1<sup>st</sup>.

11.54.2 Employees, separating from the CITY, are entitled to pay for accumulated vacation based upon employee's current base hourly rate of pay.

## **ARTICLE 12 - HOLIDAYS**

12.1 For the purpose of this MOU, the following days are the holidays for the employees in this UNIT:

|                                |  |
|--------------------------------|--|
| New Year's Day                 | January 1                                    |
| Martin Luther King, Jr.'s, Day | 3 <sup>rd</sup> Monday in January            |
| Spring Break Holiday           | Observed the Friday before<br>Easter weekend |
| President's Day                | 3 <sup>rd</sup> Monday in February           |
| Memorial Day                   | Last Monday in May                           |
| Independence Day               | July 4 <sup>th</sup>                         |
| Labor Day                      | 1 <sup>st</sup> Monday in September          |
| Veterans' Day                  | November 11 <sup>th</sup>                    |
| Thanksgiving Day               | 4 <sup>th</sup> Thursday in November         |
| Day after Thanksgiving Day     | Friday after Thanksgiving                    |
| Christmas Day                  | December 25 <sup>th</sup>                    |
| Two (2) Floating Holidays      | Varies                                       |

12.2 Holidays, falling on Saturday, shall be observed on the preceding Friday, and holidays, falling on Sunday, shall be observed on the following Monday, and shall be considered designated holidays for purposes of overtime.

12.3 One holiday equals eight hours. For those UNIT employees, participating in alternative work schedules, one holiday shall equal the number of hours the employee is scheduled to work on the day of the holiday. Accrued holiday time may be taken in less than eight-hour increments.

- 12.4 It is agreed that when a holiday is proclaimed by the Mayor of the CITY, then each employee shall be granted time-off in the same number of equivalent work hours. Such time-off shall be selected by the Department Head.
- 12.5 Employees may accumulate up to a maximum of 48 hours holiday time for holidays worked. Hours of holiday time, accumulated over 48 hours, will be paid off as the maximum is exceeded. When an employee terminates employment with the CITY, they shall receive pay for their current holiday balance up to a maximum of 48 hours at their current base hourly rate.
- 12.6 CITY’s denial of requested holiday time off shall be neither arbitrary nor capricious.
- 12.7 Employees, who work on a CITY-designated holiday, shall have up to 10 hours banked, depending on scheduled hours, and also shall be paid one and one-half times their base hourly rate for the hours actually worked on the holiday.
- 12.8 The first payroll including July 1, each employee’s bank will be credited with 16 hours floating holiday, regardless of actual work schedules.

**ARTICLE 13 - SICK LEAVE**

- 13.1 During the term of this MOU, sick leave shall be earned at the rate of one eight-hour workday for each calendar month of service. Sick leave used shall be actual employee time off. For example, if an employee works four 10-hour days per week and is off sick for one of the 10 hour days, 10 hours shall be deducted from employee’s sick leave balance. There shall be no maximum to the amount of sick leave that an employee may accumulate.
- 13.2 Based on individual utilization of paid sick leave in the preceding calendar year, employee may convert unused accumulated sick leave into paid vacation leave once per calendar year, pursuant to the formula below:

| <u>Sick Leave Utilization</u> | <u>Sick Leave</u> | <u>Maximum Conversion to Vacation Leave</u> |
|-------------------------------|-------------------|---|
| 0 hours                       | 96 hours          | 48 hours                                    |
| 0.25 to 8 hours               | 72 hours          | 36 hours                                    |
| 8.25 to 16 hours              | 48 hours          | 24 hours                                    |
| 16.25 to 25 hours             | 24 hours          | 12 hours                                    |
| Over 25 hours                 | 0 hours           | 0 hours                                     |

At least 160 accrued hours must remain in employee’s sick leave bank for any employee to be eligible for conversion or for any conversion to be authorized. In addition, the right to convert, along with any conversion hours, does not carry over or rollover from calendar year to calendar year; failure to request conversion in any calendar year eliminates the right to do so for that calendar year.

- 13.3 Upon the service retirement of an employee who has more than 10 years of service with the CITY, said employee shall be entitled to receive payment for up to 720 hours of their accrued sick leave at thirty percent (30%) of the employee's rate of pay as of the date of service retirement.

Service retirement is defined as service retirement from both the CITY and the respective retirement system thereof.

NOTE: Sick leave, converted to service credit for PERS purposes, cannot be compensated (converted to dollars).

#### **ARTICLE 14 - RETIREMENT BENEFITS**

- 14.1 All employees will contribute the entire employee retirement contribution, which is currently: 1) classic members, Tier 1 - 8% Miscellaneous/9% Safety; classic members, Tier 2 - 7% Miscellaneous/9% Safety; or PEPRA members, Tier 3 - currently ~~6.256.75%~~ Miscellaneous/~~44.513%~~ Safety.

- 14.2 The CITY agrees to continue providing all CalPERS Miscellaneous employees in this UNIT, who were hired prior to January 1, 2012, with the following CalPERS retirement formula and optional benefits (existing employees promoted to another position within the CITY, will not be considered new hires, with respect to retirement formulas):

- 14.2.1 2.7% @ 55 formula (Section 21354.5)
- 14.2.2 Unused Sick Leave Credit Option (Section 20965)
- 14.2.3 Military Service Credit (Section 21024 & 21027)
- 14.2.4 Single Highest Year Final Compensation (Section 20042)
- 14.2.5 1959 Survivor Benefit, Level 4 (Section 21574)
- 14.2.6 Pre-Retirement Option 2W Death Benefit (Section 21548)

- 14.3 For CalPERS Miscellaneous employees, who were hired on or after January 1, 2012, but before January 1, 2013, and those hired on or after January 1, 2013, who meet the definition of classic member, pursuant to the California Public Employee's Pension Reform Act of 2013 (PEPRA), the CITY will provide the following CalPERS optional benefits:

- 14.3.1 2% @ 60 formula (benefit factor increases to 2.418% @ 63+) (21353)
- 14.3.2 Unused Sick Leave Option (Section 20965)
- 14.3.3 Military Service Credit (Section 21024 & 21027)
- 14.3.4 Final Compensation Average 36 consecutive highest months (20037)
- 14.3.5 1959 Survivor Benefit, Level 4 (21574)
- 14.3.6 Pre-Retirement Option 2W Death Benefit (Section 21548)

- 14.4 Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, employees hired, who meet the definition of new member under PEPRA, will be covered by following retirement formula and receive the following CalPERS optional benefits:

- 14.4.1 2% @ 62 retirement formula (benefit factor increases to 2.5% @ 67+)
  - 14.4.2 Final Compensation Average 36 consecutive highest months (20037)
  - 14.4.3 Member contribution rate of fifty (50) percent of the expected normal cost rate (currently 6.25%)
  - 14.4.4 Unused Sick Leave Credit (Section 20965)
  - 14.4.5 Military Service Credit (Section 21024 and 21027)
  - 14.4.6 1959 Survivor Benefit, Level 4 (21574)
  - 14.4.7 Pre-Retirement Option 2W Death Benefit (Section 21548)
- 14.5 The CITY agrees to continue providing CalPERS Safety employees (Harbor Officers reclassified to Safety 10/17/1998) in this UNIT, who were hired prior to September 17, 2011, with the following CalPERS retirement formula and optional benefits (existing employees, promoted to another position within the CITY, will not be considered new hires, with respect to retirement formulas):
- 14.5.1 3% @ 50 plan (21362.2)
  - 14.5.2 Unused Sick Leave Credit (Section 20965)
  - 14.5.3 Military Service Credit (Section 21024 & 21027)
  - 14.5.4 Highest Single Year Final Compensation (Section 20042)
  - 14.5.7 1959 Survivor Benefit, Level 4 (Section 21574)
  - 14.5.8 Pre-Retirement Option 2W Death Benefit (Section 21548)
- 14.6 For CalPERS Safety employees (Harbor Patrol Officers, who were hired on or after September 17, 2011, and those hired on or after January 1, 2013, who meet the definition of classic member pursuant to the California Public Employees Pension Reform Act of 2013 (PEPRA), the CITY will provide the following CalPERS optional benefits:
- 14.6.1 3% @ 55 plan (Section 21363.1)
  - 14.6.2 Unused Sick Leave Credit (Section 20965)
  - 14.6.3 Military Service Credit (Section 21024)
  - 14.6.4 Final Compensation 3 Year (20037)
  - 14.6.5 1959 Survivor Benefit Level 4 (Section 21574)
  - 14.6.6 4th Level Survivor Benefit (Section 21574)
  - 14.6.7 Pre-Retirement Death Option 2W
- 14.7 Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, safety employees hired who meet the definition of new member under PEPRA, will be covered by the following retirement formula and optional CalPERS benefits:
- 14.7.1 2.7% @ 57 retirement formula (Section 7522.25(d))
  - 14.7.2 Final Compensation Average 36 consecutive highest months (20037)
  - 14.7.3 Member contribution rate of fifty (50) percent of the expected normal cost rate (currently 11.5%)
  - 14.7.4 Unused Sick Leave Option (Section 20965)
  - 14.7.5 Military Service Credit (Section 21024)
  - 14.7.6 1959 Survivor Benefit Level 4 (Section 21574)
  - 14.7.7 4<sup>th</sup> Level Survivor Benefit (Section 21574)
  - 14.7.8 Pre-Retirement Death Option 2W

14.8 Employee Cost Sharing

CalPERS Classic Member Tier 1 & 2 Union represented employees shall make a 1% cost sharing contribution to the employer's contribution to CalPERS effective the first full payroll period after City Council approval of a CalPERS Contract Amendment providing for such payment commencing FY 23/24, but in no event sooner than the pay period including July 1, 2023.

14.89 City will contribute, on a 2:1 basis (i.e., employee contributes \$2, and City contributes \$1) with City maximum of ~~\$600.00~~1,200.00 per employee in any calendar year, to an employee's deferred compensation 457 plan.

**ARTICLE 15 - HEALTH BENEFITS**

15.1 Health Insurance

15.1.1 Employees of this UNIT shall participate in the CalPERS medical insurance plans on a cafeteria style basis, with the CITY contributing the CalPERS minimum (currently \$149/month) to the active employee's medical insurance, and \$1.00/month, or the amount required by CalPERS, to retiree medical insurance. Any costs in excess of these contribution rates shall be paid by the employee and retiree.

15.1.2 For 2022~~+~~, UNIT employees shall receive a cafeteria plan contribution (including the amount required by CalPERS in 15.1.1 above) as follows:

- Employee only – up to ~~\$767.15~~/month or cost of insurance, whichever is less
- Employee + 1 – up to ~~\$1,232.135~~/month or cost of insurance, whichever is less
- Employee + family – up to ~~\$1,589.460~~/month or cost of insurance, whichever is less

~~15.1.3 Effective 2013, UNIT employees who select plans with an actual cost less than the City contribution are not entitled to cash-back.~~

15.2 Dental, Life and Vision Insurance

15.2.1 Life Insurance is provided at \$50,000 per employee. The following rates are effective January 1, 2022~~+~~:

|               | Vision                             | Dental                               | Life   | Totals                               | City pays                            | EE pays |
|---------------|------------------------------------|--------------------------------------|--------|--------------------------------------|--------------------------------------|---------|
| Employee only | <del>\$8.73</del><br><u>8.29</u>   | <del>\$56.68</del><br><u>57.81</u>   | \$8.70 | <del>\$74.11</del><br><u>74.80</u>   | <del>\$71.18</del><br><u>71.87</u>   | \$ 2.93 |
| Employee + 1  | <del>\$16.40</del><br><u>15.58</u> | <del>\$156.84</del><br><u>159.98</u> | \$8.70 | <del>\$181.94</del><br><u>184.26</u> | <del>\$170.19</del><br><u>172.51</u> | \$11.75 |
| Employee + 2+ | <del>\$23.34</del><br><u>22.17</u> | <del>\$156.84</del><br><u>159.98</u> | \$8.70 | <del>\$188.88</del><br><u>190.85</u> | <del>\$176.67</del><br><u>178.64</u> | \$12.21 |



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CITY will pay the remaining premium for dental/life and vision.

- 15.3 Any coverage made available to future retirees beyond COBRA time requirements shall be paid for by the retiree.
- 15.4 The provisions of this ARTICLE shall be binding on the parties through the remainder of this MOU, and for the term of the MOU, which will be effective upon City Council approval. The parties agree herewith to re-open discussion with respect to this ARTICLE, for any changes to the 2024<sup>2</sup> health rates.

**ARTICLE 16 - EDUCATION INCENTIVES**

- 16.1 CITY agrees to reimburse the costs for job-related and job-required certifications, correspondence courses, and licenses (except Class III driver's license) upon successful completion of the examination or course by the employees, having written authorization in advance from their department head. This shall include application fees, examination fees, and certificate fees. Renewal fees may be paid in advance by the CITY. This provision does not apply to continuing education requirements.
- 16.2 CITY agrees to provide a CITY vehicle, when available, during normal working hours for required transportation, and will permit paid time for employees to take examinations scheduled during normal working hours. No mileage payments are authorized for personal transportation, and time spent outside normal working hours shall not be compensated, except that tests taken for CITY-required certifications shall be taken in paid status.

**ARTICLE 17 - WORK UNIFORMS**

- 17.1 CITY will provide work coveralls, including laundry service, for each employee whose working conditions create undue wear and tear on work clothing.

CITY will select and provide uniform work shirt, including laundry service, for all field employees. Work shirts shall include a CITY logo and the employee's name.

- 17.2 Determination of individual entitlement to CITY-provided work uniforms will be at the discretion of the appropriate department head, and with the approval of the City Manager. UNIT members in classifications currently receiving uniforms shall continue to do so.

17.2.1 Each Tier 1 and Tier 2 employee, as determined in 17.2, will be provided a CalPERS benefit of \$16.18 per pay period. This benefit shall increase should the cost increase.

### 17.3 Safety Shoes

Effective July 1, 2021, employees required to wear steel-toed safety shoes and Harbor Patrol Officers required to wear approved footwear in the performance of their duties, shall be eligible to receive an annual reimbursement, for the provision of said shoes, in the amount of \$250 per fiscal year. Harbor Patrol Officers shall be required to wear 6” black leather boots or water/safety-specific shoes as approved within the sole discretion of the Harbor Director. Proof of purchase of shoes and boots are required. Once purchased, such appropriate footwear must be worn only while working.

## **ARTICLE 18 – WAGES AND INCENTIVES**

18.1 Effective the pay period including July 1, 202~~2~~4, the CITY shall provide a ~~65~~65% Cost of Living Adjustment (COLA) increase to base salaries for all UNIT classifications (see Exhibit ~~B~~A updated salary table).

18.2 Effective the pay period including July 1, 2023, the CITY shall provide a Cost of Living Adjustment (COLA) increase to base salaries for all UNIT classifications of 4.00% (see Exhibit B updated salary table) contingent upon the cost sharing as described in Section 14.8 being implemented.

~~Potential One-Time Lump Sum Payment. In recognition of the financial and overall sacrifices made during the COVID-19 health emergency, contingent upon satisfaction of the following financial terms and conditions, the CITY proposes to provide a non-PERSable one-time lump sum equal to \$1,000 to all UNIT members employed with the City of Morro Bay during the period May 2, 2020 through December 31, 2020 (duration of financial concessions by SEIU) and who is still employed when the lump sum payments are issued by the CITY (anticipated to be around October 1, 2021:~~

~~A. Total of three major General Fund Revenues (Property Tax, Sales Tax and Transient Occupancy Tax) meet or exceed the combined Fiscal Year 2020/21 forecasted amount of \$7,757,301 adopted by Council on June 23, 2020. This figure shall be based on current tax rates (currently 1% Property Tax, 1.0% CITY Sales Tax, 10% TOT). In the event of increased tax rates, such increased rates would not count towards increased revenue receipts for this purpose. Sales tax shall exclude any consideration of Measure Q, Measure E and Cannabis Tax that is collected at any time during Fiscal Year 2020/21.~~

~~B. The CITY does not become responsible for any state / federally imposed unfunded mandates from any external source(s) that require significant unplanned/un-forecasted General Fund expenditure(s) of more than \$125,000 above the projected use of General Fund unassigned Reserves equal to \$1,248,000 in the Adopted FY 2020/21 budget (page A-11). This shall include, but is not limited to, significant natural disaster(s), worsening financial conditions related to the COVID-19 pandemic, or a human-made disaster affecting the CITY. Any such expenditure(s),~~

~~cumulatively totaling \$125,000 in a fiscal year or more, will be counted as a reduction in the combined revenue amount discussed in this section on which the various conditions are based, resulting in no one time lump sum payment being awarded to UNIT members.~~

~~18.2 Effective the pay period including July 1, 2021, the CITY shall provide salary equity adjustments of 5.00% for the following classifications: Harbor Patrol Officer, Harbor Patrol Supervisor, and Harbor Business Coordinator. These salary equity adjustments are in addition to the COLA provided in Section 18.1. The City acknowledges that, based on the 2019 salary comparisons, this 5.00% equity adjustment does not bring these job classifications to parity with comparison agencies.~~

18.3 Certification Pay. An employee classified as a Utility Operator or Utility Operator MC with a certificate of Grade III or higher in Wastewater Treatment, Water Treatment, or Water Distribution issued by the California State Water Resources Control Board, shall receive a \$50 per month incentive. Certification pay of \$50/month shall be limited to one incentive for each of the three areas: Wastewater Treatment, Water Treatment and Water Distribution regardless of how many grades are achieved. Additional certification pay shall cease in the event an employee loses the certificate for which it was earned.

18.4 All salary adjustments, including but not limited to merit increases, educational incentives, and any other pay adjustments will take effect at the beginning of the next payroll period after the scheduled effective date of the increase.

18.5 Any and all special pay incentives will be calculated on base salary.

18.6 Attached Exhibit A reflects wages for UNIT members effective ~~January~~ July 1, 2022~~1~~. Exhibit B reflects wages for UNIT members effective July 1, 2023~~1~~.

18.7 The City agrees to conduct a Total Class & Compensation Study in FY 2022/23, in consultation with represented and unrepresented employees regarding classifications to be surveyed and comparison agencies to be used. The City endeavors to make a best effort to complete the Total Class & Compensation Study slated for FY 2022/23 by end of February 2023.

18.8 Effective July 1, 2022, the City will place \$60,000 in an equity pool for future wage equity adjustments for UNION classifications determined by that Study to be the farthest below median, subject to meet and confer over said allocation and use of funds, if any.

## **ARTICLE 19 — SPECIAL PAY PRACTICES**

19.1 Standby

19.1.1 Standby duty is defined as that circumstance which requires an employee so assigned to:

Be ready to respond immediately to a call for service;  
 Be readily available at all hours by telephone or other agreed upon communication equipment; and  
 Refrain from activities which might impair their assigned duties upon call.

19.1.2 It is agreed that personnel, who are scheduled on a routine basis, for standby duty, shall be compensated at the rate of forty-two (\$42) per day for each day of scheduled standby duty performed. This increase is effective upon the City Council ratification of this MOU.

Effective upon City Council ratification of this MOU, standby pay rates for the following, City recognized holidays, shall be compensated at the rate of sixty dollars (\$60.00) for UNION employees except Harbor Department:

|   |  |
|---|--|
| New Year's Day                                    | January 1  |
| Martin Luther King, Jr.'s, Day                    | 3 <sup>rd</sup> Monday in January  |
| <del>Lincoln's Birthday</del> <u>Spring Break</u> | <u>Observed the Friday before</u><br><u>Easter weekend</u> <del>February 12<sup>th</sup></del> |
| Day   |  |
| President's Day                                   | 3 <sup>rd</sup> Monday in February   |
| Memorial Day                                      | Last Monday in May   |
| Independence Day                                  | July 4 <sup>th</sup>   |
| Labor Day   | 1 <sup>st</sup> Monday in September  |
| Veterans' Day                                     | November 11 <sup>th</sup>  |
| Thanksgiving Day                                  | 4 <sup>th</sup> Thursday in November   |
| Day after Thanksgiving Day                        | Friday after Thanksgiving  |
| Christmas Day                                     | December 25 <sup>th</sup>  |

19.1.3 For Harbor Department employees (HPO Supervisor and Officers), standby rates shall be compensated at the rate of sixty dollars (\$60.00) for the agreed upon holidays listed below, regardless of the City-recognized holiday schedule:

- 1) New Year's Eve
- 2) New Year's Day
- 3) Memorial Day Weekend Friday
- 4) Memorial Day Weekend Saturday
- 5) Independence Day
- 6) Labor Day Weekend Friday
- 7) Labor Day Weekend Saturday
- 8) Thanksgiving Day
- 9) Day after Thanksgiving
- 10) Christmas Eve
- 11) Christmas Day

19.1.4 UNIT employees on Standby who receive an official work-related phone call that requires them to access computers from home for the analysis and/or response for service, and are

able to resolve the issue via computer without returning to the worksite, shall receive a minimum of 30 minutes at overtime rate of pay up to actual hours worked.

## 19.2 Call Back

19.2.1 Call back is defined as that circumstance which requires an employee to unexpectedly return to work after the employee has left work at the end of the employee's work shift; except that an early call in of up to two (2) hours prior to the scheduled start of a work shift shall not be counted as a call back.

19.2.2 CITY will guarantee a minimum of three (3) work hours credit (four and one half (4-1/2) hours compensation), for each employee called back for work, as defined above.

19.2.3 Whenever an employee is called back to work, the CITY considers the employee "on-duty" for three hours, even if employee returns home. No additional call-back time pay is allowed during this period, if the employee is again called back. However, if more than three hours have passed since the initial call-back, and the employee is called back to work again, the employee may claim an additional three work hours credit (four and one-half hours call-back compensation) under the conditions set forth in 19.2.1 above.

19.2.4 Said employee shall receive either pay or compensatory time-off, pursuant to Article 10 - Overtime Compensation, for the minimum or for all time actually worked, whichever is greater.

19.2.5 Employees called back to work, pursuant to this section, shall be eligible for mileage reimbursement when utilizing their personal vehicle.

19.2.6 If a UNIT employee has not had eight (8) hours off duty in the fifteen (15) hours prior to their shift beginning, the employee may utilize a paid 5-hour safety rest break at start of their shift, upon notification to their supervisor, unless there is a City designated emergency or other critical event when all available personnel are needed to help ensure the public's health and safety. Such emergency shall not be designated arbitrarily and capriciously and shall only be designated in concurrence with the City Manager.

19.3 Members of this UNIT who are required by their supervisor to attend meetings outside of the normal work schedule shall be paid a minimum of three hours at time and one-half without regard to hours actually worked during the work week. Meetings during regular work hours shall be included in employees' regular rate of pay and not compensated beyond that.

19.4 Class A Driver's License, ~~and~~ Captain's License & RWC Certification  
Effective with the City Council ratification of this MOU, UNIT members, possessing a Class A Driver's License, will receive \$50 per month.

Effective with the City Council ratification of this MOU, UNIT members in the Harbor Department, possessing a Captain's License, will receive \$50 per month.

Effective the first full pay period after July 1, 2022, UNIT members in the Harbor Department, possessing a Rescue Water Craft (RWC) Certification shall receive additional compensation of two percent (2.0%) of base pay.

19.5 Bilingual Pay (Spanish)

Effective with the City Council ratification of this MOU, UNIT members may earn \$75 per month for speaking Spanish, and \$75 per month for writing in Spanish, for a total possible of \$150 per month. Members receiving Bilingual Pay are expected to use this skill to support their own City department functions and other departments, when needed, to effectively communicate with the public. The employee's Department Head may recommend to the City Manager that Bilingual Pay cease for any employee not using this skill sufficiently at work to warrant the extra pay, with the City Manager making the final decision.

A test is required; Human Resources, or designee, will administer the test.

UNIT employees have the option to re-open and discuss this section to add other languages, if the need is demonstrated.

**ARTICLE 20 - PROBATION**

The probationary period for newly hired employees shall be 12 months. The probationary period for employees promoted to a higher classification shall be six months in the new classification. The CITY shall have the option of granting a newly-hired employee regular status at any time after nine months of service.

**ARTICLE 21 - GRIEVANCE PROCEDURE**

21.1 Purpose of the Procedure

The primary purpose of this procedure shall be to provide a means whereby an employee, without jeopardizing their employment, can express a personal grievance relating to their wages, hours of work, and working conditions, and obtain a fair and equitable disposition of their grievance. Grievances shall not apply to employee discipline.

21.2 Definition of Informal Grievance

An informal grievance is defined as an oral (or email) concern by an employee expressed to their supervisor with a request to informally discuss the grievance with the supervisor and/or the department head.

### 21.3 Definition of Formal Grievance

A formal grievance shall be defined as any formal written complaint of an employee filed with their immediate supervisor within thirty days of the action or inaction by the CITY which constitutes the subject of the grievance relating to their wages, hours of work, and working conditions. Such grievance shall not include performance evaluations or reprimands. However, employees may provide a written rebuttal to a performance evaluation or written reprimand that will be attached to the original document for placement in the employee's file.

### 21.4 Informal Discussion with Supervisor

An employee shall first pursue all informal grievances with their supervisor and at any time that the employee deems that the informal grievance is a formal grievance, the employee may reduce it to a formal written grievance.

### 21.5 Formal Conference with Supervisor

If an employee does not obtain satisfaction of their informal grievance by means of an informal discussion with their supervisor, or if employee is unable to communicate with their supervisor, employee and/or their representative may, by written grievance, request and shall be accorded a formal conference within ten days with the supervisor and/or department head. The decision of the supervisor shall be reported to the employee and/or their representative within five business days of the date the conference was held with the supervisor.

### 21.6 Department Review

In the event the employee does not obtain satisfaction at any level of review by means of informal or formal grievance and a formal conference with their supervisors, employee and/or their representative may submit the grievance in writing to the supervisor or department head. The procedure to be followed by the supervisor who receives a grievance in writing shall be established by each department head for their department, and shall include review of the grievance by the immediate supervisor and such successively higher levels of management as may be determined by the department head. A cumulative record of the decision and the reason for the decision at each level of review shall be maintained. The ultimate decision shall be that of the department head. The decision must be reported to the employee in writing within ten business days of the date that the request for departmental review was submitted to the supervisor.

### 21.7 Mediation

If, within ten working days after receipt of the written decision of the Department Head the employee is still dissatisfied, they may request the services of a mediator from the State Mediation and Conciliation Service. CITY is not bound by the determination and/or recommendations of said mediator.

## 21.8 Appeal to the City Manager

In the event the employee does not obtain satisfaction by means of the mediator, employee and/or their representative shall submit the grievance in writing to the City Manager within ten days after notification of the mediator's determination is given to the employee. The City Manager may meet with the employee and/or their representative, the mediator and the department head before making a decision; or may waive administrative review and refer the grievance directly to a committee of the City Council appointed to hear grievances. A copy of the City Manager's decision on the matter must be presented to the employee within ten business days of the date the grievance was filed with the City Manager.

## 21.9 Submission to a Committee of the City Council

In the event that the employee does not obtain satisfaction by means of the administrative procedures outlined above, they may request a hearing by a committee of the City Council. The hearing shall be held by the committee within fifteen business days of the date of receipt of the request at the convenience of all parties, unless waived by mutual consent of the employee and the department head. The hearing shall be informal. The employee and/or their representative, the department head and/or the City Manager shall appear before the committee to present the facts pertinent to the case. The burden of proof shall rest with the employee. The committee shall limit its review of the grievance to the subject matter contained in the previous steps of the grievance procedure and shall make its decision within thirty days after the termination of the hearing unless of the hearing unless a reasonable time extension is deemed necessary and all parties are notified.

## 21.10 Time Limits

In case the time limits outlined above are not observed by the representative of the CITY, the employee and/or their representative shall have the right to carry the grievance directly to the next higher level of review.

## 21.11 Group Grievance Procedure

The recognized employee organizations may present a general grievance (affecting several employees) in writing directly to the City Manager. Upon receipt of such grievance, the City Manager shall establish a time for a hearing, at which time all affected parties may appear before the City Manager to present facts pertinent to the issue. The decision of the City Manager shall be presented to all parties concerned within fifteen business days and, within five business days of receipt of the City Manager's decision which is unacceptable, shall be appealable by the group to a committee of the City Council for their findings and recommendations within thirty days thereafter. If either party wishes to appeal, they may file an appeal with the City Council as a whole within five business days of the final decision of the committee of the City Council.



## **ARTICLE 22 - NO STRIKE, NO LOCK-OUT**

- 22.1 During the term of this MOU, the CITY will not lockout any employees nor will UNIT employees or the UNION cause, authorize, advise or encourage any interruption of work or any other concerted action. The term "interruption of work" shall mean any work stoppage, "sick out," or strike (including economic, sympathy, and unfair labor practice strikes) or any intentional slowdown of work. The term "other concerted action" includes picketing or boycott activities by the UNION.
- 22.2 There shall be no refusal to work on, handle or produce any materials or equipment because of a labor dispute.
- 22.3 Any employee engaging in any action prohibited by this Article shall be subject to immediate discharge or such other discipline as the CITY may assess. Such discharge or discipline shall not be reviewable through the Grievance Procedure.

## **ARTICLE 23 - FULL UNDERSTANDING, MODIFICATION, WAIVER**

- 23.1 This MOU sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.
- 23.2 It is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate, with respect to any matter covered herein. Notwithstanding the foregoing, it is agreed that from time-to-time the CITY may introduce changes in its Personnel Rules and offer the Union an opportunity to meet and confer prior to implementing changes within the scope of bargaining.
- 23.3 No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved by the CITY and ratified by the membership of the UNION.
- 23.4 The waiver of any breach of any term, or condition of this MOU by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.
- 24.4 The City agrees to meet and confer regarding any change in job titles and descriptions of represented employees.

## **ARTICLE 24 - SEVERABILITY**

If any provision(s) are held to be contrary to law by a court of competent jurisdiction, such provision(s) will not be deemed valid and subsisting except to the extent permitted by law, but all other provisions will continue in full force and effect.

**ARTICLE 25 – JOINT DRAFTING**

Each party has cooperated in the drafting and preparation of this MOU. Hence, in any legal construction or interpretation to be made of this MOU, the same shall not be construed against any party.

**ARTICLE 26 – CITY COUNCIL APPROVAL**

The CITY’s labor relations representatives and the UNION’s representatives have met and conferred in good faith on wages, hours and other terms and conditions of employment for the UNIT members represented by the UNION and have reached agreements which are set forth in this MOU. This MOU, when executed by the CITY’s labor relations representatives and the UNION’s representatives, constitutes a joint recommendation therefrom, after ratification of the UNION’s membership, to be submitted to the City Council for its determination and approval by resolution. This MOU is of no force or effect unless or until approved and adopted by a resolution of the City Council.

**SEIU LOCAL 620**

**CITY OF MORRO BAY**

\_\_\_\_\_  
Nicole Bryant, Field Representative

\_\_\_\_\_  
Scott Collins, City Manager

\_\_\_\_\_  
Darryl Scheck, SEIU Representative

\_\_\_\_\_  
Colin Tanner, Negotiator, Aleshire & Wynder

\_\_\_\_\_  
Becka Kelly, Team Member

\_\_\_\_\_  
Laurie Goforth, Human Resources Analyst

\_\_\_\_\_  
Kyle Quaglino, Team Member

\_\_\_\_\_  
Dana Swanson, City Clerk/Human Resources

\_\_\_\_\_  
Tracy McConnell, Team Member

## EXHIBIT A

| <b>CITY OF MORRO BAY</b>                     |                          |                          |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>COMBINED SALARY SCHEDULE</b>              |                          |                          |                          |                          |                          |
| <b>FISCAL YEAR 2022-23: Effective 7/1/22</b> |                          |                          |                          |                          |                          |
| <b>TITLE</b>                                 | <b>STEP 1<br/>Annual</b> | <b>STEP 2<br/>Annual</b> | <b>STEP 3<br/>Annual</b> | <b>STEP 4<br/>Annual</b> | <b>STEP 5<br/>Annual</b> |
| ACCOUNT CLERK IN-TRAINING                    | 36,128                   | 37,934                   | 39,831                   | 41,823                   | 43,914                   |
| ACCOUNT CLERK I                              | 43,677                   | 45,861                   | 48,154                   | 50,562                   | 53,090                   |
| CONSOLIDATED MAINTENANCE WRK I               | 43,677                   | 45,861                   | 48,154                   | 50,562                   | 53,090                   |
| OFFICE ASST. III                             | 43,677                   | 45,861                   | 48,154                   | 50,562                   | 53,090                   |
| OFFICE ASST. IV                              | 47,222                   | 49,583                   | 52,062                   | 54,665                   | 57,399                   |
| ACCOUNT CLERK II                             | 49,060                   | 51,513                   | 54,089                   | 56,793                   | 59,633                   |
| CONSOLIDATED MAINTENANCE WRK II              | 49,060                   | 51,513                   | 54,089                   | 56,793                   | 59,633                   |
| ACCOUNT CLERK III                            | 52,545                   | 55,173                   | 57,931                   | 60,828                   | 63,869                   |
| CONSOLIDATED MAINTENANCE WRK III             | 52,545                   | 55,173                   | 57,931                   | 60,828                   | 63,869                   |
| ADMINISTRATIVE TECHNICIAN                    | 53,473                   | 56,146                   | 58,954                   | 61,901                   | 64,996                   |
| BUILDING PERMIT TECHNICIAN I                 | 53,473                   | 56,146                   | 58,954                   | 61,901                   | 64,996                   |
| SUPPORT SERVICES TECHNICIAN                  | 53,473                   | 56,146                   | 58,954                   | 61,901                   | 64,996                   |
| PROPERTY EVIDENCE CLERK                      | 53,473                   | 56,146                   | 58,954                   | 61,901                   | 64,996                   |
| COMMUNITY SERVICES OFFICER                   | 53,473                   | 56,146                   | 58,954                   | 61,901                   | 64,996                   |
| MECHANIC                                     | 55,184                   | 57,943                   | 60,840                   | 63,882                   | 67,076                   |
| RECREATION COORDINATOR                       | 55,184                   | 57,943                   | 60,840                   | 63,882                   | 67,076                   |
| ENGINEERING TECHNICIAN III                   | 62,504                   | 65,629                   | 68,911                   | 72,356                   | 75,974                   |
| MAINTENANCE LEADWORKER                       | 62,504                   | 65,629                   | 68,911                   | 72,356                   | 75,974                   |
| RECREATION SUPERVISOR                        | 62,504                   | 65,629                   | 68,911                   | 72,356                   | 75,974                   |
| BUILDING PERMIT TECHNICIAN II                | 62,504                   | 65,629                   | 68,911                   | 72,356                   | 75,974                   |
| UTILITY OPERATOR                             | 62,600                   | 65,730                   | 69,017                   | 72,468                   | 76,091                   |
| UTILITY SUPPORT COORDINATOR                  | 62,600                   | 65,730                   | 69,017                   | 72,468                   | 76,091                   |
| ASSISTANT PLANNER                            | 62,893                   | 66,038                   | 69,340                   | 72,806                   | 76,447                   |
| HARBOR PATROL OFFICER                        | 63,870                   | 67,064                   | 70,417                   | 73,938                   | 77,635                   |
| BUILDING INSPECTOR                           | 65,405                   | 68,675                   | 72,109                   | 75,715                   | 79,500                   |
| BUILDING INSPECTOR/CODE ENF OFFICER          | 65,405                   | 68,675                   | 72,109                   | 75,715                   | 79,500                   |
| UTILITY OPERATOR MC (MULTIPLE CERT)          | 66,982                   | 70,332                   | 73,848                   | 77,541                   | 81,418                   |
| HARBOR BUSINESS COORD                        | 71,323                   | 74,889                   | 78,634                   | 82,565                   | 86,694                   |
| IT SYSTEMS ANALYST                           | 73,196                   | 76,856                   | 80,699                   | 84,734                   | 88,970                   |
| ENGINEERING TECHNICIAN IV                    | 73,196                   | 76,856                   | 80,699                   | 84,734                   | 88,970                   |
| ASSISTANT ENGINEER                           | 73,196                   | 76,856                   | 80,699                   | 84,734                   | 88,970                   |
| ASSOCIATE PLANNER                            | 73,196                   | 76,856                   | 80,699                   | 84,734                   | 88,970                   |
| BUILDING INSPECTOR/PLANS EXAMINER            | 73,196                   | 76,856                   | 80,699                   | 84,734                   | 88,970                   |
| CONSOLIDATED MAINT FIELD SUPV                | 73,196                   | 76,856                   | 80,699                   | 84,734                   | 88,970                   |
| LEAD UTILITY OPERATOR                        | 74,660                   | 78,393                   | 82,313                   | 86,428                   | 90,750                   |
| HARBOR PATROL SUPERVISOR                     | 75,234                   | 78,995                   | 82,945                   | 87,092                   | 91,447                   |
| OPERATIONAL TECHNOLOGY SPECIALIST            | 78,318                   | 82,234                   | 86,346                   | 90,663                   | 95,196                   |
| ASSOCIATE ENGINEER                           | 84,175                   | 88,383                   | 92,802                   | 97,443                   | 102,315                  |
| WASTEWATER SYSTEMS SUPV                      | 84,175                   | 88,383                   | 92,802                   | 97,443                   | 102,315                  |

## EXHIBIT B

| CITY OF MORRO BAY<br>COMBINED SALARY SCHEDULE<br>FISCAL YEAR 2023-24: Effective 7/1/23 |       |                  |                  |                  |                  |                  |
|--|-------|------------------|------------------|------------------|------------------|------------------|
| TITLE  | GROUP | STEP 1<br>Annual | STEP 2<br>Annual | STEP 3<br>Annual | STEP 4<br>Annual | STEP 5<br>Annual |
| ACCOUNT CLERK IN-TRAINING  | S     | 37,573           | 39,452           | 41,424           | 43,496           | 45,670           |
| ACCOUNT CLERK I  | S     | 45,424           | 47,695           | 50,080           | 52,584           | 55,213           |
| CONSOLIDATED MAINTENANCE WRK I   | S     | 45,424           | 47,695           | 50,080           | 52,584           | 55,213           |
| OFFICE ASST. III   | S     | 45,424           | 47,695           | 50,080           | 52,584           | 55,213           |
| OFFICE ASST. IV  | S     | 49,111           | 51,566           | 54,145           | 56,852           | 59,695           |
| ACCOUNT CLERK II   | S     | 51,022           | 53,574           | 56,252           | 59,065           | 62,018           |
| CONSOLIDATED MAINTENANCE WRK II  | S     | 51,022           | 53,574           | 56,252           | 59,065           | 62,018           |
| ACCOUNT CLERK III  | S     | 54,647           | 57,379           | 60,248           | 63,261           | 66,424           |
| CONSOLIDATED MAINTENANCE WRK III   | S     | 54,647           | 57,379           | 60,248           | 63,261           | 66,424           |
| ADMINISTRATIVE TECHNICIAN  | S     | 55,612           | 58,393           | 61,312           | 64,378           | 67,597           |
| BUILDING PERMIT TECHNICIAN I   | S     | 55,612           | 58,393           | 61,312           | 64,378           | 67,597           |
| SUPPORT SERVICES TECHNICIAN  | S     | 55,612           | 58,393           | 61,312           | 64,378           | 67,597           |
| PROPERTY EVIDENCE CLERK  | S     | 55,612           | 58,393           | 61,312           | 64,378           | 67,597           |
| COMMUNITY SERVICES OFFICER   | S     | 55,612           | 58,393           | 61,312           | 64,378           | 67,597           |
| MECHANIC   | S     | 57,391           | 60,261           | 63,274           | 66,438           | 69,760           |
| RECREATION COORDINATOR   | S     | 57,391           | 60,261           | 63,274           | 66,438           | 69,760           |
| ENGINEERING TECHNICIAN III   | S     | 65,004           | 68,254           | 71,667           | 75,250           | 79,013           |
| MAINTENANCE LEADWORKER   | S     | 65,004           | 68,254           | 71,667           | 75,250           | 79,013           |
| RECREATION SUPERVISOR  | S     | 65,004           | 68,254           | 71,667           | 75,250           | 79,013           |
| BUILDING PERMIT TECHNICIAN II  | S     | 65,004           | 68,254           | 71,667           | 75,250           | 79,013           |
| UTILITY OPERATOR   | S     | 65,104           | 68,359           | 71,777           | 75,366           | 79,134           |
| UTILITY SUPPORT COORDINATOR  | S     | 65,104           | 68,359           | 71,777           | 75,366           | 79,134           |
| ASSISTANT PLANNER  | S     | 65,409           | 68,679           | 72,113           | 75,719           | 79,505           |
| HARBOR PATROL OFFICER  | S     | 66,425           | 69,746           | 73,233           | 76,895           | 80,740           |
| BUILDING INSPECTOR   | S     | 68,021           | 71,422           | 74,993           | 78,743           | 82,680           |
| BUILDING INSPECTOR/CODE ENF OFFICER  | S     | 68,021           | 71,422           | 74,993           | 78,743           | 82,680           |
| UTILITY OPERATOR MC (MULTIPLE CERT)  | S     | 69,661           | 73,144           | 76,802           | 80,642           | 84,674           |
| HARBOR BUSINESS COORD  | S     | 74,176           | 77,885           | 81,779           | 85,868           | 90,161           |
| IT SYSTEMS ANALYST   | S     | 76,124           | 79,930           | 83,927           | 88,123           | 92,529           |
| ENGINEERING TECHNICIAN IV  | S     | 76,124           | 79,930           | 83,927           | 88,123           | 92,529           |
| ASSISTANT ENGINEER   | S     | 76,124           | 79,930           | 83,927           | 88,123           | 92,529           |
| ASSOCIATE PLANNER  | S     | 76,124           | 79,930           | 83,927           | 88,123           | 92,529           |
| BUILDING INSPECTOR/PLANS EXAMINER  | S     | 76,124           | 79,930           | 83,927           | 88,123           | 92,529           |
| CONSOLIDATED MAINT FIELD SUPV  | S     | 76,124           | 79,930           | 83,927           | 88,123           | 92,529           |
| LEAD UTILITY OPERATOR  | S     | 77,584           | 81,463           | 85,536           | 89,813           | 94,304           |
| HARBOR PATROL SUPERVISOR   | S     | 78,243           | 82,156           | 86,263           | 90,576           | 95,105           |
| OPERATIONAL TECHNOLOGY SPECIALIST  | S     | 81,451           | 85,523           | 89,799           | 94,289           | 99,004           |
| ASSOCIATE ENGINEER   | S     | 87,542           | 91,919           | 96,515           | 101,341          | 106,408          |
| WASTEWATER SYSTEMS SUPV  | S     | 87,542           | 91,919           | 96,515           | 101,341          | 106,408          |

**RESOLUTION NO. 53-22**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA,  
APPROVING NEW JOB CLASSIFICATIONS AND  
NEW AND AMENDED JOB DESCRIPTIONS**

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

**WHEREAS**, the Council desires to approve new “Community Services Officer,” “Building Inspector/Code Enforcement Officer,” and “Building Permit Technician II” job classifications, set compensation ranges for the classifications, and adopt job descriptions for the classifications; and

**WHEREAS**, the Council desires to approve a re-titled “Building Permit Technician I” (formerly titled “Permit Technician – Certified”) and adopt the job description for the classification; and

**WHEREAS**, the City and Service Employees International Union Local 620 (SEIU Local 620) met and conferred regarding the addition of the Community Services Officer and Building Inspector/Code Enforcement Officer represented classifications to the City’s Miscellaneous Employees Unit and regarding compensation and job descriptions for these classifications; and

**WHEREAS**, the City and SEIU Local 620 are in the process of meeting and conferring with respect to adding the Building Permit Technician I and Building Permit Technician II represented classifications to the City’s Miscellaneous Employees Unit and regarding the compensation and job descriptions for these classifications, and Council approvals with respect to these classifications will be subject to the meet and confer process as required by the Meyers-Milias-Brown Act (MMBA); and

**WHEREAS**, the Council desires to approve a new “Chief Building Inspector/Plans Examiner” job classification, set a compensation range for the classification, and adopt a job description for the unrepresented Management classification.

**NOW, THEREFORE, BE IT RESOLVED** the City Council of the City of Morro Bay does hereby:

1. The represented full-time classification of “Community Services Officer” is hereby created effective July 1, 2022. The classification will be included within the City’s Miscellaneous Employees Unit, which is represented by the Service Employees International Union, Local 620 (SEIU Local 620). The job description for this new classification, attached hereto, is hereby adopted. The FY 2022/23 annual compensation for the Community Services Officer classification shall be as follows:

|               |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|
| <u>Step 1</u> | <u>Step 2</u> | <u>Step 3</u> | <u>Step 4</u> | <u>Step 5</u> |
| 53,473        | 56,146        | 58,954        | 61,901        | 64,996        |

2. The represented full-time classification of “Building Inspector/Code Enforcement Officer” is hereby created effective July 1, 2022. The classification will be included within the City’s Miscellaneous Employees Unit, which is represented by the Service Employees International Union, Local 620 (SEIU Local 620). The job description for this new classification, attached hereto, is hereby adopted. The FY 2022/23 annual compensation for the Building Inspector/Code Enforcement Officer classification shall be as follows:

|               |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|
| <u>Step 1</u> | <u>Step 2</u> | <u>Step 3</u> | <u>Step 4</u> | <u>Step 5</u> |
| 65,405        | 68,675        | 72,109        | 75,715        | 79,500        |

3. Contingent upon successful completion of the meet and confer process, the existing represented full-time classification of "Permit Technician - Certified" shall be re-titled "Building Permit Technician I" effective July 1, 2022. The classification will be included within the City's Miscellaneous Employees Unit, which is represented by the Service Employees International Union, Local 620 (SEIU Local 620). The job description for this retitled classification, attached hereto, is hereby adopted subject to the successful completion of the meet and confer process. The FY 2022/23 annual compensation for the Building Permit Technician I classification shall be as follows:

|               |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|
| <u>Step 1</u> | <u>Step 2</u> | <u>Step 3</u> | <u>Step 4</u> | <u>Step 5</u> |
| 53,473        | 56,146        | 58,954        | 61,901        | 64,996        |

4. Contingent upon successful completion of the meet and confer process, the represented full-time classification of "Building Permit Technician II" shall be created effective July 1, 2022. The classification will be included within the City's Miscellaneous Employees Unit, which is represented by the Service Employees International Union, Local 620 (SEIU Local 620). The job description for this new classification, attached hereto, is hereby adopted subject to the successful completion of the meet and confer process. The FY 2022/23 annual compensation for the Building Permit Technician II classification shall be as follows:

|               |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|
| <u>Step 1</u> | <u>Step 2</u> | <u>Step 3</u> | <u>Step 4</u> | <u>Step 5</u> |
| 62,504        | 65,629        | 68,911        | 72,356        | 75,974        |

5. The unrepresented full-time classification of "Chief Building Inspector/Plans Examiner" is hereby created effective July 1, 2022. The classification will be included within the City's Unrepresented Management Employee Group. The job description for this new classification, attached hereto, is hereby adopted. The FY 2022/23 annual compensation for the Chief Building Inspector/Plans Examiner classification shall be as follows:

|               |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|
| <u>Step 1</u> | <u>Step 2</u> | <u>Step 3</u> | <u>Step 4</u> | <u>Step 5</u> |
| 87,407        | 91,777        | 96,366        | 101,184       | 106,243       |

6. This resolution shall be effective as of the date of its adoption.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14<sup>th</sup> day of June 2022 by the following vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
JOHN HEADDING, Mayor

ATTEST:

\_\_\_\_\_  
DANA SWANSON, City Clerk

## CITY OF MORRO BAY

### COMMUNITY SERVICES OFFICER

#### **DEFINITION**

Under general supervision from an assigned Police Sergeant or the Police Commander, performs routine non-hazardous police duties. Performs related responsibilities as required. This non-sworn position reports to an assigned Police Sergeant or Police Commander and does not supervise.

#### **ESSENTIAL DUTIES & RESPONSIBILITIES**

*The following tasks are typical for positions in this classification. Any single position may not perform all of these tasks, and/or may perform similar, related tasks not listed here:*

- Conducts investigations and writes police reports for minor crimes and incidents.
- Performs fingerprinting.
- Photographs individuals and evidence.
- Assists in retention, processing, transporting, returning and disposal of evidence.
- Performs traffic control duties including directing traffic at times of emergency or congestion.
- Receives, logs, and handles calls for police service.
- Testifies in court.
- Performs home security checks.
- Orders and inventories supplies.
- Compiles and reviews statistics for police reports.
- Participates in public education programs.
- Maintains and updates department files and forms.
- Responds to radio messages; telephones instructions relating to non-hazardous calls for police service.
- Performs related duties as required.

#### **DESIRABLE QUALIFICATIONS**

##### **Knowledge of:**

- City ordinances and State statutes.
- Effective investigative and interviewing techniques with an emphasis on conflict resolution and voluntary cooperation.
- Effective public and community relations techniques
- Computer applications applicable to case management and word processing.

## COMMUNITY SERVICES OFFICER

### **Ability to:**

- Respond to requests and inquiries from the general public.
- Gather and analyze data for the purpose of preparing accurate and concise written case reports.
- Interpret and apply pertinent state and local laws, codes, ordinances, and regulations.
- Maintain professionalism, courtesy, and composure at all times, including stressful situations, and handle disputes and complaints in a calm manner
- Enforce codes with firmness, tact, and impartiality.
- Operate a computer, using word processing and business software, and other office equipment.
- Demonstrate initiative, and exercise good judgment in the performance of work.
- Communicate effectively, both orally and in writing.
- Establish, maintain, and promote positive and effective working relationships with those encountered in the course of work.
- Operate photographic and fingerprinting equipment.

### **Education and Experience Guidelines**

*Any combination equivalent to experience and education that could likely provide the required knowledge, skill and ability is qualifying. A typical way to obtain the knowledge, skill and abilities would be:*

- Possession of a High School Diploma or G.E.D.
- One year of public contact experience.
- Prior experience in law enforcement is desirable.

### **Special Requirements**

- Possession of or ability to obtain a valid California Driver's License by time of appointment.

### **PHYSICAL DEMANDS AND WORKING ENVIRONMENT**

*The conditions herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform these essential job functions.*

Position requires prolonged sitting, standing, walking, running, jumping, reaching, twisting, turning, kneeling, bending, squatting, stooping, and lifting in excess of 35 pounds, and occasionally over 50 pounds, in the performance of daily activities. The position also requires both near and far vision and acute hearing. Must possess mobility to work in a standard office setting and to use standard office equipment, including a computer; vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone and/or a two-way radio. Additionally, incumbents may work outdoors in all weather conditions, including wet, hot, and cold. Attendance at off-hours meetings may be required. Must be available for regular and emergency standby, weekend assignments, and work emergency overtime as required. The position entails working in semi-hazardous situations and may involve



## COMMUNITY SERVICES OFFICER

abusive persons, potential physical violence, and the potential risk of exposure to blood-borne pathogens in the performance of law enforcement duties. The nature of the work also requires the incumbent to drive motorized vehicles under normal non-emergency conditions, operate a variety of law enforcement equipment, work in heavy vehicle traffic conditions, often work with constant interruptions, and work flexible hours, including weekends and split shifts. *Some of these requirements may be accommodated for otherwise qualified individuals requiring and requesting such accommodations.*

*The above statements are intended to describe the general nature and level of work performed by personnel assigned to this classification and is not necessarily an exhaustive list of all responsibilities, duties and skills required.*

FLSA: Non-Exempt

Approved by the Morro Bay City Council June \_\_\_\_, 2022

## CITY OF MORRO BAY

### **BUILDING INSPECTOR/CODE ENFORCEMENT OFFICER**

#### **DEFINITION**

Under direct supervision, inspects installations to ensure compliance with all building and construction regulations; provides assistance to contractors and the general public on pertinent regulations, prepares and maintains inspection records/reports and intakes applications. The position also performs code enforcement duties that include a full variety of field and office work, necessary to enforce the Municipal, State, and Federal codes, as they relate to regulation of public health and safety, land use, parking, short term rentals and neighborhood maintenance. The position coordinates initial and follow-up investigations. The position conducts community outreach to build citizen awareness and cooperation in the pursuit of compliance with adopted codes.

#### **ESSENTIAL DUTIES & RESPONSIBILITIES**

*The following tasks are typical for positions in this classification. Any single position may not perform all of these tasks, and/or may perform similar, related tasks not listed here:*

1. Conducts residential and commercial field inspections on projects at various stages of construction, remodeling, and repair to ensure compliance with all pertinent codes, regulations, ordinances, and plans; approves work at each stage and orders corrective action as necessary.
2. Performs residential and commercial inspection duties in one or more areas of expertise, including electrical, plumbing, and mechanical inspections; inspects a variety of elements such as foundations, walls, roofs, electrical lines, gas lines, plumbing systems, and swimming pools.
3. Reviews residential and commercial building plans and specifications for completion and compliance with applicable codes; attends pre-construction inspections at construction sites for regulation compliance.
4. Answers questions and provides technical assistance to contractors, developers, architects, engineers, homeowners, and the general public during field inspections, at the public counter, and through telephone and electronic communications on matters pertaining to the building inspection process and code requirements.
5. Prepares and issues correspondence including stop work and correction notices pursuant to job site field inspections; prepares reports of inspections and work completed.
6. Reviews, updates, and maintains status and records of inspections; inputs information into permit database and intakes applications.
7. Research building, plumbing, mechanical, and electrical code books and other informational sources as necessary to assist with inspection duties; attends seminars and training sessions to maintain certifications and stay abreast of current code requirements and inspection standards.
8. Maintains current knowledge of building construction methods, materials and requirements.
9. Receives and documents complaints regarding potential code violations; documents inspections, actions, and administrative remedies.

## BUILDING INSPECTOR/CODE ENFORCEMENT OFFICER

10. Works closely with homeowners, property owners, tenants, businesses, and community groups, to enhance and preserve the quality of neighborhoods through public relations, community building, and educational and code enforcement activities.
11. Investigates complaints and prepares notices, letters and administrative citations to residents, property owners, and business owners, in an attempt to gain voluntary compliance.
12. Interprets ordinances, policies and procedures, and code enforcement concepts.
13. Coordinates enforcement actions with other departments and jurisdictions.
14. Prepares case information and presents evidence at appeal hearings and other legal proceedings.
15. Perform related duties and responsibilities, as required.

## **QUALIFICATIONS**

### **Knowledge of:**

1. Effective investigative and interviewing techniques with an emphasis on conflict resolution and voluntary cooperation.
2. Computer applications applicable to building inspection and code enforcement case management and word processing.
3. Principles, methods, techniques, and practices of inspection and investigation
4. Municipal code, building code and property maintenance code enforcement methods and procedures.
5. Land use concepts and zoning principles.
6. Current trends and developments in code enforcement.
7. Effective public and community relations techniques.
8. Research methods and techniques.
9. Office methods, procedures, software, and equipment.
10. Federal, state and local laws, codes, ordinances, and regulations governing building construction, rehabilitation, alteration, use, and occupancy, including the California Building, Plumbing, and Mechanical Codes, the California Electric Code, and Title 24 of the Americans with Disabilities Act (ADA).
11. Principles, practices, methods, and materials of building construction, including familiarity with carpentry, plumbing, electrical, and mechanical trades.
12. Safety standards and practices in the building construction industry.

### **Ability to:**

- Respond to requests and inquiries from the general public.
- Meet physical requirements necessary to safely and effectively perform required duties.
- Work flexible hours, if needed, to potentially include at least one weekend day.
- Gather and analyze data, for the purpose of preparing accurate and concise written and statistical reports.
- Perform mathematical calculations.

## BUILDING INSPECTOR/CODE ENFORCEMENT OFFICER

- Maintain computerized and manual data systems.
- Make effective public presentations.
- Interpret and apply pertinent federal, state and local laws, codes, ordinances, and regulations.
- Read and understand construction plans and specifications.
- Maintain professionalism, courtesy, and composure at all times, including stressful situations, and handle disputes and complaints in a calm manner.
- Enforce codes with firmness, tact, and impartiality.
- Process information and data, in a relevant manner, to reach reasonable conclusions and make practical decisions.
- Prepare and maintain accurate and precise written records and documentation.
- Apply analytical skills and understand impact and consequences of decisions and actions.
- Operate a computer, using word processing and business software, and other office equipment.
- Communicate effectively, both orally and in writing, using proper English, spelling, grammar and punctuation.
- Establish, maintain, and promote positive and effective working relationships, with those encountered in the course of work.
- Demonstrate initiative, and exercise good judgment in the performance of duties.
- Work independently, and as a team member; recognize and set priorities and meet deadlines.
- Could be required to work nights and weekend shifts depending on departmental and city code enforcement needs.

### **Education and Experience Guidelines**

*Any combination of education and experience that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:*

#### **Education/Training and Experience.**

Equivalent to the completion of the twelfth grade, supplemented by specialized training in code enforcement, building inspection, or a related field.

Two years of experience in construction trades, enforcement of construction regulations or public safety, or related field.

Possession of, or ability to obtain, a valid California driver's license.

Certification as a Code Enforcement Officer by the California Association of Code Enforcement Officers (CACEO), or ability to obtain same within 12-months of hire.

Certification as a Residential Building Inspector from the International Code Council within twelve (12) months of employment or date of entry into the position, and Residential Combination Inspector within (24) months of employment or date of entry

## BUILDING INSPECTOR/CODE ENFORCEMENT OFFICER

into the position.

### **TOOLS & EQUIPMENT USED**

Personal computer, including word processing and permitting software; motor vehicle; portable radio; telephone; ladder or scaffolding; tape measure.

### **PHYSICAL DEMANDS AND WORKING ENVIRONMENT**

*The conditions herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform these essential job functions.*

**Environment:** Employees work partially in an office environment with moderate noise levels and controlled temperature conditions, and partially in the field and are occasionally exposed to loud noise levels, cold and hot temperatures, inclement weather conditions, road hazards, vibration, confining workspace, chemicals, mechanical and/or electrical hazards, and hazardous physical substances and fumes. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing departmental policies and procedures and City codes.

**Physical:** Primary functions may require maintaining physical condition, necessary for sufficient mobility to work in an office setting and outside in the field; walk, stand, sit, for prolonged periods of time; occasionally stoop, bend, kneel, crouch, reach, and twist; push, pull, lift, and/or carry light to moderate weights; operate office equipment, including use of computer keyboard; requires a sense of touch, finger dexterity, and gripping with hands and fingers; ability to speak and exchange information; ability to operate a vehicle to travel to various locations.

**Vision:** See within the normal range of vision with or without correction; specific vision abilities, required by this job, include close vision, distance vision, color vision, and depth perception.

### **SELECTION GUIDELINES**

Formal application, rating of education and experience, oral interview, and reference check; job-related tests may be required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position, if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee, and is subject to change by the employer, as the needs of the employer, and requirements of the job, change.

BUILDING INSPECTOR/CODE ENFORCEMENT OFFICER

FLSA: Non-Exempt

Approved by the Morro Bay City Council June \_\_\_\_, 2022

## CITY OF MORRO BAY

### **BUILDING PERMIT TECHNICIAN I**

#### **DEFINITION**

Under general supervision of the Community Development Manager, performs a variety of routine and complex clerical, administrative and technical work in the processing and issuance of permits; and to perform related work as required.

#### **ESSENTIAL DUTIES & RESPONSIBILITIES**

1. Provides general zoning, building and related code information and application forms to permit applicants and the general public, and provides guidance in filling out various permit applications and forms, making sure applicants understand the permitting process and the necessary information and attachments required to submit an accurate and complete application.
2. Answers questions regarding building codes and land use requirements at the counter or on the phone.
3. Processes permit applications by accepting the application, checking for accuracy and completeness, receipting it in, calculating fees, routing to appropriate review staff, monitoring application progress for status reports, and processing plans and permits for issuance.
4. Issues routine permits within scope of authority and responsibility assigned.
5. Maintains accurate and timely records of the permit process.
6. Inputs, maintains, and compiles a variety of data on permitting activity, such as the number of permits by type, valuation, permit fees, review time, problem areas, conditions imposed, actions taken, etc., and reports same to supervisor.
7. Assures that policies and procedures are followed in the receipt, routing and processing of permit applications.
8. Assists in the scheduling of requests for field inspections and maintains an inspection activity log.
9. Assists in coordinating the permitting process with community development manager, inspectors, planners, engineers, fire inspectors and other city staff.
10. Researches problems and complaints regarding commercial and residential buildings, building construction and code compliance.
11. Assists in the resolution of customer service issues, either personally, by telephone or in writing.
12. Maintains records and documents of customer service issues and resolutions.
11. Performs related duties as required.

## BUILDING PERMIT TECHNICIAN I

### **QUALIFICATIONS**

#### Knowledge of:

Some knowledge of Uniform Building Codes and general land use development; working knowledge of zoning regulations and building codes; knowledge of manual and computerized record keeping systems.

#### Ability to:

Establish effective working relationships with contractors, developers, architects, engineers, owners, and the general public; read and understand plans and blueprints; communicate effectively orally and in writing; work under stressful conditions and with frequent interruptions.

#### Education and Experience:

Graduation from a standard senior high school or GED equivalent.

Two years of post-secondary college or technical training in land use, urban planning, architecture, public administration, building technology, or a closely related field; or, two years of experience in general construction, land use, or a related field; or, any equivalent combination of education and experience and at least one (1) year performing customer service at a building permit counter processing all types of residential and non-residential permits, including permit requirements, fee estimation and working with database and permit tracking systems.

#### Licenses and Certifications:

Possession of an International Code Council (ICC) Permit Technician certificate or ability to obtain an International Code Council (ICC) Permit Technician certificate within twelve (12) months of employment or date of entry into the position.

### **TOOLS & EQUIPMENT USED**

Personal computer, including word processing and permitting software; calculator; pencil; ruler; copy and fax machine; phone; mobile or portable radio.

### **PHYSICAL DEMANDS**

The physical demands described here are representative of those that must be met by an



## BUILDING PERMIT TECHNICIAN I

employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Work is performed mostly in office settings. Hand-eye coordination is necessary to operate computers and various pieces of office equipment.

While performing the duties of this job, the employee is frequently required to stand or sit; walk; talk or hear; use hands to finger, handle, feel or operate objects, tools, or controls; and reach with hands and arms. The employee must occasionally lift and/or move up to 10 pounds. Specific vision abilities required by this job include close vision, and the ability to adjust focus.

### **WORK ENVIRONMENT**

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The noise level in the work environment is usually moderate to loud in the office.

### **SELECTION GUIDELINES**

Formal application, rating of education and experience, oral interview and reference check; job related tests may be required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Approved by the Morro Bay City Manager on March 16, 2015.  
Minor revisions approved by City Council on June \_\_\_\_, 2022.

## **CITY OF MORRO BAY**

### **BUILDING PERMIT TECHNICIAN II**

#### **DEFINITION**

The position performs a variety of routine and complex clerical, administrative and technical work in the processing and issuance of permits. The Building Permit Technician II is a journey level classification distinguished from the Building Permit Technician I classification through a greater amount of experience, education and certifications, and increased independent and complex work.

#### **SUPERVISION**

The class receives general supervision and technical direction from supervisor/management staff. This class may provide direction and work instruction to part-time staff from time to time.

#### **ESSENTIAL DUTIES & RESPONSIBILITIES**

1. Provides general zoning, building and related code information and application forms to permit applicants and the general public, and provides guidance in filling out various permit applications and forms, making sure applicants understand the permitting process and the necessary information and attachments required to submit an accurate and complete application.
2. Coordinates permit processing with other departments, and divisions and serves as the liaison between permit applicants and staff reviewers; explains to the public the Division's policies and procedures, as well as City building related regulations and construction codes.
3. Accepts permit applications, checking for accuracy and completeness, receipting it in, calculating fees, routing to appropriate review staff, monitoring application progress for status, and processes plans and permits for issuance.
4. Issues routine permits within scope of authority and responsibility assigned.
5. Maintains accurate and timely records of the permit process including Accessory Dwelling units.
6. Inputs, maintains, and compiles a variety of data on permitting activity, such as the number of permits by type, valuation, permit fees, review time, problem areas, conditions imposed, actions taken, etc., and reports same to supervisor.
7. Prepares and submits required annual reports to State agencies and coordinates required permit data with County agencies and school district.
8. Assures that policies and procedures are followed in the receipt, routing and processing of permit applications.
9. Assists in the scheduling of requests for field inspections as needed.
10. Researches problems and complaints regarding commercial and residential buildings, building construction and code compliance.

## BUILDING PERMIT TECHNICIAN II

11. Assists in the resolution of customer service issues, either personally, by telephone or in writing.
12. Analyzes and assess permit fees and impact fees collected with permit issuance.
12. Performs related duties as required.

### **QUALIFICATIONS**

#### Knowledge of:

- Principles and practices of customer service and front counter coordination.
- Building-related codes and general land use development
- Principles, methods, techniques and practices of building design, and general methods of building construction.
- Zoning regulations and building codes
- Manual and computerized record keeping systems.
- Standard office practices and procedures, including computer applications such as word processing, spreadsheet, website, and database management.
- Basic mathematics necessary for calculating and reviewing permit fees.
- Record management and reporting practices

#### Ability to:

- Establish effective working relationships with contractors, developers, architects, engineers, owners, and the general public
- Read and understand plans and blueprints
- Communicate effectively orally and in writing.
- Work on multiple, concurrent projects with frequent interruptions
- Assist customers in solving problems related to codes, ordinances and regulations related to construction and development
- Identify and make adjustments to practices, in conjunction with City management, to ensure that the City is providing a high level of customer service.
- Evaluate and recommend system improvements and procedures related to permit processing.

#### Education and Experience:

- Graduation from a standard senior high school or GED equivalent.
- Two years of post-secondary college or technical training in land use, urban planning, architecture, public administration, building technology, or a closely related field; or, two years of experience in general construction, land use, or a related field; or any equivalent combination of education and experience and at

## BUILDING PERMIT TECHNICIAN II

least two (2) years performing customer service at a building permit counter carrying out work similar to a Building Permit Technician 1, and appropriate certifications.

- Possession of an International Code Council (ICC) Permit Technician certificate

### **TOOLS & EQUIPMENT USED**

Personal computer, including word processing and permitting software; calculator; pencil; ruler; copy and fax machine; phone; mobile or portable radio.

### **PHYSICAL DEMANDS**

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Work is performed mostly in office settings. Hand-eye coordination is necessary to operate computers and various pieces of office equipment.

While performing the duties of this job, the employee is frequently required to stand or sit; walk; talk or hear; use hands to finger, handle, feel or operate objects, tools, or controls; and reach with hands and arms. The employee must occasionally lift and/or move up to 15 pounds. Specific vision abilities required by this job include close vision, and the ability to adjust focus.

### **WORK ENVIRONMENT**

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The noise level in the work environment is usually moderate to loud in the office.

### **SELECTION GUIDELINES**

Formal application, rating of education and experience, oral interview and reference check; job related tests may be required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

## BUILDING PERMIT TECHNICIAN II

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Approved by the Morro Bay City Council June \_\_\_\_\_, 2022

JobDescriptions\permittech

## **CITY OF MORRO BAY**

### **CHIEF BUILDING INSPECTOR/PLANS EXAMINER**

#### **DEFINITION**

Under general direction, performs inspections, plan checks and directs, supervises, and participates in operations and activities of the City's construction inspection, plan check, code enforcement and permitting functions.

#### **SUPERVISION RECEIVED AND EXERCISED**

The Chief Building Inspector/Plans Examiner is overseen by the Community Development Director and provides general supervision of building inspectors, code enforcement officers and building permit technicians. This position may also provide direction and work instruction to part-time staff from time to time.

#### **ESSENTIAL DUTIES & RESPONSIBILITIES**

- Makes field inspections of building construction, plumbing, or electrical installations in all stages of completion in residential, business, or public buildings to ensure compliance with applicable building, electrical, plumbing, and safety codes and zoning ordinances.
- Conducts final inspections of complete work giving approval to acceptable structures and installations.
- Conducts housing inspections based on complaints or referrals from other public agencies and investigates violations of building and zoning laws; provides information to the public regarding building, installation, and zoning requirements.
- Inspects and initiates appropriate action on structures scheduled for condemnation or rehabilitation.
- Plans, organizes and directs the activities in the Building Division
- Directs the selection, placement, training and supervision of other employees; reviews and evaluates performance and recommends personnel action.
- Checks plans and specifications for industrial, commercial, and multiple and single residential structures to be constructed, altered, repaired, moved, or demolished for completeness, accuracy, and conformance with appropriate laws and regulations.
- Notifies contractors and subcontractors of changes needed and makes reinspections to ensure that proper changes are made.
- Keeps records and prepares reports of inspections.
- Conducts correspondence regarding building inspection activities; issues permits and collects fees.
- Performs review of building plans for code compliance and structural compliance.
- Reviews plans and specifications to ensure code compliance.
- Reviews soils and engineering reports for compliance.

- Performs site inspections for retrofit program to verify compliance.
- Schedules, monitors, and tracks field inspections related to building and code enforcement activities and assigns and distributes workload.
- Coordinate with other department staff to implement city codes and regulations, including planning, fire, public works, and harbor.
- May oversee and coordinate consultant services contracts for plan check and inspection services.
- Performs related duties as required.

## **QUALIFICATIONS**

### Knowledge of:

- Organization and direction of operations and activities related to construction inspection, plan check, code enforcement and permitting.
- Principles and practices of employee supervision, including work planning, assignment, review, and evaluation, and the training of staff in work procedures.
- Computer applications applicable to construction permitting, plan check and documentation of inspections.
- Proper and effective principles, methods, techniques, and practices of building inspection and plan check.
- Federal, State, County, and City laws, codes, and ordinances relating to construction regulation.

### Ability to:

- Use thoughtfulness and poise in resolving issues with the public.
- Prepare clear, concise, and accurate reports and recommendations, including workload analysis and trends.
- Lead, coach, instruct, and motivate employees, and foster a teamwork environment.
- Effectively communicate verbally and in written form.
- Interpret, apply, and explain complex laws, codes, regulations, and ordinances. Establish and maintain records and prepare reports related to assignment.
- Attend seminars for code classes and training; attend other meetings as assigned. Work in a team atmosphere and participate on a variety of departmental and City-wide committees to enhance the provision of all City services.
- Meet the physical requirements necessary to safely and effectively perform required duties.
- Work in a standard office setting and frequently in a field environment or construction zone to conduct inspections.
- Use standard office equipment.
- Communicate effectively both orally and in writing
- Read printed materials and a computer screen

## CHIEF BUILDING INSPECTOR/PLANS EXAMINER

### Education and Experience:

- Five years of increasingly responsible experience in structural engineering, building inspection, code enforcement, plan checking, building permit counter and record maintenance.

Equivalent to the completion of the twelfth (12th) grade supplemented by college-level coursework or technical training in construction technology, building inspection, or a related field and five (5) years of increasingly responsible building inspection and/or plans examination experience with at least (1) year of experience in each discipline.

- Possession of, or ability to obtain, a valid California driver's license.
- A valid certification as Building or Combination Inspector and Plans Examiner upon hire.

### **TOOLS & EQUIPMENT USED**

Personal computer, including word processing and permitting software; motor vehicle; telephone; ladder or scaffolding; tape measure.

### **PHYSICAL DEMANDS**

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Work is performed mostly in office settings. Some outdoor work is required in the inspection of various land use developments, construction sites. Hand-eye coordination is necessary to operate computers and various pieces of office equipment.

While performing the duties of this job, the employee is frequently required to stand; walk; use hands to finger, handle, feel or operate objects, tools, or controls; reach with hands and arms; and talk or hear. The employee is occasionally required to sit; climb or balance; stoop, kneel, crouch, or crawl.

The employee must occasionally lift and/or move up to 30 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

### **WORK ENVIRONMENT**

Employees work partially in an office environment with moderate noise levels and controlled temperature conditions, and partially in the field and are occasionally exposed to loud noise levels, cold and hot temperatures, inclement weather conditions, road hazards, vibration, confining workspace, chemicals, mechanical and/or electrical hazards, and hazardous physical substances and



## CHIEF BUILDING INSPECTOR/PLANS EXAMINER

fumes. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing departmental policies and procedures and City codes.

### **SELECTION GUIDELINES**

Formal application, rating of education and experience, oral interview and reference check; job related tests may be required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Approved by the Morro Bay City Council June \_\_\_\_, 2022

**RESOLUTION NO. 54-22**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA  
AMENDING AND RESTATING THE PREVIOUSLY ADOPTED  
COMPENSATION AND BENEFITS FOR THE UNREPRESENTED CONFIDENTIAL  
DESIGNATED EMPLOYEES OF THE CITY OF MORRO BAY**

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

**WHEREAS**, Section 36506 of the California Government Code requires the City Council to fix the compensation of all appointive officers and employees by resolution or ordinance; and

**WHEREAS**, Morro Bay Municipal Code Section 2.20.020 also provides the salaries and compensation of officers and employees of the City of Morro Bay ("City") shall be as fixed and determined by resolution of the City Council, except as specifically fixed in Chapter 2.20 of the Morro Bay Municipal Code; and

**WHEREAS**, the City has established a system of classification for all positions within the City service with descriptive occupational titles, used to identify and distinguish classifications and/or positions from one another, based on job duties, essential functions, knowledge, skills, abilities and minimum requirements; and

**WHEREAS**, the Meyers-Milias-Brown Act ("MMBA") (Government Code sections 3500 *et seq.*)<sup>1</sup> governs labor relations between local government employers and employees and Section 3507.5 thereof permits a public agency to adopt local rules and regulations providing for the designation of the "confidential" employees of the public agency and restricting such employees from representing any employee organization, which represents other employees of the public agency, on matters within the scope of representation; and

**WHEREAS**, the City's Employer-Employee Relations Resolution, Resolution No. 08-17, represents the City's adoption of local rules and regulations for the administration of employer-employee relations, including but not limited to the designation of "confidential" employees, defined as meaning those employees who are "privy to decisions of City management affecting employer-employee relations;" and

**WHEREAS**, the City has designated such "confidential" employees as more fully identified and listed herein below; and

**WHEREAS**, the "confidential" employees identified and listed herein are "unrepresented," meaning that they are not part of any City Council determined appropriate bargaining unit nor represented by any recognized employee organization as defined by the City's Employer-Employee Relations Resolution and the MMBA; and

**WHEREAS**, the City Council deems it is in the best interest of the City to adjust the compensation of the unrepresented confidential employees, whose titles are listed herein, by a Cost of Living Adjustment (COLA) salary increase established by City Council for these employees for FY 2022/23 and FY 2023/24; and

**NOW, THEREFORE, BE IT RESOLVED** that the Morro Bay City Council does hereby adopt this Resolution, amending and restating the previously adopted and amended schedule of

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<sup>1</sup> Unless otherwise stated, references to Sections will be to the Government Code.

compensation and benefits for the City of Morro Bay’s unrepresented confidential employees and superseding and replacing any prior compensation and benefits resolutions, contracts, agreements or memorandum for such employees, including but not limited to Resolution No. 34-17 as follows:

A. POSITION LIST

The following are the FY 2022/23 authorized confidential positions:

1. Human Resources Analyst I
2. Human Resources Analyst II
3. Senior Accounting Technician
4. Executive Assistant/Deputy City Clerk
5. Fiscal Analyst

B. NORMAL WORK HOURS

Confidential employees work eight hours per day, five days per week consistent with City business hours (unless participating in an alternative work schedule) and are subject to overtime compensation.

C. COMPENSATORY TIME OFF (“CTO”)

Confidential employees may take CTO in-lieu of paid overtime. CTO may be accrued up to a maximum of sixty (60) hours. Once the maximum accrual is reached, excess overtime is paid at the time it is incurred, until the CTO accrual balance falls below the maximum accrual limit. CTO must be approved in advance by the employee’s Department Director.

D. ADMINISTRATIVE LEAVE

Confidential employees receive up to forty-five (45) hours annually in paid administrative leave in a lump sum accrual at the beginning of each fiscal year. The administrative leave bank may never accrue more than sixty-nine (69) total hours which may limit the number of hours credited to the employee’s administrative leave bank on July 1<sup>st</sup> of each year.

New confidential employees will be provided a pro-rata share of the annual forty-five (45) hour accrual of administrative leave upon employment.

Administrative leave time must be taken off on an hour-for-hour basis equaling employee actual time off, regardless of accumulation rates. Administrative leave is a compensable leave, and any remaining hours in the employee’s bank will be paid out upon separation from City service, at the employee’s current hourly rate of pay.

E. VACATION LEAVE

Confidential employees accrue vacation, based on the schedule below:

| <u>Service Years</u> | <u>Entitlement in Days</u> |
|----------------------|----------------------------|
| 1 thru 2             | 10                         |
| 3 thru 4             | 11                         |
| 5 thru 6             | 12                         |
| 7 thru 8             | 13                         |
| 9 thru 10            | 14                         |
| 11 thru 12           | 15                         |

|            |    |
|------------|----|
| 13 thru 14 | 16 |
| 15 thru 16 | 17 |
| 17 thru 18 | 18 |
| 19 thru 20 | 19 |
| 21 or more | 20 |

Confidential employees are subject to a maximum leave accumulation of two hundred twenty (220) hours. Any hours exceeding the maximum accumulation as of November 1<sup>st</sup> of each year will be paid out in the pay period including December 1<sup>st</sup>.

Until December 31, 2022, Confidential employees may exercise the option to convert into cash a maximum of forty (40) hours of accrued vacation leave each fiscal year, at the employee's current hourly rate of pay.

Effective January 1, 2023, Confidential employees will be provided an option to convert up to 40 hours of vacation into compensation per calendar year, subject to meeting the following requirements, provided that at the time of the conversion request at least 20 hours of vacation time remains in the employee's vacation bank. To be eligible for cash out of accrued vacation leave, an employee must pre-elect the number of vacation hours they will cash out, up to a maximum of 40 hours, by December 15 of the preceding calendar year (***with December 15, 2022 being the election deadline for cash out in 2023***). The election will apply only to vacation hours accrued in the next calendar year. The election to cash out vacation hours in each designated year is irrevocable. Confidential employees who elect to cash out vacation leave hours must cash out the number of accrued hours pre-designated on the irrevocable election form provided by the City. Employees who pre-designate cash out amounts may request a cash out at any time in the designated calendar year by submitting a cash out request at least 30 days in advance to Human Resources. Human Resources will confirm the cash out amount has accrued and is consistent with the amount the employee pre-designated, then forward to payroll to complete the cash out request. If the full amount of hours designated for cash out is not available at the time of cash out request, the maximum available will be paid.

For Confidential employees who have not requested payment of the elected cash out amount by November 1 of each year, payroll will automatically cash out the pre-designated amount in a paycheck issued on or after the payroll date including November 1. Additionally, the City may, prior to the end of the calendar year, automatically cash out the vacation leave accrued each pay period by an employee such that the vacation leave cash out is consistent with the employee's pre-elected number of vacation leave cash out hours for that year.

*Employees who do not pre-designate vacation leave cash out hours or who decline the cash opt option by the December 15 deadline will be deemed to have waived the right and will not be eligible to cash out any vacation leave in that year.*

Vacation accrual is a compensable leave; any hours remaining in the employee's vacation bank will be paid out upon separation from City service, at the employee's current hourly rate of pay.

Vacation leave time must be taken off on an hour-for-hour basis equaling employee actual time off, regardless of accumulation rates.

F. HOLIDAYS

The following days are paid holidays for confidential employees:

|                             |  |
|-----------------------------|--|
| Independence Day            | July 4 <sup>th</sup>                         |
| Labor Day                   | 1 <sup>st</sup> Monday in September          |
| Veteran's Day               | November 11 <sup>th</sup>                    |
| Thanksgiving Day            | 4 <sup>th</sup> Thursday in November         |
| Day after Thanksgiving      | Friday after Thanksgiving                    |
| Christmas Day               | December 25 <sup>th</sup>                    |
| New Year's Day              | January 1 <sup>st</sup>                      |
| Martin Luther King, Jr. Day | 3 <sup>rd</sup> Monday in January            |
| Spring Break Holiday        | Observed the Friday before<br>Easter weekend |
| Washington's Birthday       | 3 <sup>rd</sup> Monday in February           |
| Memorial Day                | Last Monday in May                           |
| Floating Holiday            | Varies                                       |
| Floating Holiday            | Varies                                       |

Any holiday, which falls on a Saturday or Sunday, will be officially designated as a "HOLIDAY" on the prior Friday (if Saturday) or Monday (if Sunday).

For confidential employees, one holiday equals eight hours, unless the employee is working the 9/80 alternative work schedule where one holiday may equal eight or nine hours depending on the normally scheduled work day being either an eight- or nine-hour work day for that employee.

When a holiday is proclaimed by the Mayor of the City, each employee shall be granted time-off in the same number of equivalent hours. Such time off shall be authorized by the Department Head.

Floating holiday hours are recorded in a bank in July of each fiscal year and may be carried over to the next fiscal year, to a maximum accumulation of forty-eight (48) hours holiday time. Hours of holiday time accumulated over forty-eight (48) hours will be paid out in December.

Floating holiday pay is a compensable leave, and any remaining hours in the employee's bank will be paid out upon separation from City service, at the employee's current hourly rate of pay.

#### G. SICK LEAVE

All employees accrue ninety-six (96) hours per year in a sick leave bank to be used for employee illness, forty-eight (48) hours of which may be used in the care of the employee's family member for illness or for any other reason mandated by law.

Upon retirement from City service, remaining unused sick leave converts to time served under the applicable contract between the City and the California Public Employees' Retirement System ("CalPERS"), if any.

Based on individual utilization of paid sick leave in the preceding calendar year, confidential employees may convert unused accumulated sick leave into paid vacation leave once per calendar year, pursuant to the formula below:

| <u>Sick Leave Utilization</u> | <u>Sick Leave</u> | <u>Maximum Conversion to Vacation Leave</u> |
|-------------------------------|-------------------|---|
| 0 hours                       | 96 hours          | 48 hours                                    |
| .25 to 8 hours                | 72 hours          | 36 hours                                    |
| 8.25 to 16 hours              | 48 hours          | 24 hours                                    |
| 16.25 to 25 hours             | 24 hours          | 12 hours                                    |
| Over 25 hours                 | 0 hours           | 0 hours                                     |

At least one hundred sixty (160) accrued hours must remain in the confidential employee’s sick leave bank for an employee to be eligible for conversion or for a conversion to be authorized. In addition, the right to convert does not carry over or rollover from calendar year to calendar year; failure to request conversion in any calendar year eliminates the right to do so for that calendar year.

Upon the Service Retirement of a confidential employee, who has more than ten years of service with the City, said employee shall be entitled to receive payment for up to the first ninety days of their accrued sick leave at twenty-five percent of the employee's rate of pay, as of the date of service retirement. Unused sick leave converted to service credit for CalPERS purposes cannot be compensated (converted to dollars). Service Retirement is defined as service retirement from both the City and CalPERS. Voluntary separation or termination actions are excluded from this benefit.

**H. RETIREMENT BENEFITS**

All employees, enrolled in the CalPERS retirement system, bear the risk of payment of any increases in the employee contribution, above the current percentage, made by action of CalPERS, the California Public Employees Pension Reform Act of 2013 (“PEPRA”) or related legislation, and/or the State Legislature.

All employee CalPERS contributions are paid to CalPERS, based upon tax treatment currently permitted by the State Franchise Tax Board and the Internal Revenue Service (“IRS”).

The following is descriptive information on City CalPERS-contracted Miscellaneous retirement plans:

CalPERS Miscellaneous Plans

All employees pay 100% of the employee contribution to CalPERS, which is currently:

1. Tier 1 Classic members = 8%
2. Tier 2 Classic members = 7%
3. Tier 3 PEPRA members = one-half the normal cost of retirement (currently 6.75%)

Tier 1: All employees, who were hired prior to December 10, 2011, receive the following CalPERS retirement formula and optional benefits (existing Tier 1 employees, promoted to another position within the City, will not be considered new hires, with respect to retirement formulas):

1. 2.7% @ 55 formula (Section 21354.5)
2. Unused Sick Leave Credit (Section 20965)
3. Military Service Credit (Section 21024 & 21027)
4. Final Compensation 1 Year (Section 20042)
5. 1959 Survivor Benefit, Level 4 (Section 21574)
6. Pre-Retirement Option 2W Death Benefit (Section 21548)

Tier 2: All employees, who were hired on or after December 10, 2011, but before January 1, 2013, and those hired on or after January 1, 2013, who meet the CalPERS definition of *classic member* as determined by CalPERS under PEPRA and related legislation receive the following CalPERS retirement formula and optional benefits:

1. 2% @ 60 formula (benefit factor increases to 2.418% @ 63+) (Section 21353)
2. Unused Sick Leave Credit (Section 20965)
3. Military Service Credit (Section 21024 & 21027)
4. Final Compensation 3 Years (Section 20037)
5. 1959 Survivor Benefit, Level 4 (Section 21574)
6. Pre-Retirement Option 2W Death Benefit (Section 21548)

Tier 3: All employees, who were hired on or after January 1, 2013, and meet the definition of *new member*, as determined by CalPERS under PEPRA and related legislation pursuant to PEPRA, receive the following CalPERS retirement formula and optional benefits:

1. 2% @ 62 formula (benefit factor increases to 2.5% @ 67+) (Section 7522.20)
2. Final Compensation 3 Years (Section 20037)
3. Member contribution rate of fifty percent of the expected normal cost rate, which is currently 13.5% (6.75% is employee's portion)
4. Unused Sick Leave Credit (Section 20965)
5. Military Service Credit (Section 21024 and 21027)
6. 1959 Survivor Benefit, Level 4 (21574)
7. Pre-Retirement Option 2W Death Benefit (Section 21548)

Employee Cost Sharing: CalPERS Classic Member Tier 1 & 2 employees shall make a 1% cost sharing contribution to the employer's contribution to CalPERS effective the first full payroll period after City Council approval of a CalPERS Contract Amendment providing for such payment commencing FY 23/24, but in no event sooner than the pay period including July 1, 2023.

#### I. HEALTH/LIFE/VISION/DENTAL INSURANCE

Effective July 1, 2022, all employees receive the following contribution toward the purchase of CalPERS health insurance, which includes the required CalPERS monthly contribution:

- Employee only - up to \$767/month or cost of insurance, whichever is less
- Employee + 1 – up to \$1,232/month or cost of insurance, whichever is less
- Employee + family - up to \$1,589/month or cost of insurance, whichever is less

Life insurance is provided at \$50,000 and is paid for by the City for the employee only.

Effective July 1, 2022, all employees receive the following contribution toward the purchase of Life, Vision and Dental insurances:

|               | <u>Life</u> | <u>Vision</u> | <u>Dental</u> | <u>Total</u> | <u>Bank</u> | <u>EE Pays</u> |
|---------------|-------------|---------------|---------------|--------------|-------------|----------------|
| Employee only | \$8.70      | \$8.29        | \$57.81       | \$74.80      | \$71.87     | \$ 2.93        |
| Employee + 1  | \$8.70      | \$15.58       | \$159.98      | \$184.26     | \$172.51    | \$11.75        |
| Employee + 2+ | \$8.70      | \$22.17       | \$159.98      | \$190.85     | \$178.64    | \$12.21        |

City will pay the remaining premium for life, vision and dental.

For retired employees, City contributes the required CalPERS monthly contribution towards CalPERS health plans, as selected by retiree.

**J. DEFERRED COMPENSATION PROGRAM**

Confidential employees receive a matching contribution up to \$1,500, per calendar year, paid to employee’s deferred compensation plan, or approved retiree medical savings plan. City matching contributions are paid on a 2:1 basis (e.g., employee contributes \$2, City matches \$1).

**K. EDUCATION INCENTIVE**

City will reimburse its confidential employees for costs associated with job-related and job-required certifications, correspondence courses, and/or licenses (except Class III driver’s license), upon successful completion of the examination or course by the employee. Written authorization, from the employee’s Department Director, is required in advance. Reimbursement includes application fees, examination fees, and certificate fees. Renewal fees may be paid in advance by City. This provision does not apply to continuing education requirements.

City will provide a City vehicle, when available, for required transportation, and will permit paid time for employee to take examinations, scheduled during normal working hours. If no City vehicle is available, employee may take their personal vehicle; however, no mileage payments are authorized of the use of personal transportation. Time spent, outside normal working hours, shall not be compensated.

**L. COLLEGE DEGREES**

Confidential employees, hired on or after January 1, 1998, shall not be eligible for this incentive.

For confidential employees, hired prior to January 1, 1998, City will pay the following education incentives, on base salary, for an Associate of Arts (“AA”) or Bachelor’s degree, unless the employee’s job description requires an AA or Bachelor’s degree, or the employee is promoted to a position requiring an AA or Bachelor’s degree:

1. AA degree = \$600 annually
2. Bachelor’s Degree = \$1,200 annually

**M. COMPENSATION ADJUSTMENTS**

Annual Cost of Living Adjustments (COLA) and/or equity adjustments may be given to confidential employees, as recommended by the City Manager and approved by the City Council; though neither is guaranteed.

1. For fiscal year 2022/23, City will provide a six percent (6%) COLA base salary increase to



the confidential employees' salary ranges as reflected in Attachment A hereto, effective with the pay period containing July 1, 2022.

For fiscal year 2023/24, the CITY will provide a four percent (4%) COLA base salary increase to the confidential employees' salary ranges as reflected in Attachment B hereto, effective with the pay period containing July 1, 2023, contingent upon the cost sharing as described in Section H being approved and implemented.

N. SPECIAL PAY

Confidential employees, who are required by their supervisor to attend meetings, outside the normal work schedule, for the purpose of taking minutes of said meetings, shall be paid a minimum of four (4) hours at time and one-half, without regard for hours actually worked during the work week. Minutes, taken at meetings during regular work hours, shall be included in employee's regular rate of pay, and not compensated beyond that.

**PASSED AND ADOPTED**, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 14<sup>th</sup> day of June 2022, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
JOHN HEADDING, Mayor

ATTEST:

\_\_\_\_\_  
DANA SWANSON, City Clerk

**ATTACHMENT A**

**CONFIDENTIAL SALARY SCHEDULE EFFECTIVE 7/1/2022**

| <b>POSITION</b>                              | <b>ANNUAL COMPENSATION RANGE</b> |          |          |          |          |
|--|----------------------------------|----------|----------|----------|----------|
|  | <b>1</b>                         | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> |
| Human Resources Analyst II<br>Fiscal Analyst | 73,196                           | 76,856   | 80,699   | 84,734   | 88,970   |
| Senior Accounting Technician                 | 67,989                           | 71,389   | 74,958   | 78,706   | 82,642   |
| Executive Asst/Deputy City<br>Clerk          | 65,405                           | 68,675   | 72,109   | 75,715   | 79,500   |
| Human Resources Analyst I                    | 60,871                           | 63,914   | 67,110   | 70,465   | 73,988   |

**ATTACHMENT B**

**CONFIDENTIAL SALARY SCHEDULE EFFECTIVE 7/1/2023**

| <b>POSITION</b>                              | <b>ANNUAL COMPENSATION RANGE</b> |          |          |          |          |
|--|----------------------------------|----------|----------|----------|----------|
|  | <b>1</b>                         | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> |
| Human Resources Analyst II<br>Fiscal Analyst | 76,124                           | 79,930   | 83,927   | 88,123   | 92,529   |
| Senior Accounting Technician                 | 70,709                           | 74,244   | 77,956   | 81,854   | 85,947   |
| Executive Asst/Deputy City<br>Clerk          | 68,021                           | 71,422   | 74,993   | 78,743   | 82,680   |
| Human Resources Analyst I                    | 63,306                           | 66,471   | 69,795   | 73,284   | 76,949   |

**RESOLUTION NO. 55-22**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA,  
AMENDING AND RESTATING THE PREVIOUSLY ADOPTED  
COMPENSATION AND BENEFITS FOR THE UNREPRESENTED MANAGEMENT  
DESIGNATED EMPLOYEES OF THE CITY OF MORRO BAY**

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

**WHEREAS**, Section 36506 of the California Government Code requires the City Council to fix the compensation of all appointive officers and employees by resolution or ordinance; and

**WHEREAS**, Morro Bay Municipal Code Section 2.20.020 also provides the salaries and compensation of officers and employees of the City of Morro Bay ("City") shall be as fixed and determined by resolution of the City Council, except as specifically fixed in Chapter 2.20 of the Morro Bay Municipal Code; and

**WHEREAS**, the City has established a system of classification for all positions within the City service with descriptive occupational titles, used to identify and distinguish classifications and/or positions from one another, based on job duties, essential functions, knowledge, skills, abilities and minimum requirements; and

**WHEREAS**, the Meyers-Milias-Brown Act ("MMBA") (Government Code sections 3500 *et seq.*)<sup>1</sup> governs labor relations between local government employers and employees and Section 3507.5 thereof permits a public agency to adopt local rules and regulations providing for the designation of the "management" employees of the public agency and restricting such employees from representing any employee organization, which represents other employees of the public agency, on matters within the scope of representation; and

**WHEREAS**, the City's Employer-Employee Relations Resolution, Resolution No. 08-17, represents the City's adoption of local rules and regulations for the administration of employer-employee relations, including, but not limited to, the designation of "management" employees, summarized in brief from that resolution as generally defined as meaning those employees who are have significant responsibilities for formulating and administering City policies and programs and the authority to exercise independent judgment to hire, discipline, promote, discharge; assign, or transfer other employees or who have responsibility to use independent judgment to direct such employees, adjust their grievances, or recommend personnel action; and

**WHEREAS**, the City has designated such "management" employees as more fully identified and listed herein below; and

**WHEREAS**, the "management" employees identified and listed herein are "unrepresented," meaning that they are not part of any City Council determined appropriate bargaining unit nor represented by any recognized employee organization as defined by the City's Employer-Employee Relations Resolution and the MMBA; and

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<sup>1</sup> Unless otherwise stated, references to Sections will be to the Government Code.

**WHEREAS**, the City Council deems it is in the best interest of the City to adjust the compensation of the unrepresented management employees, whose titles are listed herein, by a Cost of Living Adjustment (COLA) salary increase established by City Council for these employees for FY 2022/23 and FY 2023/24.

**NOW, THEREFORE, BE IT RESOLVED** the Morro Bay City Council does hereby adopt this Resolution, amending and restating the previously adopted and amended schedule of compensation and benefits for the City of Morro Bay's unrepresented management employees and superseding and replacing any prior compensation and benefits resolutions, contracts, agreements or memorandum for such employees, including, but not limited to, Resolution No. 33-17 as follows:

A. CLASSIFICATION/POSITION LIST

The following is a list of authorized management classifications:

1. Police Commander
2. Fire Marshal/Division Chief
3. Utility Division Manager
4. City Engineer
5. City Clerk/Human Resources Manager
6. Finance Manager
7. Planning Manager
8. Senior Civil Engineer
9. Senior Administrative Services Analyst
10. Maintenance Superintendent
11. Information Systems Technician
12. Environmental Programs Manager
13. Senior Planner
14. Recreation Services Manager
15. Management Analyst
16. Support Services Manager
17. City Clerk

B. NORMAL WORK HOURS

Management employees are expected to work during normal City business hours and may be required to work longer hours (more than an eight-hour day and more than five days per week), but are not subject to overtime compensation, as they are considered *exempt* employees, within the definition of FLSA. The occasional use of alternative work schedules can be implemented upon approval of the City Manager.

C. EXEMPT TIME OFF

As stated in B above, management employees are considered *exempt* employees. However, the City provides various leave banks for employees' use, with accrual and use record-keeping being required to properly maintain the leave banks.

Time off of less than two continuous hours in a day does not need to be recorded by exempt employees. Abuses of this exception, such as daily use or random periods within a day, will not be allowed. This exception is also not allowed to be combined with any leaves.

D. ADMINISTRATIVE LEAVE

Management employees receive up to seventy-two (72) hours annually in paid administrative leave in a lump sum accrual at the beginning of each fiscal year. The City Manager, or designee, upon recommendation by the management employee's Department Head, may grant additional administrative leave to the management employee. The administrative leave bank may never accrue more than ninety-six (96) total hours which may limit the number of hours credited to the employee's administrative leave bank on July 1<sup>st</sup> of each year.

New management employees will be provided a pro-rata share of the annual seventy-two-hour administrative leave bank upon employment.

Administrative leave time must be taken off on an hour-for-hour basis equaling employee actual time off, regardless of accumulation rates. Administrative leave is a compensable leave, and any remaining hours in the employee's bank will be paid out upon separation from City service, at the employee's current hourly rate of pay.

E. VACATION LEAVE

Management employees accrue vacation, based on the schedule below. The City Manager shall have the authority to decide service years as they see fit.

| <u>Service Years</u> | <u>Entitlement in Days</u> |
|----------------------|----------------------------|
| 1 thru 2             | 10                         |
| 3 thru 4             | 11                         |
| 5 thru 6             | 12                         |
| 7 thru 8             | 13                         |
| 9 thru 10            | 14                         |
| 11 thru 12           | 15                         |
| 13 thru 14           | 16                         |
| 15 thru 16           | 17                         |
| 17 thru 18           | 18                         |
| 19 thru 20           | 19                         |
| 21 or more           | 20                         |

Vacation leave time must be taken off on an hour-for-hour basis equaling employee actual time off, regardless of accumulation rates.

Management employees are subject to a maximum leave accumulation of three hundred (300) hours. Any hours exceeding the maximum accumulation as of November 1<sup>st</sup> of each year will be paid out in the pay period including December 1<sup>st</sup>.

Until December 31, 2022, Management employees may exercise the option to convert, into cash, a maximum of forty hours of accrued vacation leave each fiscal year, at the employee's current hourly rate of pay.

Effective January 1, 2023, Management employees will be provided an option to convert up to 40 hours of vacation into compensation per calendar year, subject to meeting the following requirements, provided that at the time of the conversion request at least 20 hours of vacation time remains in the employee's vacation bank. To be eligible for cash out of accrued vacation leave, an employee must pre-elect the number of vacation hours they will cash out, up to a maximum of 40 hours, by December 15 of the preceding calendar year (***with December 15, 2022 being the election deadline for cash out in 2023***). The election will apply only to vacation hours accrued in the next calendar year. The election to cash out vacation hours in each designated year is irrevocable. Management employees who elect to cash out vacation leave hours must cash out the number of accrued hours pre-designated on the irrevocable election form provided by the City. Employees who pre-designate cash out amounts may request a cash out at any time in the designated calendar year by submitting a cash out request at least 30 days in advance to Human Resources. Human Resources will confirm the cash out amount has accrued and is consistent with the amount the employee pre-designated, then forward to payroll to complete the cash out request. If the full amount of hours designated for cash out is not available at the time of cash out request, the maximum available will be paid.

For Management employees who have not requested payment of the elected cash out amount by November 1 of each year, payroll will automatically cash out the pre-designated amount in a paycheck issued on or after the payroll date including November 1. Additionally, the City may, prior to the end of the calendar year, automatically cash out the vacation leave accrued each pay period by an employee such that the vacation leave cash out is consistent with the employee's pre-elected number of vacation leave cash out hours for that year.

*Employees who do not pre-designate vacation leave cash out hours or who decline the cash opt option by the December 15 deadline will be deemed to have waived the right and will not be eligible to cash out any vacation leave in that year.*

Vacation accrual is a compensable leave, and any hours remaining in the employee's vacation bank will be paid out upon separation from City service, at the employee's current hourly rate of pay.

F. HOLIDAYS

The following days are paid holidays for management employees:

|                        |                           |
|------------------------|---------------------------|
| Independence Day       | July 4                    |
| Labor Day              | 1st Monday in September   |
| Veteran's Day          | November 11               |
| Thanksgiving Day       | 4th Thursday in November  |
| Day after Thanksgiving | Friday after Thanksgiving |

|                             |  |
|-----------------------------|--|
| Christmas Day               | December 25                                  |
| New Year's Day              | January 1                                    |
| Martin Luther King, Jr. Day | 3rd Monday in January                        |
| Spring Break Holiday        | Observed the Friday before<br>Easter weekend |
| Washington's Birthday       | 3rd Monday in February                       |
| Memorial Day                | Last Monday in May                           |
| Floating Holiday            | Varies                                       |
| Floating Holiday            | Varies                                       |

Any holiday, which falls on a Saturday or Sunday, will be officially designated as a "HOLIDAY" on the prior Friday (if Saturday) or Monday (if Sunday).

For management employees, one holiday equals eight hours, unless the employee is working the 9/80 alternative work schedule where one holiday may equal eight or nine hours depending on the normally scheduled work day being either an eight- or nine-hour work day for that employee.

Floating holiday hours are recorded in a bank in July of each fiscal year and may be carried over to the next fiscal year, to a maximum accumulation of forty-eight (48) hours of holiday time. Hours of holiday time accumulated over forty-eight (48) hours will be paid out in December. All leave time (vacation, sick leave, holiday, etc.) will be taken off on an hour-for-hour basis equaling employee actual time off from work during normal business hours, regardless of accumulation rates.

Floating holiday pay is a compensable leave, and any remaining hours in the employee's bank will be paid out upon separation from City service, at the employee's current hourly rate of pay.

#### G. SICK LEAVE

All employees accrue ninety-six (96) hours per year in a sick leave bank to be used for employee illness, forty-eight (48) hours of which may be used in the care of the employee's family member for illness or for any other reason mandated by law. All leave time (vacation, sick leave, holiday, etc.) will be taken off on an hour-for-hour basis equaling employee actual time off from work during normal business hours, regardless of accumulation rates.

Upon retirement from City service, remaining unused sick leave converts to time served under the applicable contract between the City and the California Public Employees' Retirement System ("CalPERS"), if any. Sick leave converted to service credit for CalPERS purposes cannot be compensated (converted to dollars).

Based on individual utilization of paid sick leave in the preceding calendar year, management employees may convert unused accumulated sick leave into paid vacation leave once per calendar year, pursuant to the formula below:



| <u>Sick Leave Utilization</u> | <u>Sick Leave</u> | <u>Maximum Conversion to Vacation Leave</u> |
|-------------------------------|-------------------|---|
| 0 hours                       | 96 hours          | 48 hours                                    |
| .25 to 8 hours                | 72 hours          | 36 hours                                    |
| 8.25 to 16 hours              | 48 hours          | 24 hours                                    |
| 16.25 to 25 hours             | 24 hours          | 12 hours                                    |
| Over 25 hours                 | 0 hours           | 0 hours                                     |

At least one-hundred sixty (160) accrued hours must remain in the management employee’s sick leave bank for an employee to be eligible for conversion or for a conversion to be authorized. In addition, the right to convert does not carry over or rollover from calendar year to calendar year; failure to request conversion in any calendar year eliminates the right to do so for that calendar year.

Upon the Service Retirement of a management employee, who has more than ten years of service with the City, said employee shall be entitled to receive payment for up to the first seven hundred twenty hours of their accrued sick leave at thirty-five percent of the employee's rate of pay, as of the date of service retirement. Service Retirement is defined as service retirement from both the City and CalPERS. Voluntary separation or termination actions are excluded from this benefit.

H. RETIREMENT BENEFITS

All employees, enrolled in the CalPERS retirement system, bear the risk of payment of any increases in the employee contribution, above the current percentage, made by action of CalPERS, the California Public Employees Pension Reform Act of 2013 (“PEPRA”) or related legislation, and/or the State Legislature.

All employee CalPERS contributions are paid to CalPERS, based upon tax treatment currently permitted by the State Franchise Tax Board and the Internal Revenue Service (“IRS”).

The following is descriptive information on City CalPERS-contracted retirement plans:

CalPERS Miscellaneous Plans

All employees pay 100% of the employee contribution to CalPERS, which is currently:

1. Tier 1 Classic members = 8%
2. Tier 2 Classic members = 7%
3. Tier 3 PEPRA members = one-half the normal cost of retirement (currently 6.75%)

Tier 1: All employees, who were hired prior to December 10, 2011, receive the following CalPERS retirement formula and optional benefits (existing Tier 1 employees, promoted to another position within the City, will not be considered new hires, with respect to retirement formulas):

1. 2.7% @ 55 formula (Section 21354.5)
2. Unused Sick Leave Credit (Section 20965)
3. Military Service Credit (Section 21024 & 21027)
4. Final Compensation 1 Year (Section 20042)

5. 1959 Survivor Benefit, Level 4 (Section 21574)
6. Pre-Retirement Option 2W Death Benefit (Section 21548)

Tier 2: All employees, who were hired on or after December 10, 2011, but before January 1, 2013, and those hired on or after January 1, 2013, who meet the CalPERS definition of *classic member*, as determined by CalPERS under PEPRA and related legislation, receive the following CalPERS retirement formula and optional benefits:

1. 2% @ 60 formula (benefit factor increases to 2.418% @ 63+) (Section 21353)
2. Unused Sick Leave Credit (Section 20965)
3. Military Service Credit (Section 21024 & 21027)
4. Final Compensation 3 Years (Section 20037)
5. 1959 Survivor Benefit, Level 4 (Section 21574)
6. Pre-Retirement Option 2W Death Benefit (Section 21548)

Tier 3: All employees, who were hired on or after January 1, 2013, and meet the definition of *new member*, as determined by CalPERS under PEPRA and related legislation, receive the following CalPERS retirement formula and optional benefits:

1. 2% @ 62 formula (benefit factor increases to 2.5% @ 67+) (Section 7522.20)
2. Final Compensation 3 Years (Section 20037)
3. Member contribution rate of fifty percent of the expected normal cost rate, which is currently 13.5% (6.75% is employee's portion)
4. Unused Sick Leave Credit (Section 20965)
5. Military Service Credit (Section 21024 and 21027)
6. 1959 Survivor Benefit, Level 4 (21574)
7. Pre-Retirement Option 2W Death Benefit (Section 21548)

#### CalPERS Safety Plans

All employees pay 100% of the employee contribution to CalPERS, which is currently:

1. Tier 1 and Tier 2 Classic members = 9%
2. Tier 3 PEPRA members = 13.0% (50% of the normal contribution rate)

Tier 1: All employees, who were hired prior to September 17, 2011, receive the following CalPERS retirement formula and optional benefits (existing Tier 1 employees, promoted to another position within the City, will not be considered new hires, with respect to retirement formulas):

1. 3% @ 50 formula (Section 21362.2)
2. Unused Sick Leave Credit (Section 20965)
3. Military Service Credit (Section 21024 & 21027)
4. Final Compensation 1 Year (Section 20042)
5. 1959 Survivor Benefit, Level 4 (Section 21574)
6. Pre-Retirement Option 2W Death Benefit (Section 21548)

Tier 2: All employees, who were hired on or after September 17, 2011, but before January 1, 2013, and those hired on or after January 1, 2013, who meet the definition of *classic*

*member*, as determined by CalPERS under PEPRA and related legislation, receive the following CalPERS retirement formula and optional benefits:

1. 3% @ 55 formula (Section 21363.1)
2. Unused Sick Leave Credit (Section 20965)
3. Military Service Credit (Section 21024 & 21027)
4. Final Compensation 3 Years (Section 20037)
5. 1959 Survivor Benefit, Level 4 (Section 21574)
6. Pre-Retirement Option 2W Death Benefit (Section 21548)

Tier 3: All employees, who were hired on or after January 1, 2013, and meet the definition of *new member*, as determined by CalPERS under PEPRA and related legislation, receive the following CalPERS retirement formula and optional benefits:

1. 2.7% @ 57 formula
2. Final Compensation 3 Years (Section 20037)
3. Member contribution rate of fifty percent of the expected normal cost rate, which is currently 26% (13.0% is employee's portion)
4. Unused Sick Leave Credit (Section 20965)
5. Military Service Credit (Section 21024 and 21027)
6. 1959 Survivor Benefit, Level 4 (21574)
7. Pre-Retirement Option 2W Death Benefit (Section 21548)

Employee Cost Sharing: CalPERS Classic Member Tier 1 & 2 employees shall make a 1% cost sharing contribution to the employer's contribution to CalPERS effective the first full payroll period after City Council approval of a CalPERS Contract Amendment providing for such payment commencing FY 23/24, but in no event sooner than the pay period including July 1, 2023.

I. HEALTH/LIFE/VISION/DENTAL INSURANCE

Effective July 1, 2021, all employees receive the following contribution toward the purchase of CalPERS health insurance, which includes the required CalPERS monthly contribution:

- Employee only - up to \$767/month or cost of insurance, whichever is less
- Employee + 1 – up to \$1,232/month or cost of insurance, whichever is less
- Employee + family - up to \$1,589/month or cost of insurance, whichever is less

Life insurance is provided at \$50,000 and is paid for by the City for the employee only.

Effective July 1, 2021, all employees receive the following contribution toward the purchase of Life, Vision and Dental insurances:

|               | <u>Life</u> | <u>Vision</u> | <u>Dental</u> | <u>Total</u> | <u>Bank</u> | <u>EE Pays</u> |
|---------------|-------------|---------------|---------------|--------------|-------------|----------------|
| Employee only | \$8.70      | \$ 8.29       | \$ 57.81      | \$ 74.80     | \$ 71.87    | \$ 2.93        |
| Employee + 1  | \$8.70      | \$ 15.58      | \$ 159.98     | \$ 184.26    | \$ 172.51   | \$11.75        |

|                  |        |       |        |        |        |         |
|------------------|--------|-------|--------|--------|--------|---------|
| Employee +<br>2+ | \$8.70 | \$    | \$     | \$     | \$     | \$12.21 |
|                  |        | 22.17 | 159.98 | 190.85 | 178.64 |         |

For retired employees, City contributes the required CalPERS monthly contribution towards CalPERS health plans, as selected by retiree.

J. LONG-TERM DISABILITY (“LTD”) INSURANCE PROGRAM

Management employees do not participate in the California State Disability Insurance program. City provides LTD to its management employees and pays the cost for the plan.

K. DEFERRED COMPENSATION PROGRAM

Management employees receive a matching contribution up to \$1,500, per calendar year, paid to employee’s deferred compensation plan, or approved retiree medical savings plan. City matching contributions are paid on a 2:1 basis (e.g., employee contributes \$2, City contributes \$1).

L. SPECIAL PAY

Management employees may receive up to \$150 reimbursement per fiscal year, to purchase steel-toed shoes, as required in the performance of their job duties. Proof of purchase is required, and reimbursement is based on price paid, not to exceed \$150 per fiscal year. Once purchased, footwear must be worn while working.

M. COMPENSATION ADJUSTMENTS

Annual Cost of Living Adjustments (COLA) and/or equity adjustments may be given to management employees, as recommended by the City Manager and approved by the City Council, though neither is guaranteed.

1. For fiscal year 2022/23, City will provide a six percent (6%) COLA base salary increase to the management employees’ salary ranges, as reflected in Attachment A hereto, effective with the pay period containing July 1, 2022.
2. For fiscal year 2023/24, the CITY will provide a four percent (4%) COLA base salary increase to the employees’ salary ranges as reflected in Attachment B hereto, effective with the pay period containing July 1, 2023, contingent upon the cost sharing as described in Section H being approved by the unrepresented employees and implemented.

N. EDUCATION REIMBURSEMENT

City will reimburse its management employees for costs associated with job-related and job-required certifications, correspondence courses, and/or licenses (except Class III driver’s license), upon successful completion of the examination or course by the employee. Written authorization, from the employee’s Department Director, is required in advance. Reimbursement includes application fees, examination fees, and certificate fees. Renewal fees may be paid in advance by City. This provision does not apply to continuing education requirements.

City will provide a City vehicle, when available, for required transportation, and will permit paid time for employee to take examinations, scheduled during normal working hours. If

no City vehicle is available, then City will reimburse mileage for the use of the management employee's personal vehicle, at current IRS mileage rates.

**PASSED AND ADOPTED**, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 14<sup>th</sup> day of June 2022, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
JOHN HEADDING, Mayor

ATTEST:

\_\_\_\_\_  
DANA SWANSON, City Clerk

**ATTACHMENT A**

**MANAGEMENT SALARY SCHEDULE EFFECTIVE JULY 1, 2022**

| <b><u>POSITION</u></b>   | <b>ANNUAL COMPENSATION RANGE</b> |                 |                 |                 |                 |
|--|----------------------------------|-----------------|-----------------|-----------------|-----------------|
|  | <b><u>1</u></b>                  | <b><u>2</u></b> | <b><u>3</u></b> | <b><u>4</u></b> | <b><u>5</u></b> |
| <b>Police Commander</b>  | 127,216                          | 133,577         | 140,256         | 147,268         | 154,632         |
| <b>Fire Marshal/Division Chief</b>   | 116,798                          | 122,638         | 128,770         | 135,209         | 141,969         |
| <b>Utility Division Manager</b><br><b>City Engineer</b><br><b>Operations Interface Manager</b>   | 113,312                          | 118,977         | 124,926         | 131,173         | 137,731         |
| <i>City Clerk/HR Manager</i>   | 111,971                          | 117,570         | 123,448         | 129,620         | 136,101         |
| <b>Finance Manager</b><br><i>Planning Manager</i><br><i>Senior Civil Engineer</i><br><i>Deputy Building Official</i>   | 96,148                           | 100,956         | 106,004         | 111,304         | 116,869         |
| <b>Sr. Admin. Services Analyst</b><br><b>Information Systems Tech</b><br><b>Senior Planner</b><br><b>Recreation Services Manager</b><br><b>Maintenance Superintendent</b><br><b>City Clerk</b><br><b>Chief Building Insp/Plans</b><br><b>Examiner</b><br><i>Environmental Programs</i><br><i>Manager</i> | 87,407                           | 91,777          | 96,366          | 101,184         | 106,243         |
| <b>Management Analyst</b><br><b>Police Support Services Mgr.</b>   | 74,742                           | 78,479          | 83,403          | 86,523          | 90,849          |

Note: Classifications shown in italics are not budgeted or proposed to be filled in the FY 2022/23 budget

**ATTACHMENT B**

**MANAGEMENT SALARY SCHEDULE EFFECTIVE JULY 1, 2023**

| <u>POSITION</u>   | <u>ANNUAL COMPENSATION RANGE</u> |          |          |          |          |
|---|----------------------------------|----------|----------|----------|----------|
|   | <u>1</u>                         | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
| <b>Police Commander</b>   | 132,305                          | 138,920  | 145,866  | 153,159  | 160,817  |
| <b>Fire Marshal/Division Chief</b>  | 121,470                          | 127,543  | 133,921  | 140,617  | 147,647  |
| <b>Utility Division Manager</b><br><b>City Engineer</b><br><b>Operations Interface Manager</b>  | 117,844                          | 123,737  | 129,924  | 136,420  | 143,241  |
| <i>City Clerk/HR Manager</i>  | 116,450                          | 122,272  | 128,386  | 134,805  | 141,546  |
| <b>Finance Manager</b><br><i>Planning Manager</i><br><i>Senior Civil Engineer</i><br><i>Deputy Building Official</i>  | 99,994                           | 104,994  | 110,243  | 115,755  | 121,543  |
| <b>Sr. Admin. Services Analyst</b><br><b>Information Systems Tech</b><br><b>Senior Planner</b><br><b>Recreation Services Manager</b><br><b>Maintenance Superintendent</b><br><b>City Clerk</b><br><b>Chief Building Inspector/Plans Examiner</b><br><i>Environmental Programs Manager</i> | 90,903                           | 95,448   | 100,221  | 105,232  | 110,494  |
| <b>Management Analyst</b><br><b>Police Support Services Mgr.</b>  | 77,732                           | 81,618   | 85,699   | 89,984   | 94,483   |

**RESOLUTION NO. 56-22**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA  
AMENDING AND RESTATING THE PREVIOUSLY ADOPTED MAXIMUM COMPENSATION  
AND BENEFITS FOR CERTAIN CITY DEPARTMENT HEAD POSITIONS**

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

**WHEREAS**, Section 36506 of the California Government Code requires that a city council fix the compensation of all appointive officers and employees by resolution or ordinance; and

**WHEREAS**, Morro Bay Municipal Code Section 2.20.020 also provides that the salaries and compensation of officers and employees of the City of Morro Bay ("City") shall be as fixed and determined by resolution of the City Council, except as fixed in Chapter 2.20 of the Morro Bay Municipal Code; and

**WHEREAS**, the Morro Bay City Manager has authority to appoint, remove, promote and demote any officers and employees of the City, including Directors, except the city attorney, pursuant to Morro Bay Municipal Code Section 2.12.090; and

**WHEREAS**, the City currently has department heads that include the Administrative Services Director/Assistant City Manager, Community Development Director, Fire Chief, Harbor Director, Police Chief, and Public Works Director (hereinafter collectively referred to as "Directors"); and

**WHEREAS**, the salaries and compensation of the Directors have been fixed pursuant to the Combined Salary Schedule adopted by the City as part of the fiscal year budget process as updated from year to year; and

**WHEREAS**, the City Council now desires to approve the compensation range and benefits for the City's Directors such that the City Manager shall be authorized to appoint Directors and provide for salary and benefits within the limitations of this resolution, without requiring the City Council to individually approve each Director's employment contract; and

**WHEREAS**, the City Council now desires to adopt a resolution of salaries, compensation and benefits for the Directors.

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

**Section 1.** The City Council hereby approves the Executive Salary Schedule effective July 1, 2022 attached as **Attachment A**.

**Section 2.** The City Council hereby approves the Executive Salary Schedule effective July 1, 2023 attached as **Attachment B**.



**Section 3.** Annual Cost of Living Adjustments (COLA) and/or equity adjustments may be given to Director employees, as recommended by the City Manager and approved by the City Council, though neither is guaranteed.

1. For the fiscal year 2022/23, City Council hereby approves a six percent (6%) COLA base salary increase to the Director employees' salary ranges, as reflected in Attachment A hereto, effective with the pay period containing July 1, 2022.
2. For the fiscal year 2023/24, City Council hereby approves a four percent (4%) COLA base salary increase to the Director employees' salary ranges, as reflected in Attachment B hereto, effective with the pay period containing July 1, 2023, contingent upon the cost sharing described in Section I being approved and implemented.

**Section 4.** Directors with an existing employment contract with the City are entitled only to the level of salary and benefits contained herein or already existing in their respective contracts prior to the adoption of this resolution should those pre-existing contracts be amended or replaced with new contracts. Accordingly, this resolution shall not be deemed to limit compensation or benefits provided for in an existing employment contract with the City that is inconsistent with this resolution. Implementation of the accrual caps herein shall not result in loss of existing or vested leave balances as of the date of adoption of this resolution.

**Section 5.** The City Council hereby approves the maximum level of benefits and other compensation, not including salary, for Directors as set forth below. In the event the City Manager desires to exceed any of the parameters set forth herein, City Council authorization shall be required.

A. **Workweek and Hours.** Directors are expected to engage in the hours of work that are necessary to fulfill the obligations of the position, must be available at all times, and must devote a great deal of time outside the normal office hours to the business of the City. The proper performance of duties will require Directors to generally observe normal business hours (currently 8:00 a.m. to 5:00 p.m., Monday through Friday, including a standard one-hour lunch period), as set by the City and as may be duly revised from time-to-time and approved by the City Manager, and will also often require the performance of necessary services outside of normal business hours.

B. **At-Will Employment.** The employment of Directors with the City is "at-will," and Directors serve at the pleasure of the City Manager pursuant to Section 2.12.090 of the Morro Bay Municipal Code. As such, subject to Section 4 of this resolution, the City Manager may terminate a Director's employment at any time, with or without cause and with or without advance notice.

C. **Exempt Status.** Employees subject to this resolution are considered to be "exempt" employees within the definition of the Fair Labor Standards Act (FLSA) and shall not receive overtime compensation for time worked outside of the regular work schedule.

D. **Professional Development and Professional Dues.**

1. **Professional development.** Subject to the prior written approval of the City Manager, the City shall pay for travel and subsistence expenses of Directors for official travel, meetings and seminars necessary to continue professional development, and to adequately

pursue necessary official and other functions for the City in accordance with approved budgetary limitations.

2. Professional dues. Subject to the prior written approval of the City Manager, the City shall pay the professional dues and subscriptions necessary for Directors' participation in such national, regional, state, and/or local associations and organizations as are necessary and desirable for continued professional participation growth and advancement and for the good of the City, in accordance with approved budgetary limitations.

E. Vacation Leave.

1. Accrual rate. Directors shall be entitled to paid vacation leave as provided below. City Manager shall have the authority to decide service years as the City Manager sees fit.

| Service Years | Vacation Days |
|---------------|---------------|
| 0-2           | 12            |
| 2-4           | 14            |
| 4-6           | 16            |
| 6-8           | 18            |
| 8+            | 20            |

2. Advances. The City Manager shall have the authority, in his or her discretion, to advance up to a total of ten (10) vacation days to a new Director at the start of the Director's appointment and at no other time.

3. Other Vacation Leave Requirements. All other contract language relating to vacation leave, including Accrual Caps, Cash Out and Usage, will be consistent with the adopted City Council Management Employees Compensation and Benefit Resolution in force at the time the Department Head contract is executed. Vacation leave time must be taken off on an hour-for-hour basis equaling employee actual time off, regardless of accumulation rates.

F. Holiday Leave.

1. The following days are paid holidays for Director employees:

- New Year's Day
- Martin Luther King Day
- Spring Break Holiday
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Veteran's Day
- Thanksgiving Day
- Day after Thanksgiving Day
- Christmas Day
- Two (2) floating holidays

2. Employees may accumulate up to a maximum of forty-eight (48) hours holiday time. Hours of holiday accumulated over forty-eight (48) hours will be paid off. Holiday time is a compensable leave, and any hours remaining in the employee's holiday bank will be paid out upon separation from City service, at the employee's current hourly rate of pay.

G. Administrative Leave.

1. Accrual rate. Each Director is eligible to earn up to eighty (80) hours of administrative leave per fiscal year. The time during the fiscal year, at which an employee may take administrative leave, shall be determined by the City Manager. The City Manager may, due to exceptional and documented circumstances warranting additional administrative leave, grant administrative leave in excess of the eighty (80) hour limit but no more than one hundred twenty (120) hours.

2. Accrual cap/cash-out. The administrative leave bank may never accrue more than one hundred twenty (120) total banked hours which may limit the number of hours credited to the employee's administrative leave bank on July 1<sup>st</sup> of each year. Administrative leave is a compensable leave, and any hours remaining in the employee's administrative leave bank will be paid out upon separation from City service, at the employee's current hourly rate of pay.

3. Advances. The City Manager shall have the authority, in his or her discretion, to advance up to a total of five (5) days administrative leave to a new Director.

4. Usage. Administrative leave time must be taken off on an hour-for-hour basis equaling employee actual time off, regardless of accumulation rates. Up to eighty (80) hours of administrative leave per fiscal year may be taken by a Director, subject to written advance approval of the City Manager.

H. Sick Leave.

1. Accrual rate. Directors shall accrue one (1) day paid sick leave per month. Directors shall be entitled to receive cash payment for up to 50% of unused sick leave upon termination of employment, provided that such amount shall not exceed \$4,500. Directors are entitled to payment for unused sick leave, pursuant to this section, upon resignation, only if thirty (30) days written notice of intent to resign is given to the City.

2. Conversion. Directors may convert up to ninety-six (96) hours of unused, accumulated sick leave into paid vacation once during the following fiscal year on a ration of two sick leave hours for one vacation hour. At least twenty-four (24) hours shall remain in a Director's sick leave bank after any conversion is authorized. In addition, the right to convert does not carry over or rollover from calendar year to calendar year; failure to request conversion, in any calendar year, eliminates the right to do so for that calendar year. Sick leave that is compensated or converted to vacation cannot be used towards the California Public Employees' Retirement System ("CalPERS") sick leave credit option at retirement.

3. Advances. The City Manager shall have the authority, in his or her discretion, to advance up to a total of five (5) days sick leave to a new Director.

4. Usage. Sick leave time must be taken off on an hour-for-hour basis equaling employee actual time off during normal City business hours, regardless of accumulation rates.

I. Retirement Benefits

1. City contributions. The City will pay the employer portion of retirement contribution to the California Public Employees' Retirement System (CalPERS). Employees are required to pay their full member contributions for whichever plan they are eligible for pursuant to the City's contract with CalPERS. (As of the date of adoption of this resolution, contributions rates are as follows: 1) classic members, Tier 1 - 8% Miscellaneous/9% Safety; 2) classic members, Tier 2 - 7% Miscellaneous/9% Safety; or 3) PEPRA members, Tier 3 — 6.75% Miscellaneous/13% Safety.)

2. Employee Cost Sharing. CalPERS Classic Member Tier 1 & 2 employees shall make a 1% cost sharing contribution to the employer's contribution to CalPERS effective the first full payroll period after City Council approval of a CalPERS Contract Amendment providing for such payment commencing FY 23/24, but in no event sooner than the pay period including July 1, 2023.

3. CalPERS contract provisions.

(a) Tier I Miscellaneous— Miscellaneous Directors who were hired prior to January 1, 2012 shall be provided with the following CalPERS retirement formula and optional benefits (existing employees promoted to another position within the City will not be considered new hires with respect to retirement formulas):

- (i) 2.7% @ 55 formula (Section 21354.5)
- (ii) Unused Sick Leave Credit (Section 20965)
- (iii) Military Service Credit (Section 21024 & 21027)
- (iv) Final Compensation 1 Year (Section 20042)
- (v) 1959 Survivor Benefit, Level 4 (Section 21574)
- (vi) Pre-Retirement Option 2W Death Benefit (Section 21548)

(b) Tier II Miscellaneous— Miscellaneous Directors who were hired on or after January 1, 2012, but before January 1, 2013, and those hired on or after January 1, 2013 who are determined to be a "classic" member by CalPERS shall be provided with the following CalPERS retirement formula and optional benefits:

- (i) 2% @ 60 formula (benefit factor increases to 2.418% @ 63+) (Section 21353)
- (ii) Unused Sick Leave Credit (Section 20965)
- (iii) Military Service Credit (Section 21024 & 21027)
- (iv) Final Compensation 3 Years (Section 20037)
- (v) 1959 Survivor Benefit, Level 4 (Section 21574)
- (vi) Pre-Retirement Option 2W Death Benefit (Section 21548)

(c) Tier III (PEPRA) Miscellaneous- Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, Directors hired, who meet the definition of "new" member under PEPRA as determined by CalPERS, will be covered by following retirement formula and receive the following CalPERS optional benefits:

- (i) 2% @ 62 formula (benefit factor increases to 2.5% @ 67+) (Section 7522.20)
- (ii) Final Compensation 3 Years (Section 20037)
- (iii) Member contribution rate of fifty (50) percent of the expected normal cost rate, which is currently 13.5% (6.75% is employee's portion)
- (iv) Unused Sick Leave Credit (Section 20965)
- (v) Military Service Credit (Section 21024 and 21027)
- (vi) 1959 Survivor Benefit, Level 4 (21574)
- (vii) Pre-Retirement Option 2W Death Benefit (Section 21548)

(d) Tier I Safety– CalPERS Safety Directors, who were hired prior to September 17, 2011, shall be provided the following CalPERS retirement formula and optional benefits (existing employees, promoted to another position within the City, will not be considered new hires, with respect to retirement formulas):

- (i) 3% @ 50 plan (Section 21362.2)
- (ii) Unused Sick Leave Credit (Section 20965)
- (iii) Military Service Credit (Section 21024 & 21027)
- (iv) Final Compensation 1 Year (Section 20042)
- (v) 1959 Survivor Benefit, Level 4 (Section 21574)
- (vi) Pre-Retirement Option 2W Death Benefit (Section 21548)

(e) Tier II Safety– CalPERS Safety Directors, who were hired on or after September 17, 2011, and those hired on or after January 1, 2013 who meet the definition of a “classic” member under PEPRA as determined by CalPERS, shall be provided the following CalPERS retirement formula and optional benefits:

- (i) 3% @ 55 plan (Section 21363.1)
- (ii) Unused Sick Leave Credit (Section 20965)
- (iii) Military Service Credit (Section 21024 & 21027)
- (iv) Final Compensation 3 Years (Section 20037)
- (v) 1959 Survivor Benefit, Level 4 (Section 21574)
- (vi) Pre-Retirement Option 2W Death Benefit (Section 21548)

(f) Tier III (PEPRA) Safety- Pursuant to PEPRA, effective January 1, 2013, Safety Directors hired, who meet the definition of “new” member under PEPRA as determined by CalPERS, will be covered by following retirement formula and receive the following CalPERS optional benefits:

- (i) 2.7% @ 57 formula (benefit increases to ...)
- (ii) Final Compensation 3 Years (20037)
- (iii) Member contribution rate of fifty (50) percent of the expected normal cost rate (currently 13%)
- (iv) Sick Leave Option (Section 20965)
- (v) Military Service Credit (Section 21024)
- (vi) 1959 Survivor Benefit Level 4 (Section 21574)
- (vii) Pre-Retirement Death Option 2W (Section 21548)

J. Health, Life, Dental and Vision. Effective July 1, 2022, all Directors shall receive the following contribution toward the purchase of CalPERS health insurance, which includes the required CalPERS monthly contribution:

- Employee only - up to \$767/month or cost of insurance, whichever is less
- Employee + 1 – up to \$1,232/month or cost of insurance, whichever is less
- Employee + family - up to \$1,589/month or cost of insurance, whichever is less

Life insurance is provided at \$50,000 and is paid for by the City for the employee only.

Effective July 1, 2022, all Directors shall receive the following contribution toward the purchase of Life, Vision and Dental insurances:

|               | <u>Life</u> | <u>Vision</u> | <u>Dental</u> | <u>Total</u> | <u>Bank</u> | <u>EE Pays</u> |
|---------------|-------------|---------------|---------------|--------------|-------------|----------------|
| Employee only | \$8.70      | \$8.29        | \$57.81       | \$74.80      | \$71.87     | \$2.93         |
| Employee + 1  | \$8.70      | \$15.58       | \$159.98      | \$184.26     | \$172.51    | \$11.75        |
| Employee+ 2+  | \$8.70      | \$22.17       | \$159.98      | \$190.85     | \$178.64    | \$12.21        |

For retired Directors, City contributes the required CalPERS monthly contribution towards CalPERS health plans, as selected by retiree.

K. Long-Term Disability (“LTD”) Insurance Program. Management employees do not participate in the California State Disability Insurance program. City provides LTD to its management employees and pays the cost for the plan.

L. Deferred Compensation. Directors shall have the option to participate in the deferred compensation program offered by the City, subject to the terms and conditions of the 1978 Revenue Act and Section 457 of the Internal Revenue Code. The City will contribute up to \$3,500 per calendar year to the deferred compensation program. Any required match, from no match to a 2:1 match, will be negotiated by the City Manager.

M. Automobile Allowance. Directors shall receive \$250.00 per month or the use of a take home City vehicle as determined by the City Manager.

N. Cost of Living Adjustments (COLA). Salary increases to the established salary ranges in Attachment A shall only be as dictated and approved by City Council. The movement between steps of a salary range are entirely within the purview of the City Manager.

O. Uniforms. The Police Chief and Fire Chief shall receive uniform allowances in an amount consistent with the highest-ranking subordinate classification in their Department.

P. Bonding. The City shall bear the full cost of any fidelity or other bonds required for a Director under any law or ordinance.

Q. Education Incentives. The City shall reimburse the costs for job-related and job-required certifications, correspondence courses, and licenses upon successful completion of the examination or course by the employee, having written authorization in advance from the City Manager. This shall include application fees, examination fees, and certificate fees. Renewal fees

may be paid in advance by the City. This provision does not apply to continuing education requirements.

R. Severance. Directors shall be entitled to severance only as provided in this section. Any and all severance rights are conditioned upon and in consideration for execution of a standard agreement of separation, severance, and general release in a form acceptable to and approved by the City Attorney. The severance rights provided for herein shall constitute the sole and only entitlement of a Director with respect to severance pay in the event of the termination, other than for cause.

1. Amount. In the event a Director is terminated without cause and does not challenge such termination, including but not limited to by means of appeal or civil or administrative claim, then the City shall pay severance in an amount equal to the monthly base salary of the Director then in effect (excluding the value of any other benefits) multiplied by four (4). The severance payment shall not include the monetary value of benefits during said time, but salary only. Prior to such termination, in order to be eligible for severance as provided in this Section, a Director must have worked for the City a minimum of six (6) months.

Should a Director be terminated for cause, as defined in this section below, the City shall have no obligation to pay the severance provided for above. Additionally, should a Director resign or otherwise initiate termination of his or her employment with the City, then the City shall have no obligation to pay the severance provided for above.

2. “Cause” defined. For the purposes of this resolution, “cause” for termination shall include, but not be limited to, the following: (1) willful or persistent material breach of duties or inattention to duties, (2) résumé fraud or other acts of material dishonesty, (3) unauthorized or excessive absence or leave, (4) conviction of a misdemeanor involving moral turpitude (i.e., offenses contrary to justice, honesty, or morality), (5) conviction of a felony under California law, (6) violation of the City’s anti-harassment policies and/or a finding that legally prohibited personal acts of harassment against a City official or employee or legally prohibited personal acts of discrimination against a City official or employee has occurred, (7) violation of state law or the City’s Municipal Code or ordinances, rules, and regulations, (8) use or possession of illegal drugs in violation of state law and/or City policy, (9) engaging in conduct tending to bring embarrassment or disrepute to the City, (10) any illegal or unethical act involving personal gain, including conviction of theft or attempted theft, (11) significant mismanagement of City finances, (12) any pattern of repeated, willful and intentional failure to carry out materially significant and legally constituted directions or policy decisions of the City Council or City Manager, (13) gross misfeasance or gross malfeasance, or (14) any similar cause. For any of the foregoing, the City may, in its discretion, place a Director on paid or unpaid administrative leave until resolution.

3. Limitation. Government Code Section 53260 provides that all contracts of employment with a city must include a provision limiting the maximum cash settlement for the termination of the contract to the monthly salary (excluding benefits) multiplied by the number of months left on the unexpired term, but not more than eighteen (18) months if the unexpired term exceeds eighteen (18) months. Accordingly, should such proposed severance payment exceed the amount authorized to be paid under Government Code Section 53260, then the amount paid to Employee shall be reduced in the amount necessary to comply with such statute. (For example, if termination occurs with two (2)

months left in the term, severance would be equal to the monthly base salary multiplied by two (2) rather than the four (4) months provided herein.)

S. Relocation Reimbursement. The City Manager shall have the discretion to reimburse a newly hired Director for the Director's actual costs of relocation in order to work for the City, up to \$5,000 for in-state relocations, and up to \$10,000 for out of state relocations. Prior to such reimbursement, the newly hired Director shall provide to the City Manager receipts or other reasonable proof documenting the costs incurred in relocation. The expenses eligible for reimbursement shall be only those expressly stated herein and only include the following items/categories: hiring of a moving service or rental of a moving truck or equipment; renting a temporary home, apartment or hotel costs while house-hunting for a more permanent residence; lease cancelation fees; shipping and temporary storage of personal belongings and furniture; ad travel costs from prior residence to new residence, whether temporary or not.

If, following reimbursement for relocation expenses as provided in this section, a Director voluntarily leaves City employment, then Director shall be responsible for repayment to the City the amount of relocation reimbursement as follows:

| Duration of employment | Percentage of relocation reimbursement owed to City |
|------------------------|---|
| Less than one year     | 100%  |
| 1 – 2 years            | 50%   |
| 2 – 3 years            | 25%   |
| 3 + years              | 0%  |

Any relocation reimbursement repayment required pursuant to this section shall be made to the City no later than the Director's last day of City employment. The City shall have the right but is not limited to this form of recovery only, to deduct any relocation reimbursement amount owed to the City pursuant to this section from a Director's accrued leave to be paid out upon separation.

In the event a Director is terminated, then no repayment to the City for relocation reimbursement shall be required.

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**Section 6.** The position of Police Chief remains entitled to all protections and rights afforded under California law, including, but not limited to, those set forth in the Public Safety Officers Procedural Bill of Rights Act (Gov't Code 3300-3313). The position of Fire Chief remains entitled to all protections and rights afforded under California law, including, but not limited to, those set forth in the Firefighters Procedural Bill of Rights Act (Gov't Code 3250-3262).

**PASSED AND ADOPTED** by the City Council, City of Morro Bay at a regular meeting thereof held on the 14<sup>th</sup> day of June 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
JOHN HEADDING, Mayor

ATTEST:

\_\_\_\_\_  
DANA SWANSON, City Clerk

**ATTACHMENT A**

**DIRECTORS SALARY SCHEDULE EFFECTIVE 7/1/2022**

| <b>POSITION</b>  | <b>ANNUAL SALARY RANGE</b> |          |          |          |          |
|--|----------------------------|----------|----------|----------|----------|
|  | <u>1</u>                   | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
| Fire Chief<br>Harbor Director<br>Police Chief            | 146,753                    | 154,090  | 161,795  | 169,885  | 178,379  |
| Administrative Services Dir/ACM<br>Public Works Director | 144,066                    | 151,269  | 158,832  | 166,774  | 175,113  |
| Community Development Dir<br><i>Finance Director</i>     | 138,885                    | 145,830  | 153,121  | 160,777  | 168,816  |

**ATTACHMENT B**

**DIRECTORS SALARY SCHEDULE EFFECTIVE 7/1/2023**

| <b>POSITION</b>  | <b>ANNUAL SALARY RANGE</b> |          |          |          |          |
|--|----------------------------|----------|----------|----------|----------|
|  | <b>1</b>                   | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> |
| Fire Chief<br>Harbor Director<br>Police Chief            | 152,623                    | 160,254  | 168,267  | 176,680  | 185,514  |
| Administrative Services Dir/ACM<br>Public Works Director | 149,829                    | 157,320  | 165,186  | 173,445  | 182,118  |
| Community Development Dir<br><i>Finance Director</i>     | 144,440                    | 151,662  | 159,246  | 167,208  | 175,568  |

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**A PROCLAMATION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY  
EXPRESSING APPRECIATION FOR THE DEDICATION  
AND PUBLIC SERVICE OF WILLIAM “BILL” PEIRCE**

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

**WHEREAS**, the City of Morro Bay has learned with profound sorrow of the death of William “Bill” Peirce, former Council Member for the City of Morro Bay; and

**WHEREAS**, Bill Peirce served as Council Member for the City of Morro Bay from December 1996 - December 2004; and

**WHEREAS**, Bill generously donated his time and talents to make Morro Bay a special place to live and volunteered by serving as Rotarian since 2009 and served as President and Treasurer of the Rotary Club Morro Bay for many years; and

**WHEREAS**, Bill was the Communications consultant at Coast Electronics for 22 years; and

**WHEREAS**, Bill was named Morro Bay Citizen of the year in 2008; and

**WHEREAS**, Bill was recognized for his exceptional service to the Rotary Club Morro Bay and Morro Bay; and

**WHEREAS**, Bill was a Paul Harris recipient and Dan Reddell Humanitarian Award recipient; and

**WHEREAS**, Bill was an active volunteer with the Morro Bay Police Department; and

**WHEREAS**, Bill served as the Morro Bay Police Departments Volunteer President; and

**WHEREAS**; Bill was a member/advocate for the Morro Bay Police Departments Neighborhood Watch and National Night Out program and Caroling with Cops annual event; and

**WHEREAS**, Bill served as President for the Morro Bay Merchants; and

**WHEREAS**; Bill will be remembered by the City and community for his kindness and dedication for all his accomplishments.

**NOW, THEREFORE, BE IT RESOLVED**, that the Morro Bay City Council does hereby thank William “Bill” Peirce for his dedicated service to the City of Morro Bay and community and we extend our sincere sympathy to his family and many friends during this difficult time.

IN WITNESS WHEREOF I have  
hereunto set my hand and caused the  
seal of the City of Morro Bay to be  
affixed this 14th day of June 2022

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JOHN HEADDING, MAYOR  
City of Morro Bay, California

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**A PROCLAMATION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY  
PROCLAIMING SATURDAY JUNE 18, 2022  
AS “JUNETEENTH DAY” IN THE CITY OF MORRO BAY**

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

**WHEREAS**, since 1865, the American celebration known as Juneteenth has historically been observed as the end of the Institution of Slavery in our Great Nation; and

**WHEREAS**, Juneteenth embodies the indomitable human spirit of the past, the present, and all time; and

**WHEREAS**, the celebration of Juneteenth gives us all the opportunity to rededicate ourselves to the true American spirit for a more perfect Union; and

**WHEREAS**, we are citizens who wish to secure the Blessings of Freedom, Justice, and Equality for all this great Country of ours; and

**WHEREAS**, the collaboration of community-based organizations, faith-based organizations, local businesses, and local government demonstrates a shared commitment to being part of the solution and acknowledging the importance of strength through unity.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Morro Bay, is proclaiming the third Saturday in June as “Juneteenth Day” and recommends all citizens of the City of Morro Bay to join in recognizing the importance of this day.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 14<sup>th</sup> day of June, 2022

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JOHN HEADING, MAYOR  
City of Morro Bay, California

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AGENDA NO: B-1

MEETING DATE: June 14, 2022

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** June 9, 2022

**FROM:** Janeen Burlingame – Management Analyst

**SUBJECT:** Public Hearing to Report on Delinquent Solid Waste Collection Accounts and Adopt Resolution No. 57-22 Authorizing San Luis Obispo County Assessor to Assess Amounts Due on Delinquent Solid Waste Collection Accounts as Tax Liens Against the Properties

**RECOMMENDATION:**

This item is to be continued to a date certain, June 28, 2022 Regular Meeting, which will be held via teleconference and as public health and safety allows may also be at the Veteran's Hall.

Prepared By:   NH        Dept Review:         
City Manager Review:   SC        City Attorney Review:   JWP

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**AGENDA NO: B-2**

**MEETING DATE: June 14, 2022  
(continued from May 24, 2022)**

# Staff Report

**TO: Honorable Mayor and City Council      DATE: June 9, 2022**

**FROM: Nancy Hubbard, Contract Planner**

**SUBJECT: Request for an amendment to the Land Use Map within the General Plan/Local Coastal Program adopted in 2021 and receipt and filing of an addendum to the related environmental impact report. The change from District Commercial to Community Commercial is consistent with the proposed new zoning designation for the site. The site is adjacent to similarly designated sites along Main Street.**

**RECOMMENDATION:**

Request City Council (i) adopt Resolution No. 47-22 approving the MAJ21-006 for a change in the Land Use Map included in the General Plan (GP)/Local Coastal Program (LCP), Land Use Plan from District Commercial to Community Commercial for this parcel and (ii) receive and file the addendum.

**APPLICANT/OWNER:** Morro Rock, LLC  
(Steven Allen agent for Allen Family Trust)

**ADDRESS/APN:** 1260 MAIN STREET/ APN #066-312-017

**REVIEW PROCESS REQUIREMENTS:**

**Planning Commission Recommendation:** A public hearing was held on April 19, 2022, by the City of Morro Bay Planning Commission to review and consider the request for a land use change for the parcel noted above. Following public comment and discussion, Planning Commission approved Resolution No. 04-22 forwarding their recommendation for approval of the land use change to City Council. See Planning Commission staff report and signed Resolution, provided as Attachment 2 to this staff report, for a full description of the land use change.

Approval of a land use change requires an amendment to the GP/LCP/Land Use Map. The California Coastal Commission allows 3 amendments per year. This request will likely be included with other Land Use Map amendment requests as the first amendment request of 2022. To prepare for the amendment submittal, the City must conduct a public hearing with the Planning Commission, for the purpose of forwarding a recommendation to City Council, then a public hearing by City Council for consideration of a decision on the request. If Council approves the amendment request, then the City must forward it to the California Coastal Commission for review and certification.

|                                    |                                      |
|------------------------------------|--------------------------------------|
| Prepared By: <u>  NH  </u>         | Dept Review: <u>      </u>           |
| City Manager Review: <u>  SC  </u> | City Attorney Review: <u>  JWP  </u> |

**CEQA ENVIRONMENTAL REPORT:**

Pursuant to the California Environmental Quality Act, an amendment to the 2021 General Plan/Local Coastal Land Use Plan Environmental Impact Report (EIR) requires an environmental review of impacts resulting from the change proposed in the amendment. An Addendum to the 2021 EIR has been prepared and resulted in a finding of no significant environmental impact as a result of the proposed GP/LCP Land Use Map amendment request. See Attachment C.

**CONCLUSION:**

The Community Commercial land use amendment request is consistent with the draft zoning map Community Commercial zoning designation and the purpose and intent of the GP/LCP.

**PUBLIC HEARING NOTICE:**

Notice of a public hearing on this item was published in the San Luis Obispo Tribune newspaper on May 13, 2022, and all property owners and occupants of record within 500 feet of the project site were notified of the scheduled public hearing and invited to voice any concerns on this application. The project site was also posted with a pending development notice sign. The scheduled public hearing for May 24, 2022 was continued on May 24, 2022 to June 14, 2022 because of a change in venue for the hearing. No additional noticing is required.

**ATTACHMENTS:**

1. City Council Resolution No. 47-22
2. Planning Commission April 19, 2022, staff report and Reso No. 04-22
3. EIR addendum, project description and checklist
4. Staff Presentation

**RESOLUTION NO. 47-22**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA,  
APPROVAL OF AN AMENDMENT TO THE LAND USE MAP INCLUDED IN THE  
GENERAL PLAN/ LOCAL COASTAL PROGRAM LAND USE PLAN**

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

**WHEREAS** the City Council of the City of Morro Bay (the “City”) conducted a public hearing via teleconference in accordance with Assembly Bill 361 (2021-22) and Government Code section 54953 on June 14, 2022 (that public hearing continued from May 24, 2022), for the purpose of considering an amendment to the land use map included in the General Plan (GP)/Local Coastal Program (LCP), Land Use Plan (LUP) from District Commercial to Community Commercial for the property at 1260 Main Street (“Project”); and

**WHEREAS** notice of the public hearing was provided at the time and in the manner required by law; and

**WHEREAS**, the City’s Planning Commission, on April 19, 2022, conducted a Public Hearing on the proposed Project and adopted Resolution 04-22 forwarding a recommendation to the Morro Bay City Council for approval of the Project; and

**WHEREAS**, the City Council has duly considered all evidence, including the testimony of the applicant, interested parties, and the recommendation provided by Planning Commission (Resolution 04-22), presented at said hearing.

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

**Section 1: Findings.** Based upon all the evidence, the City Council makes the following findings:

California Environmental Quality Act (CEQA)

Pursuant to the California Environmental Quality Act, an addendum to the 2021 General Plan/Local Coastal Land Use Plan Environmental Impact Report has been prepared resulting in a finding of no significant environmental impact as a result of the proposed GP/LCP land use map amendment request.

GP/LCP Amendment findings

1. The proposed land use change is consistent with the intent of the State Coastal Act; and
2. The proposed amendment is consistent with the intent and policies of the General Plan/Local Coastal Program, Land Use Plan; and
3. The proposed change in the land use designation for the subject property will be consistent with the Zoning Map update currently pending approval.

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**Section 2: Action.** The City Council does hereby approve the proposed amendment to the land use map included in the GP/LCP, LUP to change the land use designation of the parcel located at 1260 Main Street from District Commercial to Community Commercial and hereby directs staff to pursue certification of the amendment by the California Coastal Commission

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting held on this 14<sup>th</sup> day of June 2022 by the following roll call vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
JOHN HEADDING, Mayor

ATTEST:

\_\_\_\_\_  
DANA SWANSON, City Clerk



**AGENDA NO: B-1**

**MEETING DATE: April 19, 2022**

## Staff Report

**TO:** Planning Commissioners                      **DATE:** April 19, 2022

**FROM:** Nancy Hubbard, Contract Planner

**SUBJECT:** Request for an amendment to the Land use map within the General Plan/Local Coastal Program adopted in 2021. The change from District Commercial to Community Commercial is consistent with the proposed new zoning designation for the site. The site is adjacent to similarly designated sites along Main Street.

**RECOMMENDATION:**

*PROVIDE RECOMMENDATION to City Council for approval of change in the land use map included in the General Plan/Local Coastal Program, Land Use Plan for the subject property by adopting Planning Commission Resolution 04-22 making the necessary findings for approval of MAJ21-006.*

**APPLICANT/OWNER:** Morro Rock, LLC  
(Steven Allen agent for Allen Family Trust)

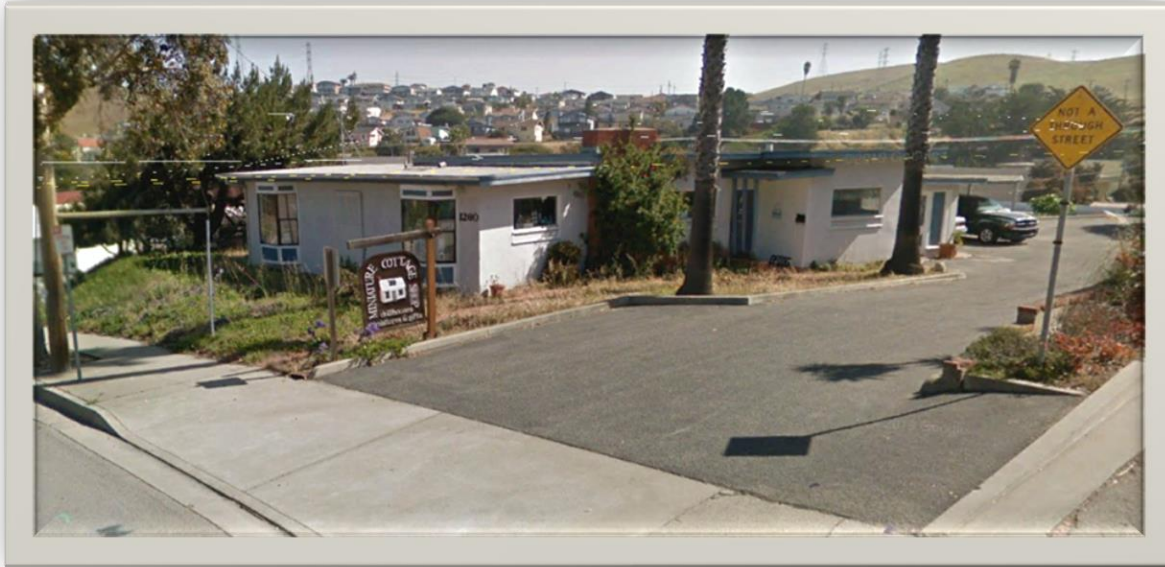
**ADDRESS/APN:** 1260 MAIN STREET/ APN #066-312-017

**REVIEW PROCESS REQUIREMENTS:**

Land Use Map Amendment: The 2021 General Plan/Local Coastal Program (LCP), Land Use Plan (LUP) was certified by the California Coastal Commission on August 12, 2021 (LCP Amendment #LCP-3-MRB-21-0047-1). The California Coastal Commission allows three amendments to the General Plan/LCP per year and this request for a land use map amendment for the subject parcel will be processed as the first amendment of 2022. Amendments to the land use map require review in a public hearing by Planning Commission resulting in a recommendation to City Council. City Council will review in a public hearing and will render a decision on the request for amendment. Amendments approved by City Council are forwarded to California Coastal Commission for review and certification.

CEQA Environmental Report: Pursuant to the California Environmental Quality Act, an amendment to the 2021 General Plan/Local Coastal Land Use Plan Environmental Impact Report (EIR) requires an environmental review of impacts

resulting from the change proposed in the amendment. An Amendment to the 2021 EIR has been prepared and resulted in a finding of no significant environmental impact as a result of the proposed GP/LCP land use map amendment request. See Exhibit B.



**BACKGROUND AND OVERVIEW:**

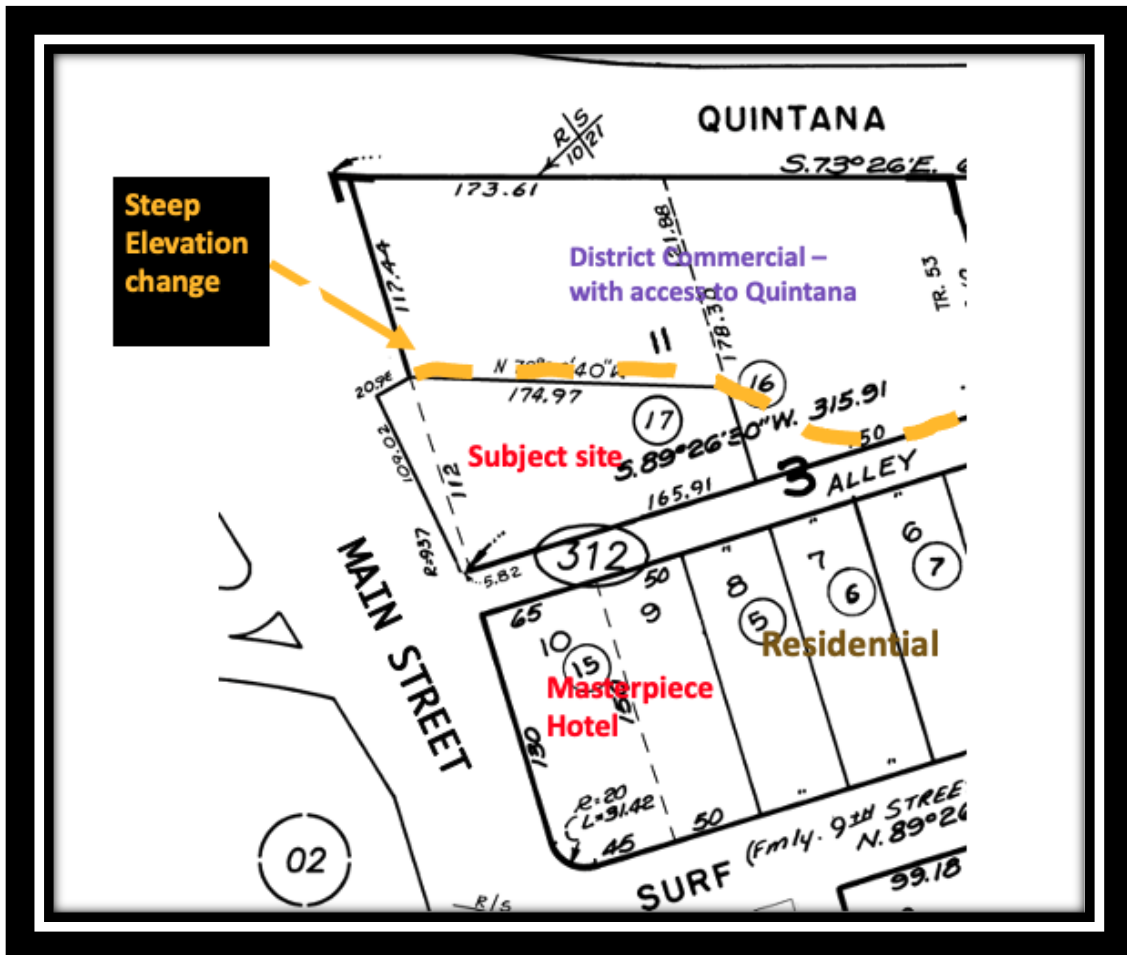
*Site History and prior use:*

The subject site is a 14,810 sf wedge-shaped parcel with wide frontage and access on to Main Street. This is the last parcel with access to Main St before the intersection at Main and Quintana leading to the adjacent District Commercial (DC) land uses along Quintana Road. The building, built in 1952 is 1,409 sf in size and has been used for retail sales of miniatures and collectable gifts. The vehicular access to this site and the related parking is via a city maintained alley way that also provides access to residential units to the south east of the subject site. Immediately south of the subject site is the Masterpiece Hotel, which has recently acquired the subject property for an expansion of the hotel.

The current Land Use designation for this site is District Commercial, intended to accomodate larger scale retail, commercial and service uses such as auto parts store, big-box store, grocery stores, etc. See excerpt below from Chapter 17.08 Commercial and Mixed Use Districts from the proposed MB Zoning Code:



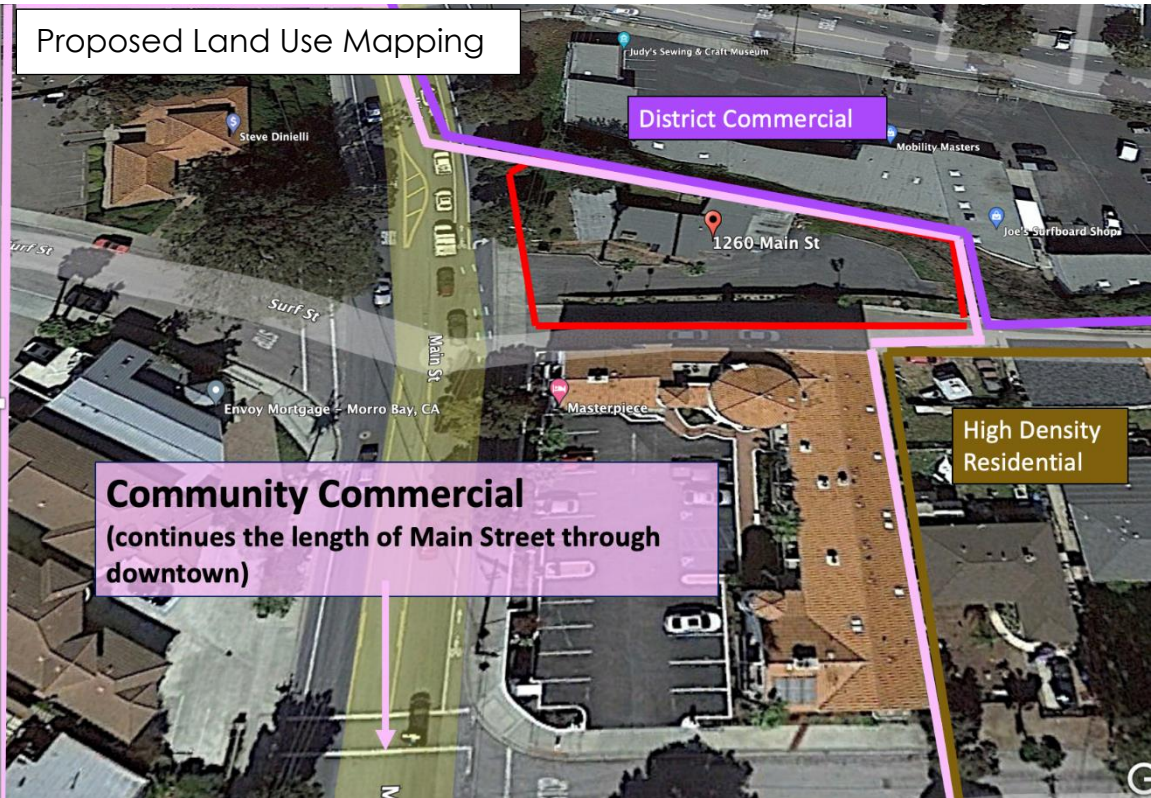
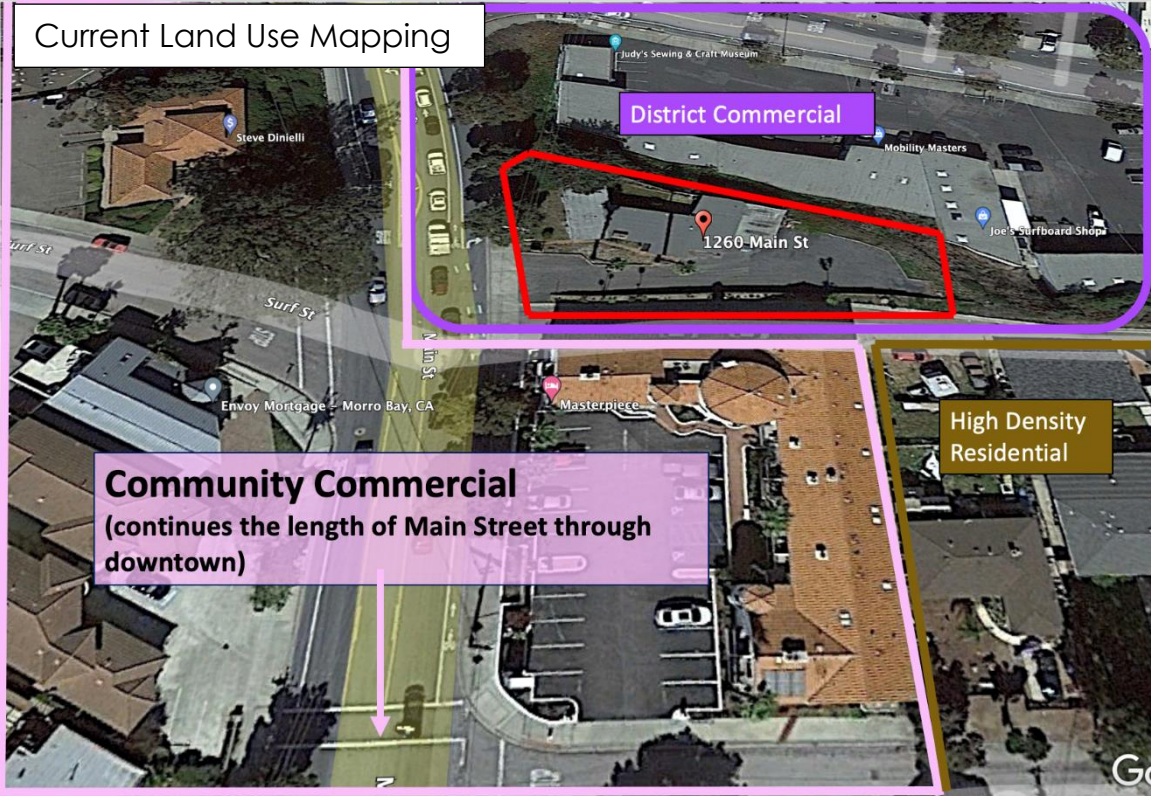
District Commercial (DC). This District provides locations for retail, commercial, and service uses that meet local and regional demand. It is intended for larger-scale development that is appropriate in an auto-oriented environment.



The adjacent parcels with a DC land use designation located along Quintana are appropriate for higher volume more intense retail/commercial uses that are auto oriented vs. pedestrian oriented. The subject site has access from Main Street and is more appropriate for less intense and more pedestrian friendly uses.

The Community Commercial designation from Chapter 17.09 Commercial and Mixed-Use Districts of the proposed MB Zoning Code has the following purpose and intent:

Community Commercial (CC). This District is intended to create, maintain, and enhance walkable community commercial areas that provide a mix of community-oriented uses including retail stores, restaurants, professional and medical offices, and personal services. Residential uses are allowed above and behind commercial uses and as stand-alone development in certain areas



*Request for land use map change:*

The property was recently purchased by the owner of the Masterpiece Hotel on Main Street (Community Commercial land use) just south of the subject site. The owner would like to use the site and existing building for additional hotel rooms and a manager's residence as well as additional hotel parking. The current District Commercial land use does not allow hotel uses.

The subject site is adjacent to District Commercial land use designated sites on the north and east and Community Commercial on the south and west. However, with the subject site's frontage on Main Street and with the steep slope separating the site from the other District Commercial designated land below (along Quintana), the site aligns more with the adjacent Community Commercial uses, which includes a strong connection to the activity on Main Street, intended for walkable tourist/retail uses. The change in land use designation will continue to provide contiguous and compatible land use through the change to Community Commercial. Staff supports this amendment request because of the geographic barriers between the subject site and the adjacent District Commercial sites on Quintana Road. The site conditions and access would make this impractical for use as an auto oriented business. Approval of the Land Use change to Community Commercial extends the contiguous pedestrian oriented commercial uses to the northern limits of the Morro Bay Downtown core area, meeting the current landowner's request for use of this site, but also future uses of this site.

Zoning Map Update: The City is currently in the process of adopting a new zoning code/LCP, Implementation Plan (zoning code). In anticipation of the proposed land use map amendment request, the zoning map designation for this subject site has been changed to Community Commercial. The prior zoning code designation for this site was C-2 (General Commercial) which allows for more intense commercial uses that are generally auto oriented (vs pedestrian). The proposed change in the land use designation to Community Commercial will result in a consistent zoning designation and land use designation for this site. Staff supports this request because this site's frontage and access is on Main Street contiguous to other Community Commercial sites, but is geographically separated from the adjacent District Commercial uses on Quintana Road.

**CONCLUSION:**

The Community Commercial land use amendment request is consistent with the draft zoning map Community Commercial zoning designation and the purpose and intent of the General Plan/Local Coastal Program.

**PUBLIC HEARING NOTICE:**

Notice of a public hearing on this item was published in the San Luis Obispo Tribune newspaper on April 8, 2022, and all property owners and occupants of record within 500 feet of the project site were notified of the scheduled public hearing and invited to voice any concerns on this application. The project site was also posted with a pending development notice sign.

**RECOMMENDATION:**

Staff recommends that the Planning Commission forward a RECOMMENDATION FOR APPROVAL to City Council by adopting Planning Commission Resolution 04-22 which includes findings for MAJ21-006

**ATTACHMENTS:**

Exhibit A – Resolution 04-22 – Recommendation to City Council

Exhibit B – EIR amendment, project description and checklist

RESOLUTION NO. PC 04-22

A RESOLUTION OF THE MORRO BAY PLANNING COMMISSION  
ANNOUNCING FINDINGS AND RECOMMENDATION TO THE CITY COUNCIL  
FOR APPROVAL OF AN AMENDMENT TO THE LAND USE MAP INCLUDED  
IN THE GENERAL PLAN/ LOCAL COASTAL PROGRAM LAND USE PLAN

**WHEREAS**, the Planning Commission of the City of Morro Bay (the “City”) conducted a public hearing at the Veterans Memorial Building at 209 Surf Street, Morro Bay, CA on April 19, 2022, for the purpose of considering an amendment to the land use map included in the General Plan/Local Coastal Program (LCP), Land Use Plan (LUP) for the property at 1260 Main Street (“Project”); and

**WHEREAS**, notice of the public hearing was provided at the time and in the manner required by law; and

**WHEREAS**, the Planning Commission has duly considered all evidence, including the testimony of the appellant, applicant, interested parties, and the evaluation and recommendations by staff, presented at said hearing.

**NOW, THEREFORE, BE IT RESOLVED** by the Planning Commission of the City of Morro Bay as follows:

**Section 1: Findings.** Based upon all the evidence, the Commission makes the following findings:

California Environmental Quality Act (CEQA)

Pursuant to the California Environmental Quality Act, an amendment to the 2021 General Plan/Local Coastal Land Use Plan Environmental Impact Report has been prepared resulting in a finding of no significant environmental impact as a result of the proposed GP/LCP land use map amendment request.

GP/LCP Amendment findings

1. The proposed changes are consistent with the intent of the State Coastal Act; and
2. The proposed amendment is consistent with the intent and policies of the General Plan/Local Coastal Program, Land Use Plan; and
3. The proposed change in the land use designation for the subject property will be consistent with the Zoning Map update currently pending approval.

**Section 2: Action.** The Planning Commission does hereby provide a recommendation to City Council for approval of the proposed amendment to the land use map included in the General Plan/LCP, LUP to change the land use designation of the parcel located at 1260 Main Street from District Commercial to Community Commercial.

PASSED AND ADOPTED by the Morro Bay Planning Commission at a regular meeting thereof held on this 19th day of April 2022 on the following vote:

AYES: Roschen, Rodriquez, Ingraffia, King, Stewart

NOES:

ABSENT:

ABSTAIN:



Chairperson Stewart

ATTEST



Scot Graham, Planning Secretary

The foregoing resolution was passed and adopted on this 19th day of April 2022.



## MEMORANDUM

**DATE:** February 24, 2022

**To:** Nancy Hubbard, Contract Planner, City of Morro Bay

**FROM:** Pam Reading, Principal  
Matthew Wiswell, AICP, Project Manager/Senior Planner

**SUBJECT:** California Environmental Quality Act (CEQA) Addendum for the  
1260 Main Street Project

This document, prepared pursuant to the California Environmental Quality Act (CEQA) and the regulations and policies of the City of Morro Bay, is an Addendum to the 2020 Environmental Impact Report for the Morro Bay General Plan and Local Coastal Plan Update<sup>1</sup> (General Plan EIR), which was adopted by the City of Morro Bay (City) in August 2021. The General Plan EIR consists of the Draft EIR and the Response to Comments Document, which combined constitute the Final EIR. This Addendum evaluates whether minor changes associated with the proposed project would result in new or substantially more adverse significant effects or require new mitigation measures not identified in the General Plan EIR. The proposed project consists of a General Plan Amendment to change the land use designation on the project site from District Commercial to Community Commercial. See Attachment A for a full description of the proposed project. The City of Morro Bay is the Lead Agency under CEQA. In accordance with CEQA Section 21083 and 21166 and CEQA Guidelines Section 15164, this document (including Attachments A and B) serves as an Addendum to the General Plan EIR, certified in August 2021, which is hereby incorporated by reference.

### INTRODUCTION

The approximately 0.34-acre project site is located at 1260 Main Street in the City of Morro Bay, San Luis Obispo County. The project site consists of a single parcel that is bound by commercial uses to the north and east, an alleyway to the south, which has become a defacto public right-of-way and that provides access to developments south of the project site including a hotel and single-family residential uses, and Main Street to the west. The proposed project would involve a General Plan Amendment to change the land use designation on the project site from District Commercial to Community Commercial. The project site is accessed from Main Street. Adjacent properties accessed by Main Street are all designated Community Commercial, which is a land use designation that is intended for tourist/retail and pedestrian-oriented commercial uses. Adjacent properties along Quintana Road are designated District Commercial. However, the project site is grade

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<sup>1</sup> Morro Bay, City of. 2020. *Morro Bay General Plan and LCP Update Draft Environmental Impact Report*. State Clearinghouse No. 2017111026. October.

separated from the adjacent properties along Quintana Road by a significant elevation change, which makes it difficult to combine the project site with adjacent properties along Quintana Road. Because the project site is more physically connected with and could be more easily combined with the adjacent properties that are accessed from Main Street, it makes sense to change the land use designation of the project site from District Commercial to Community Commercial so that future uses are consistent with the uses of the adjacent properties.

This Addendum is prepared pursuant to CEQA Guidelines Section 15164(a) which states: "The lead agency or a responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary, but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred." Section 15162 specifies that "no subsequent EIR shall be prepared for that project unless the lead agency determines ... one or more of the following:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete was adopted, shows any of the following:
  - (A) The project will have one or more significant effects not discussed in the previous EIR;
  - (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
  - (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
  - (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative."

Pursuant to CEQA Guidelines Section 15164(e), the purpose of this Addendum is to summarize the proposed project, assess the proposed modifications to the project evaluated in the General Plan EIR, and identify the reasons for the City's conclusion that changes associated with the proposed project and its environmental effects do not meet the conditions described in CEQA Guidelines Section 15162 calling for preparation of a subsequent or supplemental environmental document.



Attachment A to this Addendum provides a complete description of the proposed project, its location, existing site characteristics, proposed development, and required approvals and entitlements.

Attachment B to this Addendum provides the Environmental Checklist prepared for the project. This checklist is used to: 1) compare the environmental impacts of the proposed revised project with impacts expected to result from development evaluated in the General Plan EIR; 2) identify whether the proposed project would result in new or more severe significant environmental impacts; and 3) identify if substantial changes with respect to the circumstances under which the project would be undertaken since the General Plan EIR was adopted would result in new or more severe significant environmental effects.

## **COMPARISON TO THE CONDITIONS LISTED IN CEQA GUIDELINES SECTION 15162**

The following discussion summarizes the reasons that additional environmental review pursuant to CEQA Guidelines Section 15162 is not required to evaluate the environmental effects of the proposed project, as its potential effects were adequately evaluated in the General Plan EIR as supported by the analysis contained in Attachment B.

### **Substantial Changes**

Per the analysis included in Attachment B, Environmental Checklist, the proposed minor modifications to the project evaluated in the General Plan EIR would not result in new significant impacts beyond those identified in the General Plan EIR, would not substantially increase the severity of impacts identified in the General Plan EIR, and would not require major revisions to the General Plan EIR. Therefore, the proposed changes to the project would be minor modifications, not substantial changes, and an Addendum is the appropriate document to address these minor modifications.

### **Substantial Changes in Circumstances**

As described in the Environmental Checklist for each topic, environmental conditions in and around the project site have not changed such that implementation of the proposed minor modifications to the General Plan EIR would result in new significant environmental effects or a substantial increase in the severity of environmental effects identified in the General Plan EIR, and thus would not require major revisions to the General Plan EIR.

### **New Information**

No new information of substantial importance, which was not known or could not have been known when the General Plan EIR was adopted, has been identified which shows that the proposed minor modifications to the General Plan EIR associated with the proposed project would be expected to result in: 1) new significant environmental effects not identified in the General Plan EIR; 2) substantially more severe environmental effects than shown in the General Plan EIR; 3) mitigation measures or alternatives previously determined to be infeasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or 4) mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the

mitigation measure or alternative. In addition, the proposed minor modifications would require no new mitigation measures, as described throughout the Environmental Checklist, because no new or substantially more severe impacts are expected beyond those identified in the General Plan EIR.

## **CONCLUSION**

The proposed minor modifications to the General Plan EIR described in this Addendum would not require major revisions to the General Plan EIR due to new or substantially increased significant environmental effects. The analysis contained in the Environmental Checklist confirms that the proposed project is within the scope of the General Plan EIR and will have no new or more severe significant effects and no new mitigation measures are required. Therefore, no subsequent or supplemental EIR or further CEQA review is required prior to approval of the proposed project, as described in this Addendum.

Attachments: Attachment A: Project Description  
Attachment B: Environmental Checklist

## ATTACHMENT A

### PROJECT DESCRIPTION

The following describes the proposed 1260 Main Street Project (proposed project). This section includes a summary description of the project's location, existing site characteristics and current site conditions, surrounding land uses, and the process for future development following approval of the proposed action. The City of Morro Bay (City) is the lead agency for review of the proposed project under the California Environmental Quality Act (CEQA).

#### 1.1 PROJECT SITE

The following section describes the location and characteristics of the project site and provides a brief overview of the existing land uses within and in the vicinity of the site.

##### 1.1.1 Location

The approximately 0.34-acre (14,810-square-foot) project site is located at 1260 Main Street in the City of Morro Bay, San Luis Obispo County. The project site consists of a single parcel (Assessor's Parcel Number [APN] 066-312-017) that is bound by commercial uses to the north and east, a hotel to the south, and Main Street to the west. Regional access to the project site is provided by State Route 1 (SR 1), which is accessible via on- and off-ramps located approximately 0.4 miles north. Figure 1 shows the regional and local context of the project site. Figure 2 depicts an aerial photograph of the project site and surrounding land uses.

##### 1.1.2 Site Characteristics and Current Site Conditions

A steep, vegetated bank slopes upward from north to south along the northern and eastern boundary of the project site. The remainder of the project site is generally level and is developed with an approximately 1,409-square-foot retail building located near the northwest corner of the site and a surface parking lot on the southern portion of the site. Vegetation on the project site includes the vegetated bank as well as ornamental landscaping and two palm trees located near the center of the site.

##### 1.1.3 Surrounding Land Uses

As shown in Figure 2, the project site is generally surrounded by residential and commercial uses. To the north, the project site is bounded by commercial uses and Quintana Road, across which are additional commercial uses and SR 1. The project site is also bound to the east by commercial uses, as well as a steep vegetated bank. The project site is bordered immediately to the south by an alleyway (that has become a defacto public right-of-way that the City maintains) providing access to the neighboring developments to the south, including a hotel and single-family residential uses further east. Main Street, a north-south roadway that generally runs the length of the city, borders the project site to the west. West of Main Street are additional commercial and residential uses and the intersection of Surf Street (and Main Street) that provides access west of the project site to Front Street and the Embarcadero.

### 1.1.4 Regulatory Setting

The project site is designated District Commercial on the City’s General Plan Land Use Map. The District Commercial designation allows for retail, commercial, and service uses that meet local and regional demand with a maximum floor area ratio (FAR) of 0.5.<sup>1</sup> The existing General Plan land use designation for the project site is shown in Figure 3. The project site is located within the Community Commercial (CC) zoning district. The CC zoning district is intended to create, maintain, and enhance walkable community commercial areas that provide a mix of community-oriented uses including retail stores, restaurants, professional and medical offices, and personal services. Residential uses are allowed above and behind commercial uses and as stand-alone development in certain areas. The CC zoning district allows a maximum FAR of 1.25 and a density of 15.1 to 27 dwelling units per acre.<sup>2</sup>

## 1.2 PROPOSED PROJECT

The proposed project would involve a General Plan Amendment to change the land use designation on the project site from District Commercial to Community Commercial. The Community Commercial land use designation allows for community-oriented uses including retail stores, restaurants, professional and medical offices, and personal services with a maximum FAR of 1.25. In addition, the Community Commercial land use designation allows for residential uses both above and behind commercial uses at a density of 15.1 to 27 dwelling units per acre. Table A provides a summary of the allowable development of the project site under the existing and proposed condition. As shown below, under the existing land use (District Commercial), development on the project site could reach a maximum floor area of 7,405 square feet. Under the proposed land use (Community Commercial), development of the project site could reach a maximum floor area of 18,512 square feet.<sup>3</sup> In addition, the proposed land use would allow for between 5 to 9 dwelling units to be developed on the project site. Figure 4 shows the proposed General Plan land use designation for the project site.

**Table A: Potential Development Under Existing and Proposed Land Use Designations**

| Address          | Lot Area (square feet) | Max. Allowable Floor Area – Existing Land Use (FAR x area) | Allowable Dwelling Units – Existing Land Use | Max. Allowable Floor Area – Community Commercial | Allowable Dwelling Units – Community Commercial |
|------------------|------------------------|--|--|--|---|
| 1260 Main Street | 14,810                 | 7,405  | N/A  | 18,512   | 5 to 9  |

Source: Morro Bay, City of. (2021). Compiled by LSA.  
Note: N/A = Not Applicable

<sup>1</sup> Morro Bay, City of. 2021. *Plan Morro Bay*. May 25.  
<sup>2</sup> Morro Bay, City of. 2021. *City of Morro Bay Zoning Code/Implementation Plan*. December.  
<sup>3</sup> It should be noted that the maximum floor area allowable on the project site was determined solely based on the allowed FAR. The maximum floor area allowable does not take into account other development standards, such as setbacks or building height limits, that would further limit the development potential on the project site.

Many of the uses that would be allowed within the proposed Community Commercial land use designation would be contingent upon issuance of a use permit, which would be subject to CEQA. The requirements and processes for obtaining a use permit are detailed in the Morro Bay Zoning Code Chapter 17.40, Use Permits. Use permits involving land uses and/or activities must be reviewed by the City of Morro Bay and may require a public hearing. As prescribed in the Morro Bay Zoning Code, when a use permit requires a public hearing, the public must be provided notice of the hearing which contains hearing information; project (proposed use) information; and a statement that the review authority will consider a negative declaration or certification of a final environmental impact report, if either document has been prepared for the project (in compliance with CEQA and the City's Environmental Review Procedures). The public notices are distributed to the affected property owner or applicant, local agencies that would provide services or facilities for the project, and property owners or renters located near the project site.



FIGURE 1

LSA



SOURCE: National Geographic (c)2019.

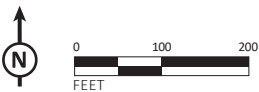
I:\MRB2101(2)\GIS\Maps\Figure 1\_Regional Location.mxd (12/10/2021)

1260 Main Street Project  
Regional Location



FIGURE 2

LSA



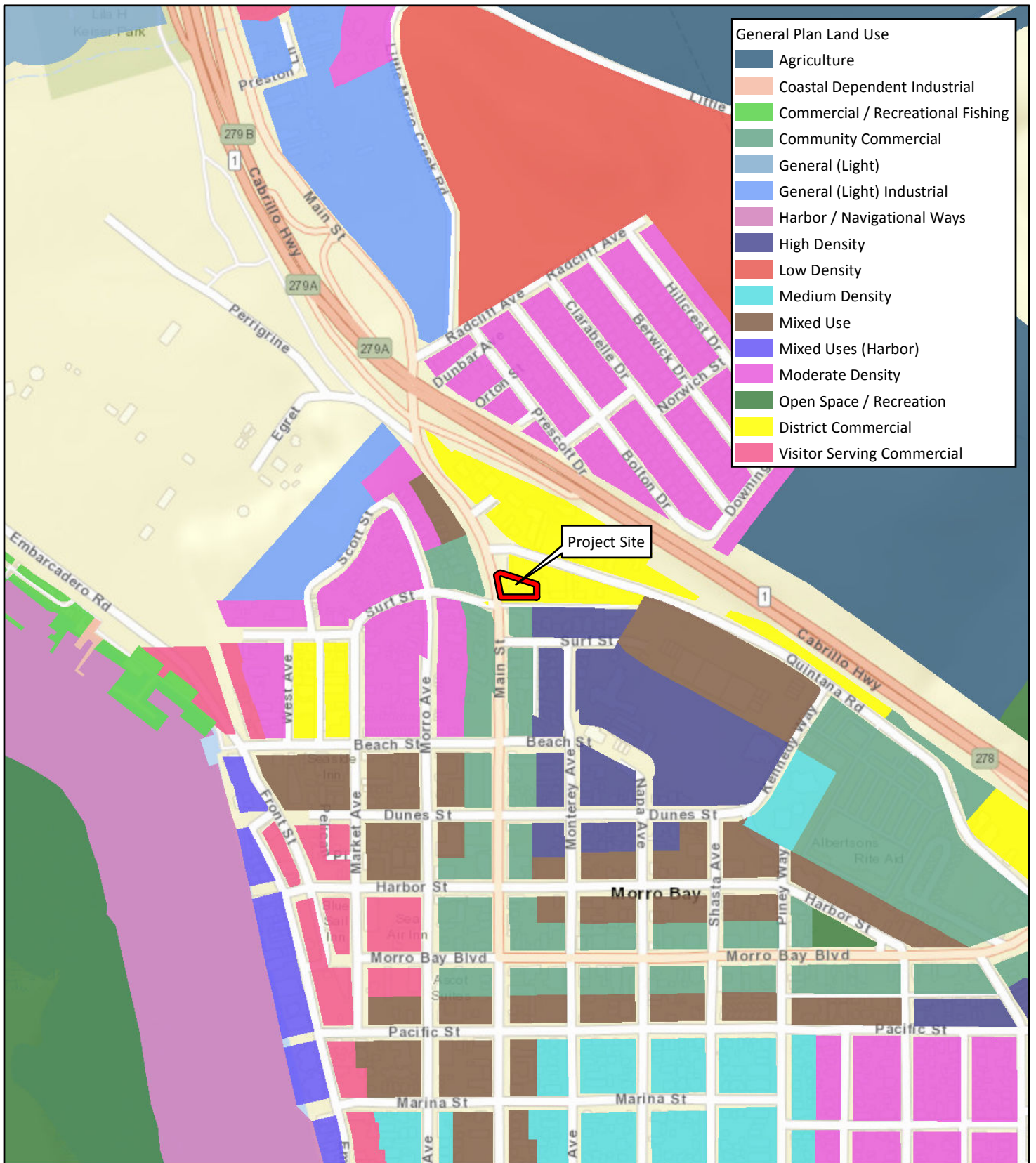
Project Site

1260 Main Street Project

Aerial Photograph of the Project Site and Surrounding Land Uses

SOURCES: Google Earth, 2/26/2021; LSA, 2021

\\acorp04\SLO\Projects\MRB2103 Morro Bay GP Addendum\PRODUCTS\Graphics\Figure 2\_Aerial Photograph of Site & Surrounding LU.ai (12/8/2021)



LSA

LEGEND

 Project Site

FIGURE 3



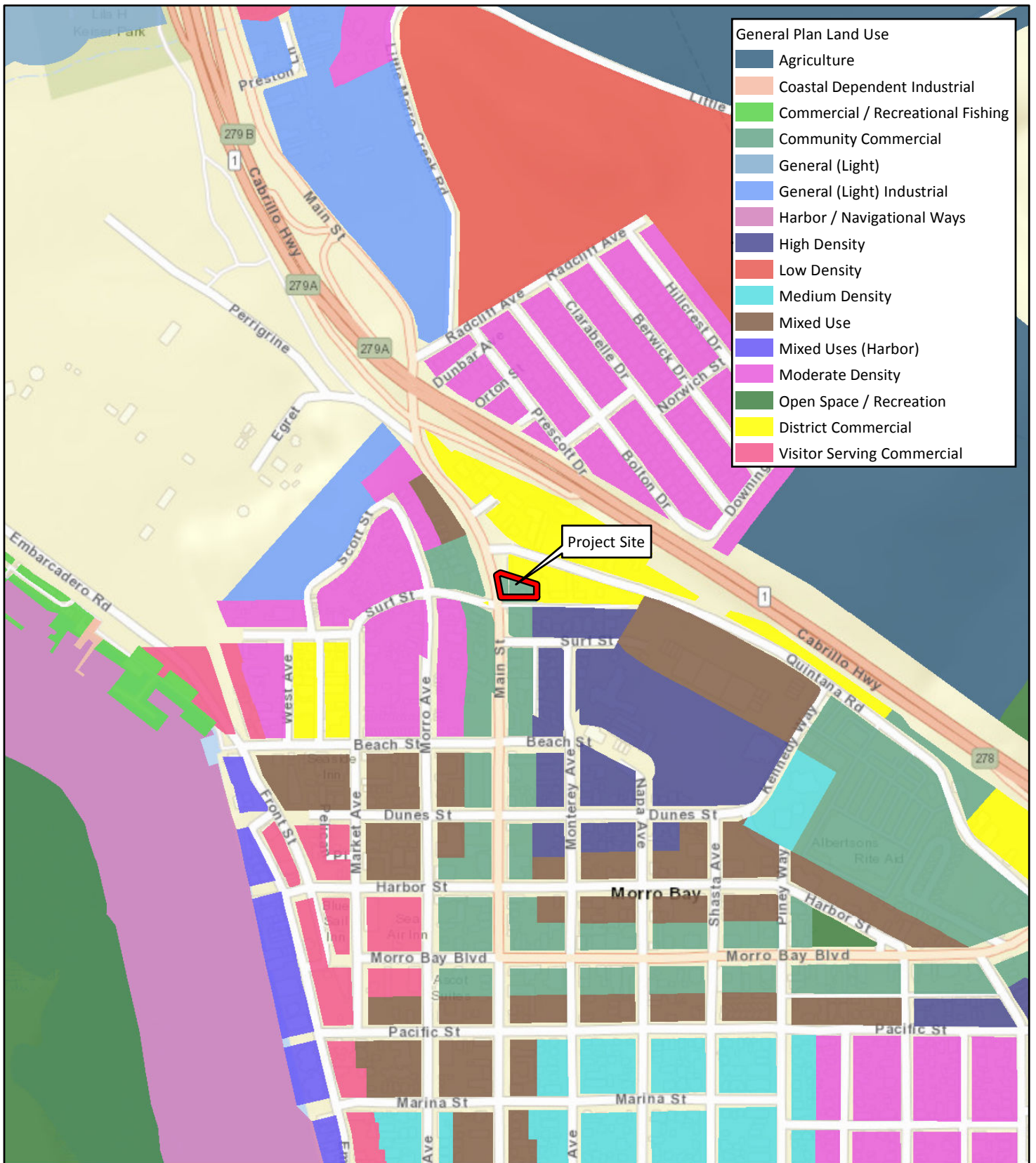
0 325 650  
FEET

SOURCE: Esri/National Geographic (2021); City of Morro Bay (2021)

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1260 Main Street Project  
Existing General Plan Land Use Designation





LSA

LEGEND

 Project Site

FIGURE 4



0 325 650  
FEET

SOURCE: Esri/National Geographic (2021); City of Morro Bay (2021)

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1260 Main Street Project  
Proposed General Plan Land Use Designation

## ATTACHMENT B

### ENVIRONMENTAL CHECKLIST PURSUANT TO CEQA GUIDELINES SECTION 15168

CEQA Guidelines Section 15168(c)(4) recommends using a written checklist or similar device to confirm whether the environmental effects of a subsequent activity were adequately covered in a previous environmental evaluation. This checklist confirms that the proposed 1260 Main Street Project (proposed project) described in Attachment A is within the scope of the Morro Bay General Plan and Local Coastal Plan Update Environmental Impact Report (General Plan EIR)<sup>1</sup> and will have no new, previously unconsidered significant impacts or substantially more severe previously identified impacts and no new mitigation measures are required.

In accordance with CEQA Section 21083 and 21166 and CEQA Guidelines Section 15164, this document (including the Memorandum and Attachment A) serves as an Addendum to the General Plan EIR, certified in August 2021, which is hereby incorporated by reference. This checklist describes and evaluates potential changes to environmental impacts from the proposed project as they relate to impacts identified in the General Plan EIR. As noted in Attachment A, Project Description, implementation of the proposed project would result in a General Plan Amendment to change the land use designation on the project site from District Commercial to Community Commercial. As shown in Table A in Attachment A, the Community Commercial designation would allow for more intense development as compared to the District Commercial.

This environmental checklist is used to: 1) compare the environmental impacts of the proposed project with impacts expected to result from development evaluated in the General Plan EIR; 2) identify whether the proposed project would result in new or more severe significant environmental impacts; and 3) identify if substantial changes with respect to the circumstances under which the project would be undertaken since the General Plan EIR was certified would result in new or more severe significant environmental effects.

Mitigation measures are measures that would minimize, avoid, or eliminate a significant impact. The analysis contained herein evaluates each topic to identify whether additional mitigation measures beyond those identified in the General Plan EIR would be warranted. As discussed for each topic in the checklist, no new mitigation measures would be required for the proposed project.

For all environmental topics addressed in the checklist as identified in each topical section, there have been no substantial changes in environmental circumstances that would result in new or more severe significant environmental effects than were evaluated and identified in the General Plan EIR. Therefore, a subsequent Environmental Impact Report (EIR) does not need to be prepared as there are no new, previously unconsidered or more severe impacts that result from the modified project, or the circumstances under which the project is undertaken, that would require major revisions to the General Plan EIR.

<sup>1</sup> Morro Bay, City of. 2020. *Morro Bay General Plan and LCP Update Draft Environmental Impact Report*. State Clearinghouse No. 2017111026. October.

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## 1.1 AESTHETICS

|   | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|---|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Except as provided in Public Resources Code Section 21099, would the project:   |                                    |                          |                          |                                     |
| a. Have a substantial adverse effect on a scenic vista?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from a publicly accessible vantage point.) If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality? | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Discussion

#### Scenic Vistas

The General Plan EIR did not identify any designated scenic vistas within the planning area but did identify views toward Morro Rock, Morro Bay Estuary, Los Osos and the Irish Hills, and Cayucos that function as scenic vistas within the city. The General Plan EIR determined that uses consistent with the General Plan Update would largely preserve the existing pattern of land uses and, thus, scenic views from these vistas in the planning area, with the exception of the proposed redevelopment of the former Morro Bay Power Plant and wastewater treatment plant, which could affect views of scenic resources such as Morro Rock. Implementation of the proposed project would continue to allow commercial uses on the project site consistent with the General Plan Update, and the project site is not located within the former Morro Bay Power Plant or wastewater treatment plant. Therefore, no new or substantially more severe impacts related to scenic vistas beyond those identified in the General Plan EIR would result from implementation of the proposed project.

#### Scenic Resources within State Scenic Highways

The General Plan EIR determined that SR 1 is a designated scenic highway corridor and that new infill development and redeveloped properties could block views of scenic resources, including trees, rock outcroppings, and historic buildings. However, the General Plan EIR found that implementation of the goals and policies in the General Plan would minimize adverse effects on scenic resources.

The project site would be visible to those travelling in either direction on SR 1, though only partially due to the existing topography and vegetation in the vicinity of the project site. Implementation of the proposed project would allow for new uses on the project site that are larger than those currently allowed. Therefore, implementation of the proposed project could block or adversely affect scenic resources visible from SR 1, including Morro Rock and the ocean. However, any future

development on the project site would be required to comply with General Plan Policies C-9.2, C-9.4, C-9.7, and C-9.12, which are described below. All of these policies require the protection of public views and viewsheds, including through building siting, bulk and scale limitations, and requiring landscaping that does not obstruct public views. Therefore, compliance with these policies would ensure that no new or more substantially severe impacts related to scenic resources within State Scenic Highways beyond those identified in the General Plan EIR would result from implementation of the proposed project.

### Scenic Quality

As described in Attachment A, Project Description, the project site is located in an urbanized area. The General Plan EIR determined that development facilitated by the General Plan Update would result in visual changes to the community, but that development and redevelopment would be governed by the goals and policies included in the General Plan as well as the standards within the City's Zoning Code. As previously described, the proposed project would allow for more intense development on the project site. However, consistent with the findings of the General Plan EIR, any future development allowed by the proposed project would be required to comply with the standards contained in the City's Zoning Ordinance. Therefore, no new or substantially more severe impacts related to scenic quality beyond those identified in the General Plan EIR would result from implementation of the proposed project.

### Light and Glare

The General Plan EIR determined that the General Plan Update would facilitate new development that could introduce new sources of light and glare, but that any future development would be required to comply with policies within the General Plan that would prevent new sources of light and glare. Consistent with the findings of the General Plan EIR, any new development facilitated by the proposed project would be required to comply with General Plan Policy C-9.5, which is described below. Additionally, similar to the General Plan Update, any future development facilitated by the proposed project would require an independent environmental review that would determine the project-specific light and glare effects and subsequent mitigation measures, if required, to comply with the standards for lighting and building materials to prevent glare. Therefore, no new or substantially more severe impacts related to light and glare beyond those identified in the General Plan EIR would result from implementation of the proposed project.

### Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

### Applicable Policies

#### General Plan Policies

- **Policy C-9.2 Public View Protection.** Public views to and along the ocean and scenic coastal areas shall be protected and enhanced, and alteration of natural landforms shall be minimized.

Additionally, development in visually prominent settings, including all development seen from Highway 1, shall be sited and designed to avoid blocking or having a significant adverse impact on public views. Methods to achieve this may include building and road siting, building size, design and lighting that is integrated with the environment, and clustering of development.

- **Policy C-9.4 Viewshed Protection Guidelines.** Designate and protect official viewsheds through viewshed protection design guidelines. The guidelines shall include special siting and design criteria including placing accessory development such as fences away from public view as much as possible, height and story limitations, bulk and scale limitations, screening and landscaping requirements, natural materials and color requirements, minimizing lighting that spills into nighttime public views, avoiding glares from windows and reflective surfaces, and requirements to prepare landscaping plans using drought-tolerant and native plants that protect and enhance scenic resources; minimizing land coverage, grading, and structure height; and maximizing setbacks from adjacent open space areas.
- **Policy C-9.5 Lighting Standards.** Development shall be sited and designed to avoid illuminating, reduce glare, protect and enhance skyward nighttime public views, and minimize lighting in open spaces and natural areas. New lighting fixtures shall be mounted at low elevations and fully shielded to direct lighting downward. Lighting along walkways should be mounted on low bollards or ground buttons. Lighting shall be focused on targeted use areas and shall be limited to what is necessary for public safety. Floodlighting shall be prohibited. Exterior lighting fixtures should complement the architectural style of structures.
- **Policy C-9.7 Massing, Height, and Orientation Requirements.** Require massing, height, and orientation of new development or construction to be sited and designed to preserve public coastal views to and along the ocean and scenic areas.
- **Policy C-9.12 Public and Private Landscaping.** Ensure new public or private landscaping considers public views and vistas, and encourage landscape installations that protect or enhance those views and vistas, including ensuring that such landscaping does not obstruct public scenic views and vistas at maturity.

## Conclusion

The General Plan EIR adequately evaluated the aesthetic impacts of the proposed project. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

## 1.2 AGRICULTURE AND FORESTRY RESOURCES

In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state’s inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment Project; and the forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board.

|  | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|--|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Would the project:   |                                    |                          |                          |                                     |
| a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Conflict with existing zoning for agricultural use, or a Williamson Act contract?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))? | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Result in the loss of forest land or conversion of forest land to non-forest use?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e. Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Discussion

The General Plan EIR determined that agricultural uses are limited and primarily located on the east side of SR 1 near the southeast end of the city. Potential uses and activities that could be allowed as a result of implementation of the proposed project would not involve or affect agriculture or forestry uses. The project site is located in an urban area and is designated as “Urban and Built-Up Land” by the California State Department of Conservation.<sup>2</sup> Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

<sup>2</sup> California Department of Conservation. 2016. California Important Farmland Finder (map). Website: <https://maps.conservation.ca.gov/dlrp/ciff/> (accessed January 2022).

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### **Applicable Mitigation**

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

### **Conclusion**

The General Plan EIR adequately evaluated the agriculture and forestry impacts of the proposed project. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.



### 1.3 AIR QUALITY

Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied upon to make the following determinations.

|   | New<br>Potentially<br>Significant<br>Impact | New<br>Mitigation<br>Required | Reduced<br>Impact        | No New<br>Impact                    |
|---|---|-------------------------------|--------------------------|-------------------------------------|
| Would the project:  |   |                               |                          |                                     |
| a. Conflict with or obstruct implementation of the applicable air quality plan?   | <input type="checkbox"/>                    | <input type="checkbox"/>      | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard? | <input type="checkbox"/>                    | <input type="checkbox"/>      | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Expose sensitive receptors to substantial pollutant concentrations?  | <input type="checkbox"/>                    | <input type="checkbox"/>      | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?   | <input type="checkbox"/>                    | <input type="checkbox"/>      | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Discussion

The General Plan EIR determined that the General Plan Update would result in an increase in vehicle miles traveled (VMT) that would exceed the projected rate of population growth in the city, which would be inconsistent with the San Luis Obispo Air Pollution Control District (SLOAPCD) Clean Air Plan, and that this impact would be significant and unavoidable. The General Plan EIR found that impacts related to increases in criteria pollutants could be reduced to a less-than-significant level with the implementation of General Plan EIR Mitigation Measure AQ-2, and that impacts related to substantial pollutant concentrations and other emissions adversely affecting people would be less than significant with compliance with General Plan policies.

The proposed project would allow more intense development on the project site than what is currently allowed. As previously discussed, any future development facilitated by the proposed project would require an independent environmental review that would determine the project-specific air quality impacts during the review of the specific development proposal. Individual projects that could result in substantial air quality impacts, including by substantially increasing VMT, would require to implement mitigation measures to reduce any potential air quality impacts to a less-than-significant level. Regardless of potential air quality impacts, any future development on the project site would be required to implement General Plan EIR Mitigation Measure AQ-2, which requires standard mitigation for all construction equipment. Therefore, no new or substantially more severe impacts related to air quality beyond those identified in the General Plan EIR would result from implementation of the proposed project.

## Applicable Mitigation

With implementation of General Plan EIR Mitigation Measure AQ-2, no substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

### **General Plan EIR Mitigation Measure AQ-2: Standard Mitigation for Construction Equipment.**

Proponents of individual land use projects, or other projects requiring grading or building permits, shall require construction contractors to incorporate the following standard mitigation measures, as applicable, to reduce ROG, NOX, and DPM emissions from construction equipment. Mitigation measures shall be listed on project construction plans and the project proponent shall perform periodic site inspections during construction to ensure that mitigation measures are being implemented.

- Maintain all construction equipment in proper condition according to manufacturer's specifications
- Fuel all off-road and portable diesel powered equipment with ARB-certified motor vehicle diesel fuel (non-taxed version suitable for use off-road)
- Use diesel construction equipment meeting ARB's Tier 2 certified engines or cleaner off-road heavy-duty diesel engines, and comply with the State Off-Road Regulation
- Use on-road heavy-duty trucks that meet ARB's 2007 or cleaner certification standard for onroad heavy-duty diesel engines, and comply with the State On-Road Regulation
- Construction or trucking companies with fleets that do not have engines in their fleet that meet the engine standards identified in the above two measures (e.g. captive or NOX exempt area fleets) may be eligible by proving alternative compliance
- All on and off-road diesel equipment shall not idle for more than 5 minutes. Signs shall be posted in the designated queuing areas and or job sites to remind drivers and operators of the 5 minute idling limit
- Diesel idling within 1,000 feet of sensitive receptors is not permitted
- Staging and queuing areas shall not be located within 1,000 feet of sensitive receptors
- Electrify equipment when feasible
- Substitute gasoline-powered in place of diesel-powered equipment, where feasible
- Use alternatively fueled construction equipment on-site where feasible, such as compressed natural gas (CNG), liquefied natural gas (LNG), propane or biodiesel

## Conclusion

The General Plan EIR adequately evaluated the impacts related to air quality of the proposed project. The proposed project would not result in substantial construction- or operational-period emissions above those previously analyzed in the General Plan EIR. Additionally, site-specific measures would be identified during the CEQA review of specific development proposals allowed by the proposed General Plan Amendment. Therefore, with implementation of General Plan EIR Mitigation Measure AQ-2, the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR and potential impacts would be less than significant and additional mitigation is not required.

## 1.4 BIOLOGICAL RESOURCES

|  | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|--|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Would the project:   |                                    |                          |                          |                                     |
| a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?  | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Discussion

The General Plan EIR determined that biological resources, including special-status species, habitats, wetlands, and other sensitive natural communities are primarily associated with areas identified as Environmental Sensitive Habitat Area (ESHA) within the General Plan, and that the planning area is not located within the boundaries of an adopted Habitat Conservation Plan, Natural Communities Conservation Plan, or other local, regional or state conservation plan. The General Plan EIR concluded that new development or redevelopment facilitated by the General Plan Update would be subject to the policies in the General Plan and Municipal Code related to sensitive natural communities, ESHA, wetlands, and riparian areas within the city.

The project site does not include any ESHA, is not located near any other sensitive natural communities as mapped in the General Plan EIR, and is currently developed and does not contain any established wildlife movement corridors. As previously discussed, any future development facilitated by the proposed project would require an independent environmental review that would determine the project-specific impacts related to biological resources. In addition, future development on the project site would be required to comply with General Plan Policies C-1.14 and

C-1.16, which are described below. These policies require the protection of any natural resources that are not ESHA and requires a Coastal Development Permit for the removal of all native trees and other protected trees. Therefore, no new or substantially more severe impacts related to biological resources beyond those identified in the General Plan EIR would result from implementation of the proposed project.

### Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

### Applicable Policies

#### General Plan Policies

- **Policy C-1.14: Natural Resource Protection.** Natural resources that are not ESHA shall also be protected as much as feasible.
- **Policy C-1.16: Tree Planting and Removal.** Certain trees are “major vegetation,” where the removal of which constitutes development and requires a Coastal Development Permit. A Coastal Development Permit is required for removal of all native trees and all trees that measure 6 inches in diameter at 54 inches above grade. Replanting of a tree as replacement of an existing tree is required. Dead trees (snags) on City property in the coastal zone should be retained, where possible, to provide habitat, including for cavity-nesting birds. No permit is required for removal of dead, dying, and diseased trees or trees that pose a health, life, and safety issue. These trees must be inspected and verified by an International Society of Arboriculture (ISA) certified arborist or Registered Professional Forester (RFP).

### Conclusion

The General Plan EIR adequately evaluated the impacts related to biological resources for the proposed project. No known special-status species, ESHA or other sensitive natural communities or wetlands are located within or adjacent to the project site, and the proposed project would be required to comply with General Plan Policies C-1.14 and C-1.16. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

## 1.5 CULTURAL RESOURCES

|   | New<br>Potentially<br>Significant<br>Impact | New<br>Mitigation<br>Required | Reduced<br>Impact        | No New<br>Impact                    |
|---|---|-------------------------------|--------------------------|-------------------------------------|
| Would the project:  |   |                               |                          |                                     |
| a. Cause a substantial adverse change in the significance of a historical resource pursuant to §15064.5?      | <input type="checkbox"/>                    | <input type="checkbox"/>      | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5? | <input type="checkbox"/>                    | <input type="checkbox"/>      | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Disturb any human remains, including those interred outside of formal cemeteries?                          | <input type="checkbox"/>                    | <input type="checkbox"/>      | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Discussion

The General Plan EIR determined that future development facilities by the General Plan Update could result in adverse effects to known or unknown historic resources, and the ground-disturbing activities associated with development facilitated by the General Plan Update would have the potential to damage or destroy previously unknown historic or prehistoric archaeological resources. General Plan EIR Mitigation Measures CR-1(a) and CR-1(b), which are described below, were identified to reduce potential impacts to historical and unique archaeological resources to a less-than-significant level. The General Plan EIR determined that impacts related to the disturbance of human remains would be less than significant, as all future development facilitated by the General Plan Update would be required to comply with the requirements of Public Resources Code (PRC) Section 5097, which includes specific provisions for the protection of human remains and establishes procedures to be implemented if Native American skeletal remains are discovered.

The proposed project would not include any new development on the project site. However, consistent with the General Plan Update, implementation of the proposed project would facilitate new development on the site that could have an impact on historical and unique archaeological resources, either through demolition or alteration of the existing building or uncovering previously unknown archaeological resources during ground-disturbing activities. Any future development on the project site would be required to comply with General Plan Policy C-2.3 which, as fully described below, requires the protection of cultural resources. Finally, compliance with PRC Section 5097 would ensure future development on the project site would have a less-than-significant impact related to human remains. Therefore, no new or substantially more severe impacts related to cultural resources beyond those identified in the General Plan EIR would result from implementation of the proposed project.

### Applicable Mitigation

With implementation of General Plan EIR Mitigation Measures CR-1(a) and CR-1(b), no substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

**General Plan EIR Mitigation Measure CR-1(a): Avoidance or Minimization of Historic, Cultural, and Archaeological Resources Impacts.** Policy C-2.3 of the General Plan and LCP Update shall be revised to read:

**Policy C-2.3: Protection of Cultural Resources.** Ensure the protection of historic, cultural, and archeological resources during development, construction, and other similar activities. Development shall avoid, to the maximum extent feasible, adversely impacting historic, cultural, and/or archaeological resources, and shall include adequate BMPs to address any such resources that may be identified during construction, including avoidance, minimization, and mitigation measures sufficient to allow documentation, preservation, and other forms of mitigation. If the resource(s) in question are of Native American origin, develop avoidance or minimization measures in consultation with appropriate Native American tribe(s).

**General Plan EIR Mitigation Measure CR-1(b): Cultural Resources Study Implementation Action.** The following implementation action for Goal C-2 shall be added to the General Plan and LCP Update:

Require all discretionary proposals within the cultural resources overlay to consider the potential to disturb cultural resources. If preliminary reconnaissance suggests that cultural resources may exist, a Phase I cultural resources study shall be performed by a qualified professional meeting the Secretary of the Interior’s (SOI) Professional Qualification Standard (PQS) for archaeology and/or architectural history, as appropriate (NPS 1983).

A Phase I cultural resources study shall include a pedestrian survey of the project site and sufficient background research and field sampling to determine whether subsurface prehistoric or historic remains may be present. Archival research should include a records search at the Central Coast Information Center (CCIC) and a Sacred Lands File (SLF) search with the Native American Heritage Commission (NAHC). Where identified or potential resources are of Native American origin, the appropriate Native American tribe(s) will participate with the qualified professional. The technical report documenting the study shall include recommendations to avoid or, if avoidance is not feasible, reduce impacts to cultural resources.

## Applicable Policies

### General Plan Policies

- **Policy C-2.3: Protection of Cultural Resources.** Ensure the protection of historic, cultural, and archeological resources during development, construction, and other similar activities. Development shall avoid, to the maximum extent feasible, adversely impacting historic, cultural, and/or archaeological resources, and shall include adequate BMPs to address any such resources that may be identified during construction, including avoidance, minimization, and mitigation measures sufficient to allow documentation, preservation, and other forms of mitigation. If the resource(s) in question are of Native American origin, develop avoidance or minimization measures in consultation with appropriate Native American tribe(s)

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## Conclusion

The General Plan EIR adequately evaluated the impacts related to cultural resources for the proposed project. No known historic or archaeological resources or human remains are located within or adjacent to the project site, and the proposed project would be required to comply with General Plan EIR Mitigation Measure CR-1(b) and General Plan Policy C-2.3. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.



## 1.6 ENERGY

|  | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|--|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Would the project:   |                                    |                          |                          |                                     |
| a. Result in a potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources during project construction or operation? | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?  | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Discussion

The General Plan EIR found that the General Plan Update would not result in the inefficient, wasteful, or unnecessary consumption of energy during construction or operational activities as there are policies and implementation actions that would result in indirect energy conservation and would promote greater energy efficiency in municipal and community operations and development. In addition, the General Plan EIR found that the General Plan Update would allow for more efficient use of existing infrastructure and would improve citywide efforts to reduce greenhouse gas (GHG) emissions, and therefore would facilitate the consistency of future development projects with both mandatory and voluntary measures of the Morro Bay Climate Action Plan (Morro Bay CAP).

The proposed land uses that would be allowed on the project site would allow for a mix of uses, while the existing land use only allows for commercial development. Therefore, the proposed project would have a beneficial impacts as it would further policies within the General Plan Update related to encouraging infill and mixed-use development to reduce transportation impacts, including Policy CIR-2.1, which is described below. As noted in Attachment A, the project site currently contains commercial uses. Therefore, future development allowed by the proposed project would be replacing existing uses, and therefore is not expected to substantially increase the consumption of energy resources at the project site. In addition, site-specific measures to conserve energy would be identified during the CEQA review of specific development proposals allowed by the proposed project.

As described in Section 1.8, Greenhouse Gas Emissions, future development allowed by the proposed project would be required to comply with the applicable strategies from the Morro Bay CAP, which includes various strategies that promote the efficient use of energy, such as building performance strategies and strategies to increase participation in energy efficiency programs. Therefore, no new or substantially more severe impacts related to energy beyond those identified in the General Plan EIR would result from implementation of the proposed project.

### Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation would be required.

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## Applicable Policies

### General Plan Policies

- **Policy C-6.2: Renewable Energy in Home and Commercial Uses.** Encourage the use of solar energy systems in homes and commercial businesses as a form of renewable energy, including in support of zero net energy goals.
- **Policy CIR-2.1: Compact Development.** Support mixed-use, compact-style, and other land use development patterns within existing developed areas so as to facilitate easy active transportation and transit use.

### Conclusion

The General Plan EIR adequately evaluated the impacts related to energy for the proposed project. The proposed project would allow for a mix of uses on the project site and future development would be required to comply with the Morro Bay CAP. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

## 1.7 GEOLOGY AND SOILS

|  | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|--|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Would the project:   |                                    |                          |                          |                                     |
| a. Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:   |                                    |                          |                          |                                     |
| i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42. | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ii. Strong seismic ground shaking?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| iii. Seismic-related ground failure, including liquefaction?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| iv. Landslides?  | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Result in substantial soil erosion or the loss of topsoil?  | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property?  | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e. Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?  | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Discussion

The General Plan EIR determined that potential impacts related to geology and soils would be less than significant with compliance with the California Building Code (CBC) and implementation of General Plan Policies PS-2.2, PS-2.8, PS-2.9, PS-2.10, and PS-2.12. The General Plan EIR also determined that potential impacts related to paleontological resources would be less than significant with implementation of the policies and mitigation measures discussed in Section 1.5, Cultural Resources.

#### Fault Rupture and Strong Seismic Groundshaking

The project site is located in a seismically active area of California and is subject to seismic-related hazards, including but not limited to, earthquakes and fault rupture. As shown on Figure 4.5-2 of the General Plan EIR, there are no fault traces located within or immediately adjacent to the project site, and therefore potential impacts related to fault rupture would be less than significant.

As required by General Plan Policy PS-2.13, the proposed project would be required to comply with the most recent CBC, which provides for stringent construction requirements on projects in areas of high seismic risk. The project design and construction are required to conform with, or exceed,

current best standards for earthquake resistant construction in accordance with the CBC and with the generally accepted standards of geotechnical practice for seismic design in California. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

#### Ground Failure, Erosion, and Unstable Soils

As shown on Figure 4.5-4 of the General Plan EIR, the project site is located within an area of low potential for landslide hazards. However, as shown on Figure 4.5-3 of the General Plan EIR, the project site is located within an area of high potential for liquefaction. Therefore, any future development on the project site would be required to comply with General Plan Policy PS-2.2 and PS-2.9, which limits new development in areas subject to liquefaction and requires a detailed design review and the incorporation of additional structural safety measures. Additionally, as noted above, any future development would be required to comply with the CBC, which would ensure that potential impacts related to ground failure, soil erosion, and unstable or expansive soils would be less than significant. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

#### Alternative Wastewater

As described in the General Plan EIR, new development under the General Plan Update would occur where existing roads, water, and sewer systems are in place, minimizing the need to develop new wastewater disposal systems. The project site is currently developed and served by existing wastewater systems. Therefore, any future development allowed by the proposed project would connect to the existing wastewater infrastructure and would not require the use of alternative wastewater systems. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

#### Paleontological Resources

While the project site has been disturbed by past development, there is the potential that undiscovered paleontological significance may still exist. Ground disturbing activities associated with the future development allowed by the proposed project would have the potential to adversely affect these resources, especially if excavation extends to new depths. As described in the General Plan EIR, implementation of Policy C-2.3 and Mitigation Measure CR-1(b), which are discussed in Section 1.5, Cultural Resources, would also apply to paleontological resources (i.e., a paleontology study would be required for areas with known paleontological sensitivity) and would ensure that any potential impacts would be reduced to a less-than-significant level. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

#### Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation would be required.

## Applicable Policies

### General Plan Policies

- **Policy PS-2.2 New Development in High-Risk Areas.** Require new development to be located outside of areas subject to natural hazards from tsunami, geologic, flood, and wildfire conditions to the maximum feasible extent. If development must occur in such high-risk areas, including if development cannot be feasibly sited in a manner that avoids such areas entirely, ensure that such development is sited, designed, and conditioned to minimize risks to life and property while mitigating the development's impacts to coastal resources, particularly to public recreational beach access. Development shall also ensure stability and structural integrity; shall not create nor contribute significantly to erosion, geologic instability, or destruction of the site; shall not substantially alter natural landforms; and shall not include shoreline protective devices.
- **Policy PS-2.8 Structural Stability.** Require new development to ensure structural stability while not creating or contributing to erosion or geologic instability or destruction of the site or surrounding area.
- **Policy PS-2.9 New Development in High-Risk Areas.** Require that new development in areas subject to liquefaction and/or landslide hazards is located in a manner that will minimize risks to life and property.
- **Policy PS-2.10 Building Retrofits.** Encourage building retrofits that improve resiliency to geologic and seismic hazards.
- **Policy PS-2.11 New Development Proposals.** Require new development proposals in seismic hazard areas to consider risks caused by seismic activity and to include project features that minimize these risks.
- **Policy PS-2.12 Grading and Cut-and-Fill Operations.** Require new development to minimize grading and cut-and-fill operations.
- **Policy PS-2.13 Additional Standards for Development Subject to Geologic and Seismic Hazards.** In addition to other hazard requirements that may apply, development in areas that are potentially subject to geologic hazards, (including Alquist-Priolo earthquake hazard zones and areas subject to landslides, liquefaction, steep slopes averaging greater than 30 percent, and unstable slopes regardless of steepness) shall comply with the seismic safety standards of the Alquist-Priolo Act (California Public Resources Code Sections 2621. et seq.) and all applicable seismic provisions and criteria in the most recent version of State and County codes; shall incorporate siting and design techniques to mitigate any such geologic hazards; and shall not create a hazard or diminish the stability of the area.

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## Conclusion

The General Plan EIR adequately evaluated the impacts related to cultural resources for the proposed project. No known historic or archaeological resources or human remains are located within or adjacent to the project site, and the proposed project would be required to comply with General Plan EIR Mitigation Measure CR-1(b) and General Plan Policies PS-2.2, 2.8, 2.9, 2.10, 2.11, 2.12, 2.13, and C-2.3. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

## 1.8 GREENHOUSE GAS EMISSIONS

|  | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|--|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Would the project:   |                                    |                          |                          |                                     |
| a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?      | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases? | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Discussion

The General Plan EIR determined that buildout of the General Plan would be consistent with SLOAPCD’s adopted annual efficiency threshold of 4.9 metric tons (MT) of carbon dioxide (CO<sub>2</sub>) equivalent (CO<sub>2</sub>e) per service population. However, the General Plan EIR notes that new individual development projects within the city could result in GHG emissions that would be inconsistent with statewide per capita emissions goals, as individual project details are not known. Individual projects would be required to complete Appendix C of the Morro Bay CAP, which is the CAP Compliance Worksheet, and implement mandatory measures to be found consistent with the CAP. Any project that is found to not be in compliance with the CAP would be required to demonstrate that it’s GHG emissions would fall below SLOAPCD’s adopted GHG significance thresholds.

As previously described, the proposed land uses that would be allowed on the project site would allow for a mix of uses, while the existing land use only allows for commercial development. As previously described, allowing a mix of uses on the project site would further General Plan policies related to infill and mixed-use development, which in turn would reduce vehicular trips and encourage alternative transportation (i.e., walking or bicycling), thereby reducing GHG emissions within the city.

As noted in Attachment A, the project site currently contains commercial uses, and future development facilitated by the proposed project would allow up to approximately 18,512 square feet of commercial uses and 9 residential uses. However, based on the existing constraints on the project site (i.e., topography, setbacks, height limits, etc.), it is unlikely that the site would be developed at the maximum allowable density. Therefore, based on the size of future development at the project site, it is unlikely that any new GHG emissions generated would be substantial when compared to the city and the region. In addition, future development allowed by the proposed project would be replacing existing uses, and therefore is not expected to substantially increase GHG emissions at the project site during operation.

In addition, site-specific measures would be identified during the CEQA review of specific development proposals allowed by the proposed project. In particular, development allowed by the proposed project would be required to be consistent with the Morro Bay CAP, either by implementing the mandatory measures and documenting them in the CAP Compliance Worksheet, or by demonstrating that it’s GHG emissions would fall below SLOAPCD’s adopted GHG significance

thresholds and that the project would not substantially interfere with implementation of the CAP. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

### **Applicable Mitigation**

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation would be required.

### **Conclusion**

The General Plan EIR adequately evaluated the impacts related to energy for the proposed project. The proposed project would allow for a mix of uses on the project site and future development would be required to comply with the Morro Bay CAP. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.



**1.9 HAZARDS AND HAZARDOUS MATERIALS**

|   | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|---|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Would the project:  |                                    |                          |                          |                                     |
| a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?  | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e. For a project located within an airport land use plan or, where such a plan has not been adopted, within 2 miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area? | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g. Expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

**Discussion**

The General Plan EIR determined that compliance with existing regulations and implementation of policies included in the General Plan Update would ensure potential impacts related to the transport, use, or disposal of hazardous materials, hazardous material releases related to accidents, the emission of hazardous materials within one-quarter mile of a school, and sites included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 would all be less than significant. The General Plan EIR also determined that the planning area is not located within an airport land use plan or associated safety zone and that implementation of the General Plan Update would include policies that would ensure adequate evacuation routes and emergency response is available throughout the city.

**Routine Use and Accident Conditions**

The General Plan EIR notes that development of mixed use areas within the city could result in new residential units adjacent to commercial and industrial land uses, which could use and store hazardous materials. New development facilitated by the proposed project would be required to comply with the regulations, standards, and guidelines established by the United States

Environmental Protection Agency, the State of California, San Luis Obispo County, and the City related to storage, use and disposal of hazardous materials. Therefore, adherence to these existing regulations would ensure that any potential impacts related to the use, transport, storage, or disposal of hazardous materials would be less than significant. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

#### Hazardous Emissions within One-Quarter Mile of an Existing or Proposed School

The Morro Bay Montessori Charter School is located approximately 0.2 miles southeast of the project site. New development facilitated by the proposed project could include uses that use, store, and/or dispose of hazardous materials. However, compliance with existing federal, State, and local regulations related to hazardous materials would minimize the risks associated with exposure of sensitive receptors to hazardous materials. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

#### Cortese List

The project site is not included on any list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.<sup>3</sup> Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

#### Airport Safety Hazards

The closest airport to the project site is the San Luis Obispo County Regional Airport located approximately 17.5 miles southeast the project site and, as noted above, is not within an airport land use plan or associated safety zone. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

#### Emergency Response

The proposed land use designation change would not result in the alteration of any roadways in the area, and therefore would not impact the emergency access routes or impair implementation of an emergency response plan or emergency evacuation plan. Any future development allowed by the proposed project would be subject to review by the Morro Bay Fire and Police departments for compliance with adopted emergency response plans. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

<sup>3</sup> California Environmental Protection Agency. 2022. Cortese List Data Resources. Website: <https://calepa.ca.gov/sitecleanup/corteselist/> (accessed January 2022).

## Wildland Fires

As described in Section 1.20, Wildfire, the project site is not located within or near a very high fire hazard zone. Therefore, the proposed project would have no impact related to wildfire. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

## Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation would be required.

## Applicable Policies

### General Plan Policies

- **Policy PS-4.3 Use, Storage, and Transportation of Hazardous Materials.** Require businesses that use, store, or transport hazardous materials to take adequate measures to protect public health and safety. Restrict access to these materials through setbacks and other measures.
- **Policy PS-5.7: Passive Resiliency.** Ensure, to the greatest extent possible, that new and significantly remodeled buildings will maintain livable conditions in the event of extended loss of power or heating.
- **Policy PS-2.7 Additional Fire Protection Standards for All Development.** In addition to other hazard requirements that may apply, the following fire protection standards apply to all development:
  - **New Development and Fire Safety.** New development shall meet all applicable fire safety standards and shall be sited and designed to minimize fuel modification and brush clearance to the maximum feasible extent, and to avoid such activities within ESHA and ESHA buffers on-site and on neighboring property, as well as parkland. All such requirements shall be applied as conditions of approval applicable for the life of the development.
  - **Existing Development and Fire Safety.** Removal of major vegetation adjacent to existing development for fire safety purposes shall only be allowed upon a finding that fuel modification and brush clearance techniques are required in accordance with applicable fire safety regulations and are being carried out in a manner which reduces coastal resource impacts to the maximum feasible extent. In addition to the foregoing requirements, removal of ESHA, or removal of materials in an ESHA buffer, shall only be allowed for fire safety purposes if it is not already prohibited by coastal permit conditions; if there are no other feasible alternatives for achieving compliance with required fire safety regulations; and if all ESHA and related impacts are mitigated in a manner that leads to no net loss of ESHA resource value.

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## Conclusion

The General Plan EIR adequately evaluated the impacts related to hazards and hazardous materials for the proposed project. The proposed project would allow for a mix of uses on the project site and future development would be required to comply existing regulations related to the transport, use, storage, and disposal of hazardous materials. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

**1.10 HYDROLOGY AND WATER QUALITY**

|  | <b>New Potentially Significant Impact</b> | <b>New Mitigation Required</b> | <b>Reduced Impact</b>    | <b>No New Impact</b>                |
|--|---|--------------------------------|--------------------------|-------------------------------------|
| Would the project:   |   |                                |                          |                                     |
| a. Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?  | <input type="checkbox"/>                  | <input type="checkbox"/>       | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?                                  | <input type="checkbox"/>                  | <input type="checkbox"/>       | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would: | <input type="checkbox"/>                  | <input type="checkbox"/>       | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| i. Result in substantial erosion or siltation on- or off-site;   | <input type="checkbox"/>                  | <input type="checkbox"/>       | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ii. Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite;   | <input type="checkbox"/>                  | <input type="checkbox"/>       | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| iii. Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or                             | <input type="checkbox"/>                  | <input type="checkbox"/>       | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| iv. Impede or redirect flood flows?  | <input type="checkbox"/>                  | <input type="checkbox"/>       | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?  | <input type="checkbox"/>                  | <input type="checkbox"/>       | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e. Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?  | <input type="checkbox"/>                  | <input type="checkbox"/>       | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

**Discussion**

The General Plan EIR determined that the General Plan Update would have a less than significant impact related to hydrology and water quality with compliance with the National Pollutant Discharge Elimination System (NPDES) permit requirements, the Central Coast Regional Water Quality Control Board’s (RWQCB) post-construction permit requirements for stormwater management, the policies included in the General Plan Update, and the Morro Bay Municipal Code.

**Water Quality Standards, Waste Discharge Requirements, Surface or Groundwater Quality, and Erosion**

The project site is largely developed with a commercial building and associated surface parking lot. This area is mostly covered with impervious surfaces, and therefore allowing different uses under a new land use designation on the project site would not alter existing drainage patterns, and would not alter the course of any stream or river. The potential for erosion and sedimentation resulting from ground-disturbing activities associated with new allowable uses on the project site would not be different than any development allowed under the current land use designation.

The project site is not located within a flood hazard zone designated by the Federal Emergency Management Agency (FEMA).<sup>4</sup> Therefore, any future development allowed by the proposed project would not impede or redirect flood flows or risk the release of pollutants as a result of flood conditions.

All future development allowed by the proposed project would be required to comply with the requirements of the NPDES General Permit for Storm Water Discharges from Small MS4s, Order No. 2013-0001-DWQ NPDES No. CAS000004 as amended by order WQ 2015-0133-EXEC, Order WQ 2016-0069-EXEC, WQ order 2017-XXXX-DWQ, order WQ 2018-0001-EXEC, and order WQ 2018-0007-EXEC (MS4 Permit). The MS4 Permit requires that Regulated Projects implement Low Impact Development, source control, site design, and stormwater treatment BMPs. As such, BMPs would be required to be incorporated into project design to capture, treat, and reduce pollutants of concern onsite before stormwater runoff enters the City's system. Required compliance with the MS4 Permit including incorporation of post-construction BMPs to target pollutants of concern, would reduce operation impacts related to waste discharge requirements, water quality standards, degradation of water quality, and erosion to less than significant. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

#### Groundwater Supplies and Recharge, and Sustainable Groundwater Management Plan

The proposed land use designation change would not result in any changes to the existing on-site land use; the project site is and would continue to be connected to existing water infrastructure on the project site and would not require the use of groundwater or require groundwater extraction. Furthermore, because the proposed project would not result in any changes to the existing on-site land uses, it would not interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level. For these reasons, there would be no impacts related to decrease in groundwater supplies or interference with groundwater recharge.

The Sustainable Groundwater Management Act (SGMA) was enacted in September 2014.<sup>5</sup> SGMA requires governments and water agencies of high- and medium-priority basins to halt overdraft of groundwater basins. SGMA requires the formation of local groundwater sustainability agencies (GSAs), which are required to adopt Groundwater Sustainability Plans to manage the sustainability of the groundwater basins. The City has access to and water rights permits for the Morro and Chorro Groundwater Basins.<sup>6</sup> Both basins are identified by the California Department of Water Resources as very low priority; therefore, development of a Groundwater Sustainability Plan is not required. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

<sup>4</sup> Federal Emergency Management Agency. 2017. Map No. 06079C1026H. May 16.

<sup>5</sup> California Department of Water Resources. 2022. SGMA Groundwater Management. Website: [water.ca.gov/Programs/Groundwater-Management/SGMA-Groundwater-Management](http://water.ca.gov/Programs/Groundwater-Management/SGMA-Groundwater-Management) (accessed January 2022).

<sup>6</sup> California Department of Water Resources. 2019. SGMA Basin Prioritization Dashboard. Website: [gis.water.ca.gov/app/bp-dashboard/p2](http://gis.water.ca.gov/app/bp-dashboard/p2) (accessed January 2022).

## Surface Runoff, Flooding, Storm Drain Capacity, and Polluted Runoff

As discussed previously, construction and post-construction BMPs would be required for all future development on the project site to address surface runoff, flooding, storm drain capacity, and to reduce pollutants in stormwater runoff. With implementation of BMPs, impact related to the introduction of additional sources of polluted runoff would be less than significant. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

### Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

### Applicable Policies

#### General Plan Policies

- **Policy C-7.5 New Development and Reuse Projects.** Manage new development and reuse projects and existing land uses to mitigate impacts and/or facilitate improvements to the City's water systems.
- **Policy C-7.13 Drainage Technologies.** Require that new development projects employ innovative and efficient drainage technologies that comply with federal and state water quality requirements and reduce runoff and water quality impacts to downstream environments.
- **Policy C-7.14 Pollutant Runoff.** Reduce pollutants in runoff from agriculture and new development by requiring the use of the most effective best management practices currently available. All runoff shall be filtered and treated to remove expected pollutants prior to being directed to infiltration areas and/or stormwater systems. Where runoff cannot be adequately accommodated onsite through on-site systems, any excess runoff shall be conveyed inland in a nonerosive manner. Also encourage green infrastructure on designated "Green Streets" where stormwater and runoff would be managed, captured and cleansed in public rights-of-way. Main Street should be studied for potential as a Green Street.
- **Policy C-7.15 Water Quality.** To reduce the potential for degradation or impairment of water quality, the City shall continue to investigate and implement new measures to reduce potential pollutants in stormwater and irrigation runoff and require the following:
  - To the maximum extent feasible, development shall include specific measures to help reduce potential pollutants and water quality impairment, including controlling the disposal of chemicals and hazardous materials, controlling the use of pesticides and herbicides, maintaining existing stormwater capture programs, applying low-impact development designs, and requiring on-site retention and/or reuse of runoff. The City shall utilize ecologically responsible pest control methods and integrated pest management to the extent feasible on public property and encourage this practice on private property.

- Drainage plans and erosion, sediment, and pollution control measures shall be required as conditions of approval of every application for new development that has the potential to impair water quality.
- Construction phase stormwater pollutant controls shall be required for development with the potential for water quality impairment, including erosion controls, sediment traps and filtering of off-site stormwater flows, capture of site-generated pollutant sources, street sweeping of dirt tracked off-site, litter control, post-construction monitoring, and other best management practices. Construction-phase water quality impacts shall be avoided by minimizing the disturbed area, phasing grading activities, implementing soil stabilization and pollution prevention measures, and preventing unnecessary soil compaction. Development with the potential for water quality impairment shall, at a minimum, be designed to meet National Pollutant Discharge Elimination System stormwater runoff requirements.
- Additionally, development shall be planned, sited, and designed in a manner that maintains or enhances on-site infiltration, reduces runoff, minimizes the transport of pollutants in runoff generated from the development, and recharges groundwater. Development shall ensure that runoff is appropriately collected, filtered, and treated by best management practices (BMPs) to minimize pollutant loading to the maximum degree feasible.
- **Policy C-7.17 Impervious Surfaces.** Development shall minimize new impervious surfaces, especially impervious areas directly connected to water and marine resources, and, where feasible, increase the area of pervious surfaces in redevelopment to reduce runoff.

## Conclusion

The General Plan EIR adequately evaluated the impacts related to hydrology and water quality for the proposed project. Future development facilitated by the proposed project would be required to comply with NPDES permit requirements, the Central Coast RWQCB post-construction permit requirements for stormwater management, the policies included in the General Plan Update, and the Morro Bay Municipal Code. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.



## 1.11 LAND USE AND PLANNING

|  | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|--|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Would the project:   |                                    |                          |                          |                                     |
| a. Physically divide an established community?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect? | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Discussion

#### Divide an Established Community

The General Plan EIR determined that impacts related to the physical division of a community would be less than significant, as the General Plan Update would include policies to improve connectivity within the city. Projects that have the potential to physically divide an established community include projects such as new freeways and highways, major arterials, streets, and railroad lines. The proposed project would result in changes to land use designations on the project site. Future development is not anticipated to result in the alteration of existing roadways adjacent to the site or other conditions which could physically divide an established community. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

#### Conformance with Land Use Plans

According to CEQA, policy conflicts do not, in and of themselves, constitute a significant environmental impact. Policy conflicts are considered to be environmental impacts only when they would result in direct physical impacts or where those conflicts relate to avoiding or mitigating environmental impacts. As such, associated physical environmental impacts are discussed in this Initial Study under specific topical sections. The project’s conformance with applicable General Plan and zoning requirements are discussed in this land use section and is also discussed under specific topical sections.

As described in Attachment A, Project Description, the proposed project would consist of changing the General Plan land use designation on the project site from District Commercial to Community Commercial. Future development allowed by the proposed project would allow for community-oriented uses including retail stores, restaurants, professional and medical offices, and personal services with a maximum floor area ratio (FAR) of 1.25. In addition, the Community Commercial land use designation allows for residential uses both above and behind commercial uses at a density of 15.1 to 27 dwelling units per acre.<sup>7</sup>

The project site is located within the Community Commercial (CC) zoning district, which allows residential uses above and behind commercial uses and as stand-alone development in certain

<sup>7</sup> Morro Bay, City of. 2021. *Plan Morro Bay*. May 25.

areas. The CC zoning district allows a maximum FAR of 1.25 and a density of 15.1 to 27 dwelling units per acre.<sup>8</sup> The CC zoning district allows buildings up to 30 feet in height and requires buildings to be built within 10 feet of street-facing property, with no minimum setbacks, when it is not adjacent to a residential use. Therefore, implementation of the proposed project would be consistent with the FAR and density allowed in the CC zoning district.

Future development allowed by the proposed project would be required to undergo site-specific review pursuant to CEQA, which would ensure that future projects would not result in conflicts with the General Plan that would result in environmental impacts. Therefore, because the proposed project would be required to comply with all of these development standards, and because future development would require site-specific CEQA review, there would be no new or more severe impacts related to land use plans beyond those previously identified in the General Plan EIR.

### Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

### Conclusion

The General Plan EIR adequately evaluated the impacts related to land use and planning. The proposed project would not result in the removal or modification of any public rights-of-way in the vicinity of the project site and future development allowed by the proposed project would be required to comply with the development standards in the General Plan and Zoning Ordinance. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

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<sup>8</sup> Morro Bay, City of. 2021. *City of Morro Bay Zoning Code/Implementation Plan*. December.

## 1.12 MINERAL RESOURCES

|   | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|---|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Would the project:  |                                    |                          |                          |                                     |
| a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?                                | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Discussion

The General Plan EIR determined that there are no existing mineral extraction operations within the city. The project site does not contain any known mineral resources and is not used as a mineral resource recovery site. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

### Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

### Conclusion

The General Plan EIR adequately evaluated the impacts to mineral resources. The project site is not located in an area where mineral resources are known to occur. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

### 1.13 NOISE

|   | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|---|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Would the project result in:  |                                    |                          |                          |                                     |
| a. Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Generation of excessive groundborne vibration or groundborne noise levels?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within 2 miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

#### Discussion

The General Plan EIR determined that implementation of General Plan policies related to noise control and reduction would reduce noise and avoid generation of excessive noise and vibration and that noise-sensitive uses would not be exposed to aircraft noise.

#### Ambient Noise Levels and Vibration

Future development on the project site that includes any construction activities would be required to comply with Section 9.28.030 of the Morro Bay Municipal Code which restricts the timing of construction activities authorized by a City permit to the hours of 7:00 a.m. to 7:00 p.m. Monday through Friday and 8:00 a.m. to 7:00 p.m. on weekends and holidays. In addition, as required by Policy NOI-3.5, if vibratory rollers are required for construction of a future project they would not be used near vibration-sensitive receptors.

As described in Attachment A, Project Description, implementation of the proposed project would allow commercial and residential uses on the project site at a higher density than what is currently allowed. Redevelopment of the project site could result in increased vehicle trips on roadways near the project site, which could expose noise-sensitive land uses to incremental increases in traffic noise. Future development on the project site would be required to comply with General Plan Policies NOI-1.1 through NOI-1.4, described below, which would provide for compliance with Noise standards and enforcement of the City’s stationary noise standards. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

#### Airport Noise

As described in Section 1.9, Hazards and Hazardous Materials, the closest airport to the project site is the San Luis Obispo County Regional Airport located approximately 17.5 miles southeast the project site and, as noted above, is not within an airport land use plan or associated safety zone.

Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

### Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

### Applicable Policies

#### General Plan Policies

- **Policy NOI-1.3 Noise-Reducing Project Features.** Incorporate design and construction features into residential and mixed-use projects that shield noise-sensitive land uses from excessive noise.
- **Policy NOI-1.4 Acoustical Studies.** Require an acoustical study for proposed projects in areas where existing or projected noise levels exceed or would exceed the maximum allowable levels established in this element. Adopt procedures to ensure project compliance with mitigation measures and enforcement of noise standards.
- **Policy NOI-2.1 Transportation Noise Standards.** Mitigate noise created by any existing or new transportation noise source so that it does not exceed the exterior or interior sound levels specified in this element. Routes for use by heavy trucks will be located away from noise-sensitive land uses when feasible.
- **Policy NOI-2.3 Project Design Techniques.** Prioritize use of site planning and project design techniques to mitigate excessive noise. The use of noise barriers shall be considered a means of achieving the noise standards only after all other practical design-related noise mitigation measures have been integrated into the project.
- **Policy NOI-3.1 Source Reduction.** Reduce construction, maintenance, and nuisance noise at the source as the first and preferred strategy to reduce noise conflicts.
- **Policy NOI-3.3 Construction Shielding.** Encourage shielding for construction activities to reduce noise levels and protect adjacent noise-sensitive land uses.
- **Policy NOI-3.4 Construction Hours.** Limit allowable hours for construction activities and maintenance operations located adjacent to noise-sensitive land uses.
- **Policy NOI-3.5 Vibration Control.** Control construction vibration by avoiding the use of vibratory rollers near vibration-sensitive receptors and scheduling construction activities with the highest potential to produce vibration to hours with the least potential to affect sensitive land uses.
- **Policy NOI-3.6 Construction Vibration Notification.** Developers shall notify neighbors of scheduled construction activities that would generate vibration.

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## Conclusion

The General Plan EIR adequately evaluated the impacts related to noise. Future development allowed by the proposed project would be required to comply with existing General Plan policies related to noise, including those listed above, which would ensure that construction- and operational-period noise would remain less than significant. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

### 1.14 POPULATION AND HOUSING

|   | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|---|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Would the project:  |                                    |                          |                          |                                     |
| a. Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

#### Discussion

The General Plan EIR found that buildout of the General Plan Update would result in an increase in total population from 10,714 to 12,062 (1,348 new residents) and an increase in residential units from 6,414 to 7,295 (881 new residential units) by 2040. The San Luis Obispo Council of Governments (SLOCOG) regional growth forecast projections anticipate an increase in total population from 10,714 to 12,092 (1,378 new residents) and an increase in residential units from 4,988 to 5,660 (678 new residential units).<sup>9</sup> Both projections are equivalent to an average annual population growth of approximately 0.5 percent through the year 2040. Additionally, any growth in the city must be consistent with Measure F, which limits the city population to 12,200 residents.

As described in Attachment A, Project Description, residential uses would be allowed on the project site as a result of implementation of the proposed project. Based on the size of the project site, between 5 to 9 residential units would be allowed on the project site under the Community Commercial land use designation. Based on the existing population and residential units within the city, the average household includes 2.15 persons.<sup>10</sup> Therefore, the proposed project could introduce up to 19 more residents than were considered by the General Plan EIR if the project site were built out to the maximum density possible. However, even with this increase, buildout of the General Plan Update would still be below SLOCOG’s regional growth projects and less than 12,200. Therefore, implementation of the proposed project would be consistent with local and regional growth projections and would not cause the City’s projected population growth to exceed allowable limits.

The project site does not currently contain any residential uses, and therefore future on-site development would not necessitate the construction of replacement housing elsewhere. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

<sup>9</sup> The SLOCOG 2040 Housing Unit Projections are based on occupied units, and therefore is lower than the City’s projected residential units as it included both occupied and unoccupied units.

<sup>10</sup>  $10,714 / 4,988 = 2.15$

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### Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

### Conclusion

The General Plan EIR adequately evaluated the potential population and housing impacts for the proposed project. The proposed project would result in an increase in the amount of residential units that would be allowed on the project site, but this increase would be consistent with local and regional growth projections, and would not result in the demolition of any existing residential units. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.



### 1.15 PUBLIC SERVICES

|   | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|---|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Would the project:  |                                    |                          |                          |                                     |
| a. Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: |                                    |                          |                          |                                     |
| i. Fire protection?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ii. Police protection?  | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| iii. Schools?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| iv. Parks?  | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| v. Other public facilities?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Discussion

The General Plan EIR determined that potential impacts associated with public services would be less than significant with no mitigation required. Potential uses that would be allowed under the proposed project could introduce new or increase needs for public services, as discussed below.

Compliance with existing City ordinances and policies would ensure the allowable uses under this proposed project would not increase demand for public services. As noted below, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

**Fire and Police Protection.** Fire protection at the project site is provided by the Morro Bay Fire Department (MBFD), and police protection services are provided by the Morro Bay Police Department (MBPD). As described in Section 1.14, Population and Housing, implementation of the proposed project could result in an increase in population beyond what was considered by the General Plan EIR. However, this increase would be minimal (19 persons) and would be consistent with SLOCOG’s regional growth projects and would not increase the citywide population above the limit set by Measure F (12,200). In addition, the project site is currently developed with commercial uses and served by MBFD and MBPD. Finally, all future development would be required to comply with General Plan Policy PS-2.6, described below, which would ensure all applicable fire safety standards are met. Therefore, it is not anticipated that fire and police service ratios or response times would be substantially increased such that new or physically altered facilities would be required to maintain performance objectives and, the proposed project would not result in any new or more severe impacts.

**Schools.** The General Plan EIR determined that development facilitated by the General Plan Update would result in an increase of 184 elementary age students and 82 high school age students to Del Mar Elementary and Morro Bay High School, respectively, based on the San Luis Coastal Unified

School District's (SLCUSD) student yield rates of 0.209 for grades K through 6, and 0.093 for grades 9 through 12. The General Plan EIR determined that the coastal areas of the SLCUSD has capacity for an additional 480 students.

Based on the SLCUSD's student yield rates, full buildout of the project site (i.e., 9 residential units) would result in two additional students at Del Mar Elementary School and one additional student at Morro Bay High School. Therefore, there would be adequate school capacity to serve future development allowed by the proposed project. Additionally, future development would be required to pay City-required public facilities impact fees to offset the impact of developments on public services and facilities. Therefore, the proposed project would not result in any new or more severe impacts related to schools beyond those that were identified in the General Plan EIR.

**Parks and Other Public Facilities.** As noted above, the uses that would be allowed under the proposed project could facilitate new development and would allow new residential uses on the project site, but the increase in population would be minimal and consistent with SLOCOG's regional growth projections and the limit set by Measure F. Therefore, the proposed project would not result in any new or more severe impacts related to parks or other public facilities in the area beyond those that were identified in the General Plan EIR.

### Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

### Applicable Policies

#### General Plan Policies

- **Policy PS-2.6 Additional Fire Protection Standards for All Development.** In addition to other hazard requirements that may apply, the following fire protection standards apply to all development:
  - **New Development and Fire Safety.** New development shall meet all applicable fire safety standards and shall be sited and designed to minimize fuel modification and brush clearance to the maximum feasible extent, and to avoid such activities within ESHA and ESHA buffers on-site and on neighboring property, as well as parkland. All such requirements shall be applied as conditions of approval applicable for the life of the development.
  - **Existing Development and Fire Safety.** Removal of major vegetation adjacent to existing development for fire safety purposes shall only be allowed upon a finding that fuel modification and brush clearance techniques are required in accordance with applicable fire safety regulations and are being carried out in a manner which reduces coastal resource impacts to the maximum feasible extent. In addition to the foregoing requirements, removal of ESHA, or removal of materials in an ESHA buffer, shall only be allowed for fire safety purposes: if it is not already prohibited by coastal permit conditions; if there are no other

feasible alternatives for achieving compliance with required fire safety regulations; and if all ESHA and related impacts are mitigated in a manner that leads to no net loss of ESHA resource value.

### Conclusion

The General Plan EIR adequately evaluated the potential public services impacts for the proposed project. The proposed project would not result in a substantial increase in population that was not already planned for or substantially increase the need for public services such that new or physically altered facilities would be required. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

## 1.16 RECREATION

|  | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|--|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| a. Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?                        | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Discussion

The General Plan EIR found that new Open Space/Recreational land use designated areas, in combination with Quimby Act in-lieu fees intended to provide additional open space and parkland, would allow the City to meet the parkland ratio included in the General Plan Update as Open Space Element Policy 1.1. Therefore, the General Plan EIR determined that the General Plan Update would contribute to the need for new or expanded park or recreation facilities, but would also provide the policy framework and physical opportunities to provide expanded park or recreational facilities, and found this impact to be less than significant.

As shown in Table C in Attachment A, Project Description, the land uses that would be allowed under the proposed project would increase the population, as residential uses would be allowed on the project site. However, the maximum number of residential units that could be constructed on the project site would be nine, resulting in a maximum population increase of approximately 19 persons. This population increase would be minimal compared to the existing and planned population within the city, and would not result in the accelerated physical deterioration of recreational facilities or require new recreational facilities to be constructed. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

### Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

### Conclusion

The General Plan EIR adequately evaluated the potential recreation impacts for the proposed project. Future development allowed by the proposed project would not result in a substantial increase in population. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

## 1.17 TRANSPORTATION

|  | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|--|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Would the project:   |                                    |                          |                          |                                     |
| a. Conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?          | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Conflict or be inconsistent with CEQA Guidelines §15064.3, subdivision (b)?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Result in inadequate emergency access?  | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Discussion

The General Plan EIR determined that the General Plan Update would have a less than significant impact related to programs and plans addressing the circulation system, design hazards, and emergency access. However, the General Plan EIR did identify a significant and unavoidable impact related to VMT, as buildout of the General Plan Update would result in increased service population VMT and no feasible mitigation is available that would fully address the anticipated increase.

#### Conflict with an Applicable Plan, Ordinance, or Policy

As described in Attachment A, Project Description, implementation of the proposed project would allow a mix of uses to be developed on the project site, where only commercial uses are currently allowed. Therefore, by allowing for a mix of development, the proposed project would be consistent with General Plan Policy CIR-2.1, which supports mixed-use development within existing areas so as to facilitate easy active transportation and transit use.

Additionally, as also described in Attachment A, future uses within the project site would be contingent upon issuance of a use permit and would be subject to CEQA. As a part of the CEQA process, transportation studies would be prepared for individual projects, where they are determined to be necessary, to determine impacts to transportation and circulation resulting from future projects. If any potential impacts are identified, mitigation measures would be required to ensure these impacts would be reduced to a less than significant level. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

#### CEQA Guidelines §15064.3

Effective December 28, 2018, the CEQA Guidelines were updated and require the evaluation of VMT as the criteria for analyzing transportation impacts for land use projects. As noted in CEQA Guidelines Section 15064.3(c), the provisions of CEQA Guidelines Section 15064.3 shall apply prospectively as described in CEQA Guidelines Section 15007. The provisions of CEQA Guidelines Section 15064.3 began applying statewide on July 1, 2020.

The City has not yet adopted significance thresholds for evaluating potential VMT impacts. In the absence of a locally-adopted threshold, the Governor's Office of Planning and Research published a technical advisory that includes recommendations for analyzing VMT.<sup>11</sup> The technical advisory includes a number of screening thresholds for land use projects, including small projects, map-based screening for residential and office projects, and affordable housing projects.

Based on the maximum allowable development described in Attachment A, Project Description, future development may meet one or more of the screening criteria above, and therefore may be assumed to have a less-than-significant impact related to VMT. However, this determination would be made during site-specific environmental review pursuant to CEQA as individual development projects are proposed. If it is determined that a future project does not meet any of the screening criteria listed above, and therefore would have the potential to result in a significant transportation impact, a VMT analysis would be required. Consistent with Policies CIR-3.2 and CIR-3.3, future development on the project site would require mitigation to reduce VMT where potential environmental impacts are identified to ensure these impacts are reduced to a less-than-significant level. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

#### Design Feature Hazards and Emergency Access

The proposed project would not result in any changes to the existing uses on the project site, or the vehicular access to them. As described in Attachment A, future development on the project site would likely be contingent upon the issuance of a use permit, which would require a review of the design features and emergency access to ensure these impacts would be less than significant.

#### Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

#### Applicable Policies

##### General Plan Policies

- **Policy CIR-2.1 Compact Development.** Support mixed-use, compact-style, and other land use development patterns within existing developed areas so as to facilitate easy active transportation and transit use.
- **Policy CIR-3.2: VMT Thresholds.** Achieve State-mandated reductions in VMT by establishing and adopting a VMT standard.
- **Policy CIR-3.3: Updating Guidelines.** Regularly update guidelines for transportation impact analyses to ensure consistency with established metrics and standards.

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<sup>11</sup> California, State of. 2018. Governor's Office of Planning and Research. *Technical Advisory on Evaluating Transportation Impacts in CEQA*. December.

## Conclusion

The General Plan EIR adequately evaluated the potential transportation impacts for the proposed project. Future development allowed by the proposed project would be consistent with General Plan Policy CIR-2.1. Additionally, a VMT analysis and transportation study would be required for future development allowed by the proposed project that does not meet the City's established screening criteria. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

## 1.18 TRIBAL CULTURAL RESOURCES

|  | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|--|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Would the project:   |                                    |                          |                          |                                     |
| a. Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:   |                                    |                          |                          |                                     |
| i. Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code Section 5020.1(k)? Or   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ii. A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1? In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe. | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Discussion

The General Plan EIR determined that implementation of Mitigation Measures CR-1(a) and CR-1(b) and General Plan Policies C-2.1, C-2.2, C-2.3, and C-2.4 would ensure that potential impacts related to tribal cultural resources would be less than significant.

There are no known tribal cultural resources, as defined by Public Resources Code Sections 5020.1(k) and 5024.1, located within or in the immediate vicinity of the site. As noted in Section 1.5, Cultural Resources, the proposed project would not result in any new or more severe impacts related to cultural resources, and this impact would be less than significant. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

### Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.



## Conclusion

The General Plan EIR adequately evaluated the potential tribal cultural resources impacts for the proposed project. There are no known tribal cultural resources located within or in the immediate vicinity of the project site. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

## 1.19 UTILITIES AND SERVICE SYSTEMS

|   | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|---|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Would the project:  |                                    |                          |                          |                                     |
| a. Require or result in the relocation or construction of new or expanded water, wastewater treatment or stormwater drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects? | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e. Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?  | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Discussion

The General Plan EIR determined that buildout of the General Plan Update would be consistent with the OneWater Morro Bay Plan, which outlines the availability of water supplies for the city through 2050 for a population of 12,200, and would not require any additional entitlements or water supplies. Additionally, implementation of the OneWater Morro Bay Plan and completion of the new Water Reclamation Facility (WRF), which is designed to meet the needs and future demand associated with General Plan buildout based on a population of 12,200, would ensure adequate wastewater systems and infrastructure to meet future demands. Finally, the General Plan EIR found that Cold Canyon Landfill has adequate capacity to accommodate buildout of the General Plan Update.

### Water, Wastewater, Stormwater, Solid Waste Services, and Energy

As described in Attachment A, the project site is currently developed and contains water, wastewater, stormwater, and energy infrastructure. Therefore, any future development allowed by the proposed project would connect to the existing utilities in the vicinity of the project site, and would not require the expansion or relocation of existing utilities.

New uses on the project site may result in additional demand for water supply. As noted above, the General Plan EIR found that sufficient water supplies would be available through implementation of the OneWater Morro Bay Plan, which assumes a maximum population of 12,200. As described in Section 1.14, Population and Housing, development facilitated by the proposed project could result in an increase in population beyond that which was analyzed in the General Plan EIR. However, this increase would be minimal (a maximum of 19 persons) and would result in the citywide population

exceeding 12,200 by 2040. Similarly, the new WRF is design have capacity for a population of 12,200. Therefore, sufficient water and wastewater capacity would be available for future development facilitated by the proposed project.

Potential uses that would be allowed under the proposed general plan amendment may nominally increase wastewater generation at the site but are not expected to generate surface runoff that could not be accommodated by existing stormwater drainage facilities. Additionally, potential new solid waste generated by new uses would be accommodated by existing solid waste disposal facilities and the nominal increase in energy demand would be accommodated by existing infrastructure and suppliers, as noted in the General Plan EIR.

Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

### Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

### Applicable Policies

#### General Plan Policies

- **Policy C-7.4 Sustainable Water Supply and Wastewater Capacity.** Development shall only be approved if it is first clearly demonstrated that the development will be served by an adequate existing water allocation and sustainable long-term public water supply, as well as adequate wastewater capacity. Consistency with Housing Element Program H-1.1 shall be maintained to prioritize allocation of water to projects containing affordable housing on existing legal lots of record. In addition, priority shall be given to Coastal Act priority uses.
- **Policy C-7.5 New Development and Reuse Projects.** Manage new development and reuse projects and existing land uses to mitigate impacts and/or facilitate improvements to the City's water systems.
- **Policy C-7.7 Water Conservation Features.** New development shall incorporate and utilize feasible and innovative water conservation features. Minimize economic hardship on existing residents and businesses.

### Conclusion

The General Plan EIR adequately evaluated the potential utilities impacts for the proposed project. The General Plan EIR determined that adequate utility capacity and supply would be available for future development allowed by the proposed project. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

## 1.20 WILDFIRE

|  | New Potentially Significant Impact | New Mitigation Required  | Reduced Impact           | No New Impact                       |
|--|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:   |                                    |                          |                          |                                     |
| a. Substantially impair an adopted emergency response plan or emergency evacuation plan?   | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?  | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment? | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?  | <input type="checkbox"/>           | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Discussion

The General Plan EIR determined that the entire planning area is within a Local Responsibility Area (LRA) wherein the City has responsibility for fire protection. In addition, the majority of the developed portion of the city, including the project site, is located outside of a mapped fire hazard severity zone. The General Plan EIR determined that any new development located in a very high fire hazard zone in an LRA would be required to comply with the standards in California Government Code Section 51182 to minimize fire risk.

The project site is not located within a State Responsibility Area for fire service<sup>12</sup> and is not located within a very high fire hazard zone. Therefore, the proposed project would have no impact related to wildfire. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

### Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe impacts, and no new mitigation measures are required.

### Conclusion

The General Plan EIR adequately evaluated the wildfire impacts of the proposed project. The project site is not located in within an SRA and is not located within a very high fire hazard severity zone.

<sup>12</sup> California, State of. 2022. Office of the State Fire Marshal. FHSZ Viewer. Available online at: <https://egis.fire.ca.gov/FHSZ/> (accessed January 2022).

Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

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## 2.0 LIST OF PREPARERS

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# City Council

## **PUBLIC HEARING TO CONSIDER A LAND USE AMENDMENT FOR THE PROPERTY LOCATED AT 1260 MAIN STREET**

**JUNE 14, 2022**



**MORRO BAY**  
PUT LIFE ON COAST

# The Request

An amendment to the Land use map in the General Plan/Local Coastal Program, adopted in 2021 requesting a change from District Commercial to Community Commercial



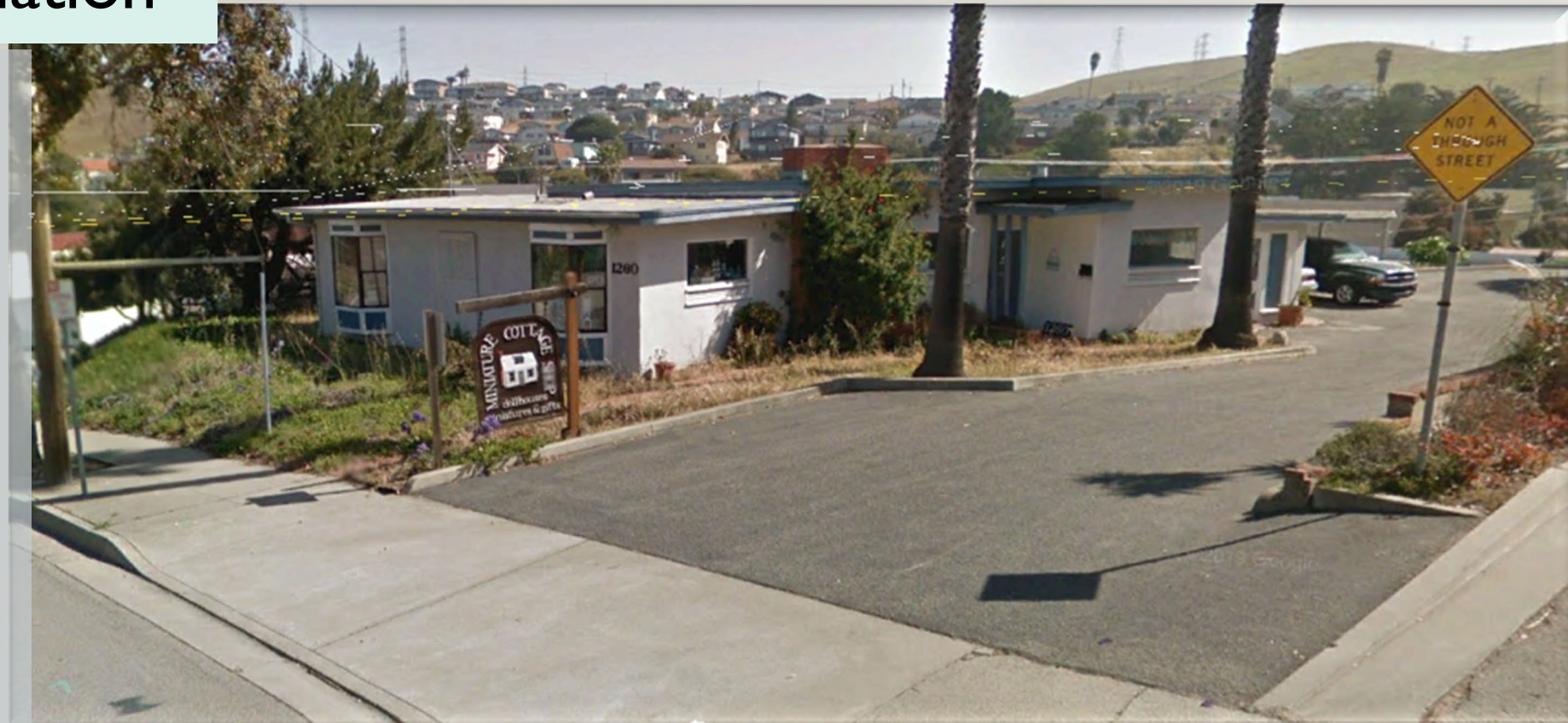
**Preferred General Plan Land Use**

- Low Density Residential
- Moderate Density Residential
- Medium Density Residential
- High Density Residential
- Neighborhood Commercial
- Community Commercial**
- District Commercial**
- Visitor Serving Commercial
- Waterfront Commercial/Industrial
- General (Light) Industrial
- Coastal Dependent Industrial
- Commercial / Recreational Fishing
- Harbor / Navigational Ways
- Open Space / Recreation
- Mixed Use
- Agriculture
- Public/Institutional
- Mixed-Use Residential Overlay



# Historic Site Information

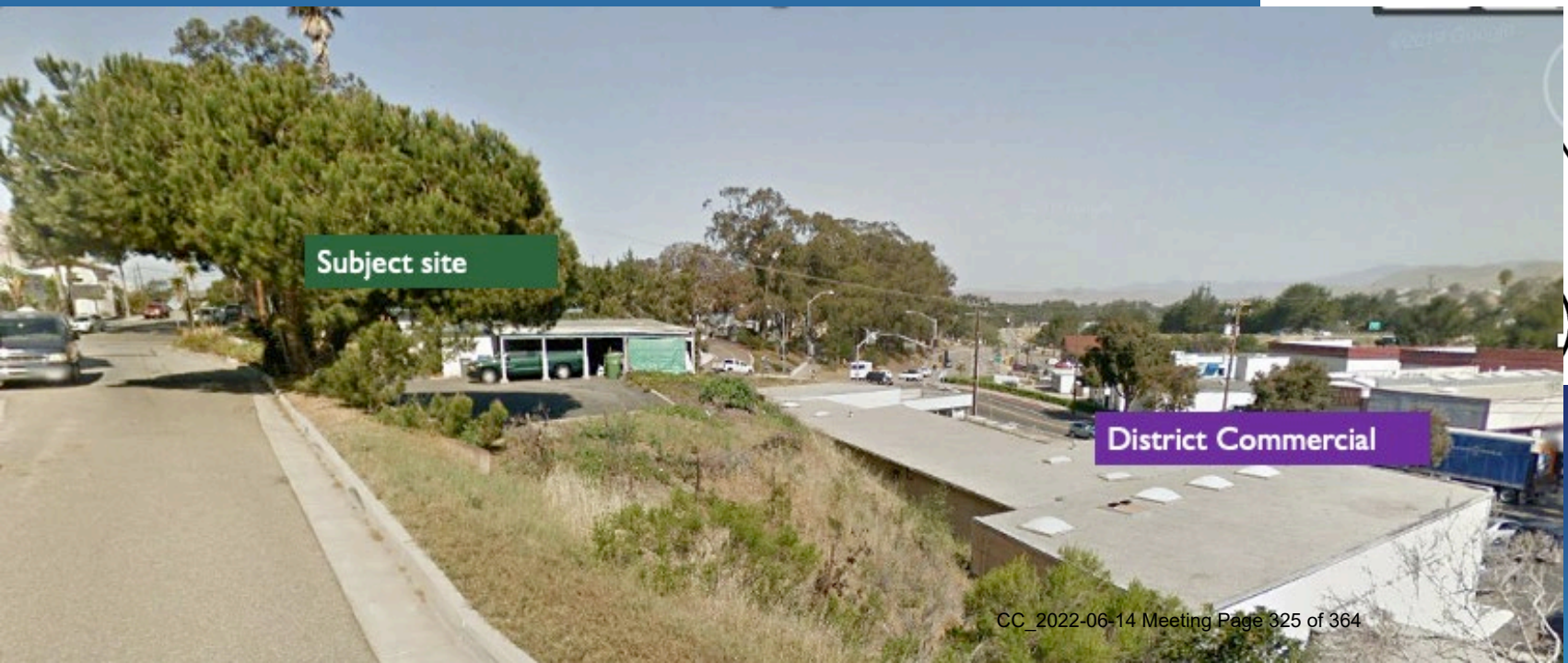
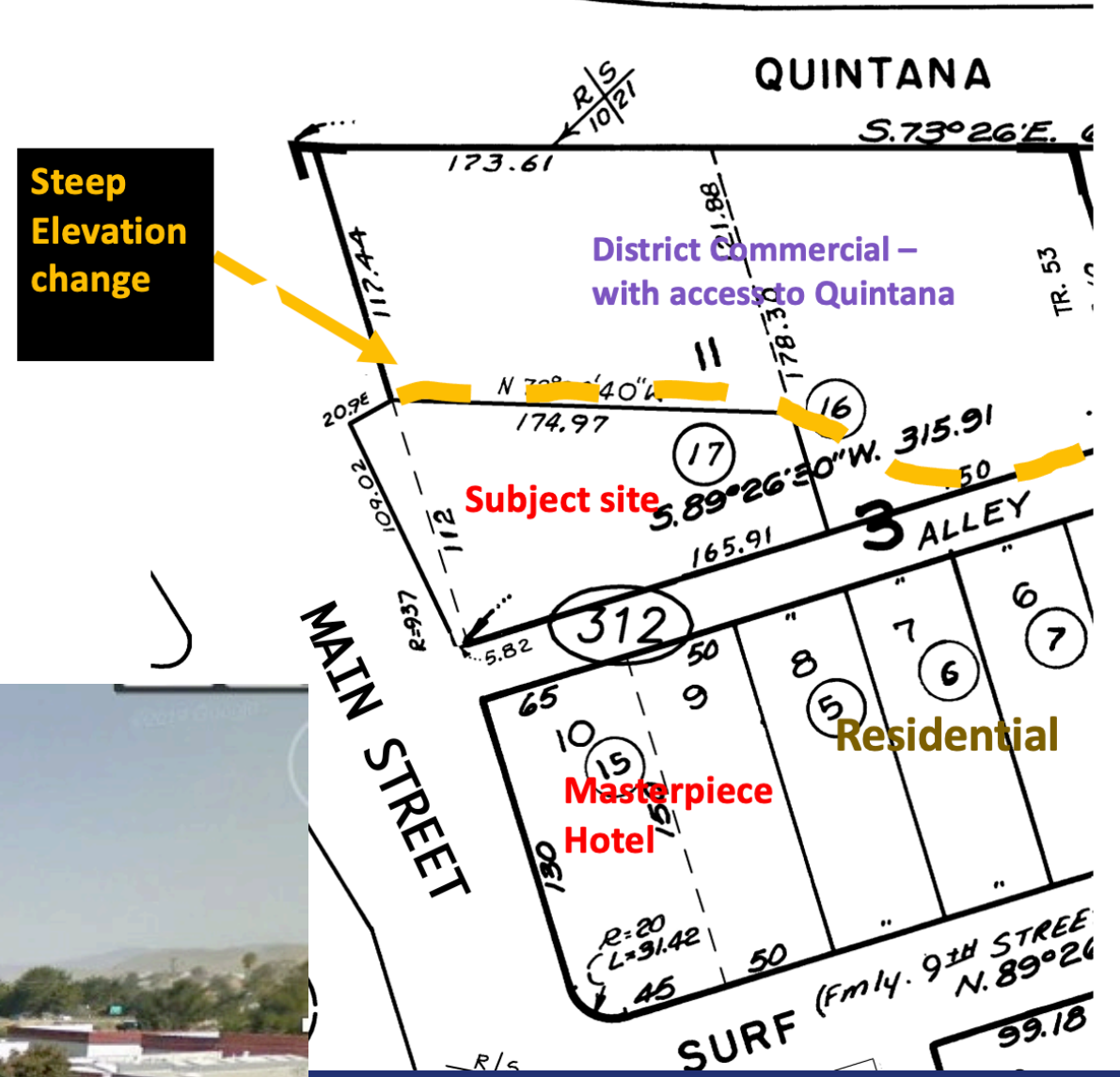
- The site is 14,810 sf and is wedge shaped, with access from Main Street
- The SLO County records show the 1,409 sf building dates back to 1952
- The prior use was a miniature and collectable items retail store.



**MORRO BAY**  
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# Parcel Information

Steep  
Elevation  
change



Subject site

District Commercial



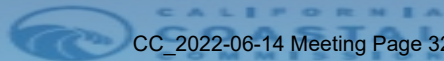
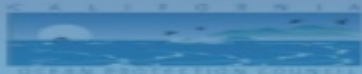
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# The Process

## 1. Land use map amendments require:

- An environmental review – the 2021 EIR addendum was prepared and resulted a finding of no significant environmental impacts;
- A public hearing by Planning Commission (forwarding a recommendation to CC);
- A public hearing (with decision) by City Council
- Review and certification by California Coastal Commission (limited to three amendment requests per year)

PREPARED WITH THE SUPPORT OF



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**MORRO BAY**  
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# Benefits of Community Commercial



Connectivity with Community Commercial:  
Same elevation, access from Main Street, walkable to  
shops/restaurants/beach access, not in heavy truck traffic  
area.

# Current Land Use



District Commercial

1260 Main St

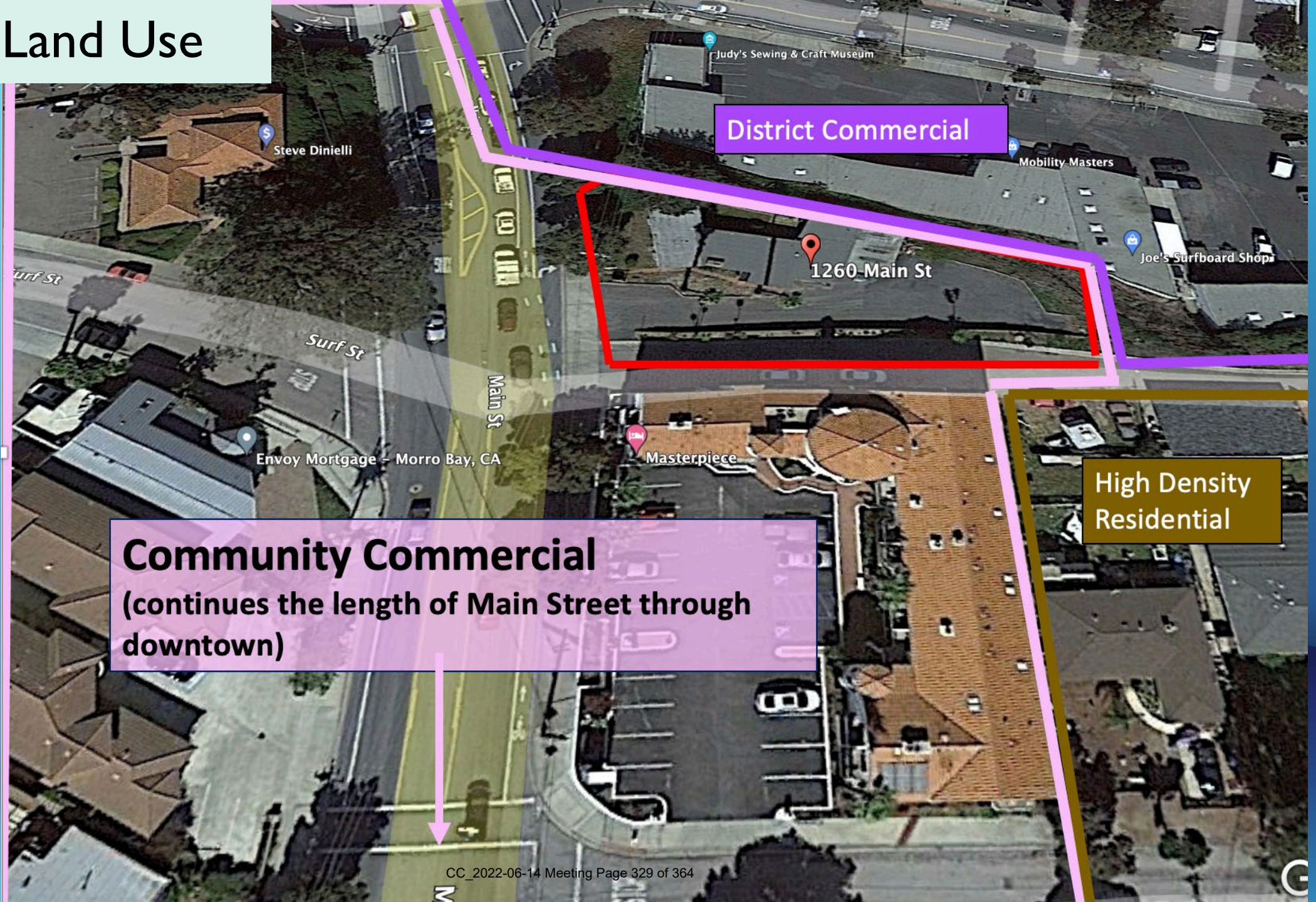
**Community Commercial**  
(continues the length of Main Street through downtown)

High Density Residential





# Proposed Land Use



District Commercial

1260 Main St

High Density Residential

**Community Commercial**  
(continues the length of Main Street through downtown)



Staff recommends that the City Council approve the land use amendment request by adopting Resolution 47-22 which includes findings for MAJ21-006



**MORRO BAY**  
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AGENDA NO: C-1

MEETING DATE: June 14, 2022

# Staff Report

TO: Honorable Mayor and City Council

DATE: June 8, 2022

FROM: Chief Jody Cox

SUBJECT: Preparedness/Operational Readiness related to Morro Bay Police Department (MBPD) response to Critical Incidents (including Active Shooter)

## RECOMMENDATION

Receive and discuss the update on operational readiness, with no action requested at present time.

## ALTERNATIVES

None

## FISCAL IMPACT

No additional financial impacts at this time.

## BACKGROUND

Considering recent critical incidents/active shooter situations that have occurred across the country and throughout San Luis Obispo County over the past couple years, Council has requested an update to examine the operational readiness of our police agency. Morro Bay Police Department continues to maintain exceptionally high standards for training to ensure all staff is equipped and prepared to respond immediately to any critical incident, including those classified as Active Shooter situations. The Morro Bay Police Department also maintains excellent resource and partner connections with all surrounding Law Enforcement agencies within SLO County for Mutual Aid and AOA (Assist other Agency) response.

## DISCUSSION

### **City of Morro Bay Readiness**

Morro Bay Police Department has faced several challenges in maintaining full staffing with recent retirements and resignations which have been noted in law enforcement agencies across the country. One component of operational readiness is to maintain adequate staffing of highly skilled and qualified personnel to respond to any critical incident, at any time. The Morro Bay Police Department continues to seek out the most qualified and capable peace officers to join our public safety team to meet our department mission of providing the highest level of police services in partnership with our community.

Prepared By:    JC   

Dept Review:           

City Manager Review:           

City Attorney Review:   CFN

Part of our commitment is to provide the highest levels of training available in the law enforcement profession, and to provide the best possible equipment to keep our officers and our community safe.

As an example, our four current Sergeants (patrol supervisors) have all attended at least three High Risk/Critical Incident training courses in the past few years with two of those four Sergeants attending four separate courses as they are department instructors and Range Masters. In addition to our supervisory staff, five of our current patrol officers have attended at least one specialized training course related to this topic in the past year. Three of our newer officers are either scheduled or on waiting lists to attend these specialized courses as they become available.

These courses are directly related to Critical Incident/Active Shooter Response and do not include the myriad of additional training courses MBPD officers take each year related to other law enforcement activities.

The objective of consistent, ongoing training is to enhance the level of service to the public, increase the technical expertise and overall effectiveness of our personnel and to provide for the continued professional development of personnel. Our training continues to exceed the Commission of Peace Officer Standards and Training (POST) requirements and incorporates the highest industry standards available for law enforcement training.

As an example, over the past 18 months, Morro Bay Police Department officers have averaged approximately 150+ hours of specialized training. This includes courses such as:

- Critical Incident Response (Patrol and Supervisor courses)
- Active Shooter Response
- Threat Assessment/De-Escalation
- Rapid Deployment
- Crisis Intervention and
- other investigative and job specific courses

Morro Bay PD and Fire staff coordinate on training and critical response coordination as well.

In addition to providing the highest levels of training, we have invested in the equipment and resources to allow our officers to train and respond immediately to these types of threats. With Council support we have outfitted every officer with an Active Shooter Response kit (which we will demonstrate for you in a short video). We have also invested in a weapon simulations system (which is an indoor range training system), and a remote-controlled robotic shooting system that allows us to train with the dynamics of a moving target as may be experienced in these fluid and mobile type of critical incidents. We have also updated and/or replaced our patrol rifles and shotguns to ensure operational readiness.

\*Video clip

All Morro Bay Police Department officers are also required to know and understand our policies related to these specific types of threats and/or events. These policies include Rapid Response and Deployment, Use of Force and Gun Violence Restraining Orders, all of which can be found publicly on our department webpage with our entire policy manual.

## **“Red Flag” Laws**

The MBPD has also received requests for information related to preventing critical incidents before they occur by utilizing “Red Flag Laws” and understanding how they work. This process is known as Gun Violence Restraining Orders and is outlined in MBPD Policy #342.

Simply put, California enacted the first of what is commonly referred to as a “Red Flag Law” in 2014 and it was expanded in January 2020 under Assembly Bill 61 and Penal Code sections 18100-18120. The original version of this law allowed law enforcement and close family members to petition the court for a restraining order to remove firearms from the possession of someone who would be considered a threat to themselves or someone else.

The current law expanded this process to include employers, co-workers and teachers, to also seek to be able to remove firearms from someone who may be considered dangerous or a possible threat. It is important to note the law only allows these people to petition the court for the removal of firearms, and any order to remove the firearms must be approved by the judicial process in court. The petition must be able to identify and articulate the threat.

This process is known as the Gun Violence Restraining Order. Law Enforcement cannot arbitrarily respond to someone’s house and automatically remove a firearm simply on the basis of someone alleges they may possibly be dangerous. However, if the court does issue a Gun Violence Restraining Order, Law Enforcement will work to enforce that order and remove the identified firearms. This process can be viewed in our department policy #342 online.

## **City – Schools Coordination**

Lastly, the City of Morro Bay and the San Luis Coastal Unified School District have an agreement whereby the school district covers the personnel expenses of a police officer position to serve as a dedicated School Resource Officer (SRO) position. The individual in the SRO position maintains weekly coordination with school officials on safety concerns. School District representative(s) plan to attend the June 14, 2022 Council meeting to provide a brief presentation of their readiness for critical incidents and plans to further secure their facilities.

## **CONCLUSION**

In closing, we want our community to know that we take great pride in being well trained, well equipped and prepared to face any circumstance or emergency that may arise. We work closely with our school district staff to ensure our SRO is well equipped, trained and prepared to respond to any emergency at one of our local schools.

Any emergency situation will have its share of challenges and may require that split-second decisions are made in a very fluid and rapidly evolving incident. The men and women of this agency understand the risks we may face and are committed to making sure this community is safe.

While we always work to prevent crime from occurring, we will always be ready to respond with a moment’s notice to protect the citizens and visitors of this community.

## **ATTACHMENTS**

1. Video clip- Active Shooter Kits/Deployment - [Link](#)
2. MBPD Policy #412 Rapid Response and Deployment
3. MBPD Policy #342 Gun Violence Restraining Orders

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## Rapid Response and Deployment

### 412.1 PURPOSE AND SCOPE

Violence that is committed in schools, workplaces and other locations by individuals or a group of individuals who are determined to target and kill persons and to create mass casualties presents a difficult situation for law enforcement. The purpose of this policy is to identify guidelines and factors that will assist responding officers in situations that call for rapid response and deployment.

### 412.2 POLICY

The Morro Bay Police Department will endeavor to plan for rapid response to crisis situations, and to coordinate response planning with other emergency services as well as with those that are responsible for operating sites that may be the target of a critical incident.

Nothing in this policy shall preclude the use of reasonable force, deadly or otherwise, by members of the Department in protecting themselves or others from death or serious injury.

### 412.3 FIRST RESPONSE

If there is a reasonable belief that acts or threats by a suspect are placing lives in imminent danger, first responding officers should consider reasonable options to reduce, prevent or eliminate the threat. Officers must decide, often under a multitude of difficult and rapidly evolving circumstances, whether to advance on the suspect, take other actions to deal with the threat or wait for additional resources.

If a suspect is actively engaged in the infliction of serious bodily harm or other life-threatening activity toward others, officers should take immediate action, if reasonably practicable, while requesting additional assistance.

Officers should remain aware of the possibility that an incident may be part of a coordinated multi-location attack that may require some capacity to respond to other incidents at other locations.

When deciding on a course of action officers should consider:

- (a) Whether to advance on or engage a suspect who is still a possible or perceived threat to others. Any advance or engagement should be based on information known or received at the time.
- (b) Whether to wait for additional resources or personnel. This does not preclude an individual officer from taking immediate action.
- (c) Whether individuals who are under imminent threat can be moved or evacuated with reasonable safety.
- (d) Whether the suspect can be contained or denied access to victims.
- (e) Whether the officers have the ability to effectively communicate with other personnel or resources.

# Morro Bay Police Department

## Morro Bay PD Policy Manual

### *Rapid Response and Deployment*

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- (f) Whether planned tactics can be effectively deployed.
- (g) The availability of rifles, shotguns, shields, breaching tools, control devices and any other appropriate tools, and whether the deployment of these tools will provide a tactical advantage.

In a case of a barricaded suspect with no hostages and no immediate threat to others, officers should consider summoning and waiting for additional assistance (special tactics and/or hostage negotiation team response).

#### **412.4 CONSIDERATIONS**

When dealing with a crisis situation members should:

- (a) Assess the immediate situation and take reasonable steps to maintain operative control of the incident.
- (b) Obtain, explore and analyze sources of intelligence and known information regarding the circumstances, location and suspect involved in the incident.
- (c) Attempt to attain a tactical advantage over the suspect by reducing, preventing or eliminating any known or perceived threat.
- (d) Attempt, if feasible and based upon the suspect's actions and danger to others, a negotiated surrender of the suspect and release of the hostages.

#### **412.5 PLANNING**

The Operations Commander should coordinate critical incident planning. Planning efforts should consider:

- (a) Identification of likely critical incident target sites, such as schools, shopping centers, entertainment and sporting event venues.
- (b) Availability of building plans and venue schematics of likely critical incident target sites.
- (c) Communications interoperability with other law enforcement and emergency service agencies.
- (d) Training opportunities in critical incident target sites, including joint training with site occupants.
- (e) Evacuation routes in critical incident target sites.
- (f) Patrol first-response training.
- (g) Response coordination and resources of emergency medical and fire services.
- (h) Equipment needs.
- (i) Mutual aid agreements with other agencies.
- (j) Coordination with private security providers in critical incident target sites.

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## Morro Bay PD Policy Manual

### *Rapid Response and Deployment*

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#### **412.6 TRAINING**

The Training Sergeant should include rapid response to critical incidents in the training plan. This training should address:

- (a) Orientation to likely critical incident target sites, such as schools, shopping centers, entertainment and sporting event venues.
- (b) Communications interoperability with other law enforcement and emergency service agencies.
- (c) Patrol first-response training, including patrol rifle, shotgun, breaching tool and control device training.
  - 1. This should include the POST terrorism incident training required for officers assigned to field duties (Penal Code § 13519.12).
- (d) First aid, including gunshot trauma.
- (e) Reality-based scenario training (e.g., active shooter, disgruntled violent worker).



## Gun Violence Restraining Orders

### 343.1 PURPOSE AND SCOPE

The purpose of this policy is to provide guidelines for petitioning and serving gun violence restraining orders and accounting for the firearms obtained pursuant to those orders (Penal Code § 18108).

#### 343.1.1 DEFINITIONS

Definitions related to this policy include:

**Gun violence restraining order** - Civil restraining order prohibiting a named person from controlling, owning, purchasing, possessing, receiving, or otherwise having custody of any firearms or ammunition, including an ammunition magazine (Penal Code § 18100).

### 343.2 POLICY

It is the policy of the Morro Bay Police Department to petition for and serve gun violence restraining orders in compliance with state law and to properly account for firearms and ammunition obtained by the Department pursuant to such orders.

### 343.3 GUN VIOLENCE RESTRAINING ORDER COORDINATOR

The Chief of Police will appoint a gun violence restraining order coordinator. The responsibilities of the coordinator include:

- (a) Developing and maintaining procedures for the filing of a petition for an order or a renewal of an order by department members, also including procedures for requesting and serving (Penal Code § 18108):
  1. A temporary emergency gun violence restraining order.
  2. An ex parte gun violence restraining order.
  3. A gun violence restraining order issued after notice and hearing.
- (b) Developing and maintaining factors to consider when assessing the need to seek an order, including:
  1. Whether threats have been made, and if so, whether the threats are credible and specific.
  2. Whether the potential victim is within close proximity.
  3. Whether the person has expressed suicidal tendencies.
  4. Whether the person has access to firearms.
  5. The criminal history of the person, in particular any history of criminal violence, including whether the person is currently on parole, probation, or monitored release.

# Morro Bay Police Department

## Morro Bay PD Policy Manual

### *Gun Violence Restraining Orders*

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6. The mental health history of the person, in particular whether the person has any history of mental illness or has ever been detained for being a danger to themselves or others.
  7. Any upcoming holidays, anniversaries, or other dates of significance that may serve as a trigger for the person, such as the death of a family member.
  8. Whether the person has any history of drug or alcohol abuse.
- (c) Developing and maintaining procedures for the receipt and service of orders consistent with the requirements of Penal Code § 18115; Penal Code § 18120; Penal Code § 18135; Penal Code § 18140; and Penal Code § 18160. Procedures should include:
1. Evaluation of an order to determine appropriate service and necessary precautions (see the Warrant Service Policy and the Operations Planning and Deconfliction Policy).
  2. Forwarding orders to the Support Services Manager for recording in appropriate databases and required notice to the court, as applicable.
  3. Preparing or obtaining a search warrant prior to attempting service of an order, when appropriate (Penal Code § 18108).
  4. Seizure procedures of firearms and ammunition at the time of issuance of a temporary emergency gun violence restraining order.
  5. Verification procedures for the removal of firearms and ammunition from the subject of a gun violence restraining order.
- (d) Coordinating with the Training Sergeant to provide officers who may be involved in petitioning for or serving orders with training on such orders. Training should include determining when a petition is appropriate, the process for seeking an order, and the service of such orders.
- (e) Reviewing each petition and any associated court documents for an order prepared by members, for compliance with this policy, department procedures, and state law.
- (f) Developing and maintaining procedures for members to accept voluntarily surrendered prohibited items at times other than when an order is being served by the Department.
1. Procedures should include preparing and providing a receipt identifying all prohibited items to the person surrendering the items.
- (g) Coordinating review of notices of court hearings and providing notice to the appropriate officer of the hearing date and the responsibility to appear (Penal Code § 18108).

#### **343.4 GUN VIOLENCE RESTRAINING ORDERS**

An officer who reasonably believes a person is a present danger to self or another person by controlling, owning, purchasing, possessing, receiving, or otherwise having custody of a firearm may request permission from the officer's supervisor to petition the court for a gun violence restraining order.

# Morro Bay Police Department

## Morro Bay PD Policy Manual

### *Gun Violence Restraining Orders*

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Officers petitioning the court should use the forms established by the Judicial Council (Penal Code § 18105). The petition should describe the number, types, and locations of any firearms and ammunition that the officer believes to be possessed or controlled by the person (Penal Code § 18107). The petition should also describe why less-restrictive alternatives are ineffective or inadequate for the circumstances (Penal Code § 18125; Penal Code § 18150; Penal Code § 18175).

If it is not practical under the circumstances to submit a written petition, an officer may submit the petition electronically or orally request a temporary order (Penal Code § 18122; Penal Code § 18140).

#### **343.4.1 ADDITIONAL CONSIDERATIONS**

Officers should also consider requesting permission to petition the court for a gun violence restraining order (Penal Code § 18108):

- (a) When responding to a domestic disturbance where the residence is associated with a firearm registration or record.
- (b) When responding to any call or incident when a firearm is present or when one of the involved parties owns or possesses a firearm.
- (c) During a contact with a person exhibiting mental health issues, including suicidal thoughts, statements, or actions if that person owns or possesses a firearm.

Officers should consider obtaining a mental health evaluation if the encounter involves a situation where there is a reasonable cause to believe that the person poses an immediate and present danger of causing personal injury to themselves or another person by having custody or control of a firearm (see the Mental Illness Commitments Policy) (Penal Code § 18108).

#### **343.5 SERVICE OF GUN VIOLENCE RESTRAINING ORDERS**

An officer serving any gun violence restraining order shall:

- (a) Verbally ask the subject of the order if he/she has any firearm, ammunition, or magazine in his/her possession or under his/her custody or control (Penal Code § 18160).
- (b) Request that any firearms or ammunition be immediately surrendered and issue a receipt for the surrendered items (Penal Code § 18120).
- (c) Take into temporary custody any firearm or other deadly weapon discovered in plain view or pursuant to consent or other lawful search (Penal Code § 18250).
- (d) Inform the restrained person of any scheduled hearing regarding the order (Penal Code § 18160).
- (e) Transmit the original proof of service form to the issuing court as soon as practicable but within one business day (Penal Code § 18115).
- (f) As soon as practicable, but by the end of his/her shift, submit proof of service to the Support Services Manager for prompt entry into the California Restraining and Protective Order System (Penal Code § 18115).

# Morro Bay Police Department

## Morro Bay PD Policy Manual

### *Gun Violence Restraining Orders*

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The officer should also inform the restrained person that he/she is required, within 24 hours, to surrender to a law enforcement agency any other firearms and ammunition he/she owns or that are in his/her custody or control or sell them to a firearms dealer. This notification should be documented.

All firearms and ammunition collected shall be handled and booked in accordance with the Property and Evidence Policy.

#### **343.5.1 TEMPORARY EMERGENCY GUN VIOLENCE RESTRAINING ORDERS**

An officer requesting a temporary emergency gun violence restraining order shall (Penal Code § 18140):

- (a) For oral requests, sign a declaration under penalty of perjury reciting the oral statements provided to the judicial officer and memorialize the order of the court on the form approved by the Judicial Council.
- (b) Serve the order on the restrained person if the person can be reasonably located.
- (c) Forward a copy of the order to the Support Services Manager for filing with the court and appropriate databases.

#### **343.6 SEARCH WARRANTS**

If a person who has been served with a gun violence restraining order refuses to surrender any firearm or ammunition, the officer should consider whether to seek a search warrant. If a search warrant is to be obtained, the preparation and service of the search warrant shall be done in accordance with the Warrant Service Policy. Additionally, (Penal Code § 1542.5):

- (a) The officer serving the warrant shall take custody of any firearm or ammunition that is controlled, possessed or owned by the person who is the subject of the gun violence restraining order, including any discovered pursuant to the warrant, a consensual search or other lawful search.
- (b) If the location being searched is jointly occupied and the firearm or ammunition is owned by a person other than the restrained person, the firearm or ammunition should not be seized if the following conditions are met:
  1. The firearm or ammunition can be stored in a manner that does not allow the restrained person to have control or access.
  2. There is no evidence that the owner unlawfully possesses the firearm or ammunition.
- (c) If a locked gun safe belonging to someone other than the subject of a gun violence restraining order is discovered, the officer shall not search the contents of the safe unless the owner consents or there is a valid search warrant for the safe. Any search of the safe must be done in the owner's presence.

#### **343.7 SUPPORT SERVICES MANAGER RESPONSIBILITIES**

The Support Services Manager is responsible for ensuring:

# Morro Bay Police Department

## Morro Bay PD Policy Manual

### *Gun Violence Restraining Orders*

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- (a) Proof of service of any gun violence restraining order served by an officer or received from the clerk of the court is entered in the computer database system for protective and restraining orders maintained by the Department of Justice within one business day of service if served by an officer, or within one business day of receipt of proof of service if served by a person other than a law enforcement officer (Penal Code § 18115).
- (b) Temporary orders are entered into the California Restraining and Protective Order System (Penal Code § 18140).
- (c) Copies of temporary orders are filed with the court as soon as practicable, but no later than three court days, after issuance (Penal Code § 18140).
- (d) Copies of receipts of surrendered firearms or ammunition issued by other agencies for gun violence restraining orders issued by the Department are properly maintained (Penal Code § 18120).
- (e) Any relinquishment of firearm rights form received from the court is entered into the California Restraining and Protective Order System within one business day of receipt (Penal Code § 18115).

#### **343.8 COURT-ORDERED FIREARMS AND AMMUNITION SURRENDERS**

Authorized members shall accept firearms and ammunition from any individual who is the subject of a gun violence restraining order. The member receiving any firearm or ammunition shall:

- (a) Record the individual's name, address and telephone number.
- (b) Record the serial number of the firearm.
- (c) Prepare an incident report and property report.
- (d) Provide a property receipt to the individual who surrendered the firearms and ammunition.
- (e) Package and submit the firearms and ammunition in accordance with the Property and Evidence Policy.

#### **343.9 RELEASE OF FIREARMS AND AMMUNITION**

Firearms and ammunition that were taken into temporary custody or surrendered pursuant to a gun violence restraining order shall be returned to the restrained person upon the expiration of the order and in accordance with Penal Code § 18120 and the Property and Evidence Policy.

#### **343.10 RENEWAL OF GUN VIOLENCE RESTRAINING ORDERS**

The Detective Bureau supervisor is responsible for the review of a gun violence restraining order obtained by the Department to determine if renewal should be requested within the time prescribed by law (Penal Code § 18190).

# Morro Bay Police Department

Morro Bay PD Policy Manual

## *Gun Violence Restraining Orders*

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### **343.11 POLICY AVAILABILITY**

The Chief of Police or the authorized designee shall be responsible for making this policy available to the public upon request (Penal Code § 18108).

### **343.12 TRAINING**

The Training Sergeant should ensure that members receive periodic training on the requirements of this policy (Penal Code § 18108).



|   |
|---|
| <b>AGENDA NO:</b> C-2<br><br><b>MEETING DATE:</b> June 14, 2022 |
|---|

# Staff Report

**TO:** Honorable Mayor and City Council **DATE:** June 7, 2022

**FROM:** Eric Riddiough, PE – City Engineer

**SUBJECT:** Caltrans Highway 1 Pavement Rehabilitation and Improvements Project

**RECOMMENDATION**

Receive presentation on upcoming Highway 1 (SR-1) Pavement Rehabilitation and Improvements project from Caltrans and provide feedback and recommendations for improvements to be considered with project design.

**ALTERNATIVE**

Caltrans plans to proceed with preliminary design on this project starting in the Fall of 2022. The City can elect to not provide input and recommendations to Caltrans to incorporate into the project.

**FISCAL IMPACT**

This project is a Capital Preventive Maintenance (CAPM) project under the State Highway Operation and Protection Program (SHOPP). Caltrans has dedicated funds from SB-1, the gas tax passed in 2017 as the Road Maintenance and Rehabilitation Act (RMRA), to address deferred maintenance and needed improvements on the State Highway System. The project has not yet been designed, so a budget for the project has not yet been determined. It is anticipated that this project will be entirely funded by the State and therefore have no impact on City funds (unless the City chooses to include City-specific additional elements to the project, which may require City funding). For some project aspects of City request, the City may need to provide prospective maintenance after construction is completed. These City-funded, one-time or ongoing maintenance items would be brought before Council during the budget process prior to initiation of any agreement with Caltrans.

**BACKGROUND/DISCUSSION**

Caltrans is planning an upcoming maintenance project to rehabilitate the asphalt roadway of SR-1 with new pavement through the entire city limits of Morro Bay including on and off ramps. The project management team from Caltrans reached out to the Public Works Department in March with an invitation to provide input on the project as they begin the scoping phase for the project. Preliminary engineering is scheduled to begin in the Fall of 2022 with design to be ongoing over the next 5 years and construction projected in 2027/28. The proposed scope that was presented to City engineering staff included:

- Pavement rehabilitation (mill and replace or overlay of hot mix asphalt) of main line and on/off ramps
- Installation of rumble strips on edge lines
- Replacement of streetlights at ramps

|                                |                                  |
|--------------------------------|----------------------------------|
| Prepared By: <u>ER</u>         | Dept Review: <u>GK</u>           |
| City Manager Review: <u>SC</u> | City Attorney Review: <u>CFN</u> |

- Signage upgrades and replacements (to meet new retro reflectivity requirements)
- Replace and/or raise guard rail
- Upgrade or install ADA curb ramps at all intersections with pedestrian facilities (Main Street, Atascadero Road/SR-41, San Jacinto Street, Yerba Buena Street)
- Striping replacements and improvements

The project scope does not include any significant changes to intersection configurations, traffic signals, capacity improvements, or modifications to overpasses/underpasses.

Caltrans staff approached the City to provide input on the project. Additional items proposed by the City may be covered by the scope of the project and funding, but if there are items that do not qualify for funding under the project guidelines, Caltrans would require the City to fund those items at the City's expense. Caltrans would likely procure the contract and then enter into an agreement with the City to bill the City for those items once construction has been initiated. Caltrans stated that some of the City's suggestions (e.g., alternative crosswalk striping, green conflict striping of bike lanes, etc.) may potentially qualify for coverage and installation under the project costs, but any future maintenance burden would fall on the City for these items. In that case, a maintenance agreement with Caltrans would be required for those items designating maintenance responsibilities to the City for City-requested improvements.

The project scope was presented by staff at the regular meeting of the Public Works Advisory Board (PWAB) on April 20, 2022, at which feedback was received by staff from PWAB and asked to be incorporated into the comments provided to Caltrans. Those comments and requests will be shared with City Council at the June 14, 2022 Council meeting and provided to Caltrans in addition to any feedback received from the City Council at this meeting. Some examples of comments received from PWAB included an inquiry of whether stormwater improvements would be made along the right of way and if lighting improvements below the underpasses at Morro Bay Boulevard, Main Street, and Atascadero Road would be incorporated.

### **CONCLUSION**

SR-1 is a state highway that provides north and south connection to the City of Morro Bay, and routine maintenance and improvement projects on the state highway system are important to the circulation of vehicles to, from and within the City of Morro Bay. Improvements made on the state highway affect residents of the City, and Caltrans has asked for the City's involvement in project development in order to align needs of all users of SR-1 with those of the City.

### **ATTACHMENT**

None





AGENDA NO: C-3

MEETING DATE: June 14, 2022

# Staff Report

**TO:** Honorable Mayor & City Council **DATE:** June 9, 2022  
**FROM:** Greg Kwolek – Public Works Director  
Paul Amico, PE – Water Reclamation Facility (WRF) Program Manager

**SUBJECT:** Authorize the City Manager to execute 1) Amendment No. 2 to Contract with Cogstone Resource Management; 2) Amendment No. 7 to Contract with Far Western Anthropological Research Group, Inc.; 3) Amendment No. 4 to Contract with Anvil Builders for the WRF Lift Station and Offsite Pipelines Construction Project.; and 4) Amendment No. 6 to Carollo Engineers, Inc.

## RECOMMENDATION

Staff recommends the City Council authorize the City Manager to execute the following:

1. Amendment No. 2 to the agreement with Cogstone Resource Management (Cogstone) for cultural resources monitoring services during construction of the WRF Lift Station and Offsite Pipelines project for a total amount of \$347,210, plus an additional \$43,060 of optional, as-needed services for cultural resources monitoring, as directed by the City’s Public Works Director, resulting in a total not to exceed amount of \$1,395,991.22. Allocation of Cogstone Amendment No. 2 between Q4 FY 21/22 and Q1 FY 22/23 is described in the Fiscal Impact section below.
2. Amendment No. 7 to the agreement with Far Western Anthropological Research Group, Inc. (Far Western) to extend their contract expiration date to December 31<sup>st</sup>, 2025. This is a non-compensable contract extension.
3. Amendment No. 4 to the agreement with Anvil Builders, Inc. (Anvil) for the WRF Lift Stations and Offsite Pipelines construction for an overall reduction of \$54,065, which provides a credit to their construction costs resulting in a new reduced total contract amount of \$32,942,914.
4. Amendment No. 6 to the agreement with Carollo Engineers, Inc. (Carollo) to extend their contract expiration date to June 30<sup>th</sup>, 2023. This is a non-compensable contract extension.

## FISCAL IMPACT

### **Cogstone Resources Group**

The cost for Amendment No. 2 is \$347,210, plus an additional \$43,060 for optional monitoring tasks for a total of \$390,270. If the amendment is approved, then the total not to exceed amount for the Cogstone agreement will increase from \$1,005,721.22 to \$1,395,991.22, which includes the performance of the optional task in Amendment No. 2, per Public Works Director subsequent direction.

### **Far Western Archaeological Research Group, inc.**

There will be no fiscal impact to Amendment No. 7 to the Agreement with Far Western. This is a non-compensable time extension to their existing contract.

Prepared By: AC

Dept Review: GK

City Manager Review: SC

City Attorney Review: JWP

**Anvil Builders, Inc.**

The impact of Anvil’s contract amendment No. 4 is a reduction in the contract amount of \$54,065. The table below lists each PCO and their respective values. If approved, then Anvil’s new total contract amount will be \$32,942,914, which will not result in an increase to the WRF Project overall budget or the rates paid by the City’s water or wastewater customers.

| <b>PCO #</b> | <b>DESCRIPTION</b>                                    | <b>Amount</b>     |
|--------------|---|-------------------|
| 11           | Reroute IPR and Waterline below Station 144 Culvert   | \$103,893         |
| 19           | Remove City’s Existing Desalination Iron Media Tank   | \$54,189          |
| 28.1         | SLO County APCD Generator Mandates (Rescind)          | \$(301,703)       |
| 33           | Paving Repairs Near Todd’s Garage                     | \$6,895           |
| 41           | Unknown Cementitious Subgrade at South Bay Blvd.      | \$26,600          |
| 42           | Unknown Conduits at South Bay Blvd. and Quintana Road | \$7,788           |
| 49           | Vistra/PG&E Easements Unknown Extra Work Items        | \$48,273          |
|              | <b>TOTAL</b>  | <b>\$(54,065)</b> |

**Carollo Engineers, Inc.**

There will be no fiscal impact to Amendment No. 6 to the Agreement with Carollo. This is a non-compensable time extension to their existing contract.

**Overall Fiscal Impact**

Acceptance of all four contract amendments and one optional task would not result in an increase in the overall WRF Project baseline budget as adopted in the FY 2021-22 City Budget, nor would it require any increase in rates paid by customers. The total revised amounts among Cogstone, Far Western, and Anvil will be covered through reallocation of funds from the WRF budget, as well as credits from the conveyance facilities budget. The following table displays the reallocations of contingencies to cover the amendments presented in this Staff Report.

| <b>WRF Program Construction Contingency Budget Reallocation for FY 21/22 Budget</b> |                      |
|---|----------------------|
| Total of WRF Contract Amendments Q4 FY 21/22  | \$ 0                 |
| WRF Contingency at end of Q3 FY 21/22   | \$ 80,569.80         |
| Reallocation of Budget to Conveyance Contingency                                    | \$ (80,569.80)       |
| <b>Revised WRF Contingency as of Q4 FY 21/22</b>                                    | <b>\$ 0</b>          |
| Cogstone Amendment. No. 2   | \$ 390,270.00        |
| Far Western Amendment No. 7   | \$ 0                 |
| Anvil Amendment No. 4   | \$ (54,065.00)       |
| <b>Total of Conveyance Facilities Amendments Q4 FY 21/22</b>                        | <b>\$ 336,205.00</b> |
| Conveyance Facilities Contingency at end of Q3 FY 21/22                             | \$ 0                 |
| Reallocation of Budget from WRF contingency   | \$ 80,569.80         |
| Reallocation of Budget from Recycled Water Facilities                               | \$ 255,635.20        |
| <b>Revised Conveyance Facilities Contingency as of Q4 FY 21/22</b>                  | <b>\$ 0</b>          |
| Recycled Water Facilities Contingency at end of Q3 FY 21/22                         | \$ 500,000.00        |
| Reallocation of budget to Conveyance Facilities Contingency                         | \$ 255,635.20        |

|  |                      |
|--|----------------------|
| <b>Revised Recycled Water Facilities Contingency as of Q4 FY 21/22</b> | <b>\$ 244,364.80</b> |
| Carollo Amendment No. 6  | \$ 0                 |
| <b>Total Remaining Construction Contingency</b>                        | <b>\$ 244,364.80</b> |

**DISCUSSION**

**Cogstone Resource Management, Inc.**

The City is required by the WRF Final Environmental Impact Report (FEIR) to conduct cultural resource monitoring of all ground disturbing activities during construction WRF Lift Station and Offsite Pipelines project. Cogstone has been providing the required monitoring since January of 2021. As construction has progressed, the need for conducting monitoring across multiple sites simultaneously has increased to keep construction on track to meet the project schedule, which has resulted in a higher level of effort than was originally anticipated. This amendment assumes archaeological and paleontological resources monitoring, estimated to be five 8-hour days per week for 16 weeks, plus five overtime hours for archaeological and paleontological monitoring each week. The scope also includes services for scheduling and supervision, handling and managing any resources found during ground disturbing activities, and optional services for night work and additional excavation days for any extension of the project schedule. Approval of this amendment will maintain compliance with requirements included in the FEIR, as well as the Programmatic Agreement between USEPA and SHPO that qualifies the City for low-interest Federal Funding.

**Far Western Anthropological Research Group, Inc.**

The latest contract amendment (No. 6) for Far Western, was executed on October 12<sup>th</sup>, 2021, and has a contract expiration date of June 30<sup>th</sup>, 2022. Amendment No. 7 to Far Western’s current contract extends the contract expiration date to December 31<sup>st</sup>, 2025.

**Anvil Builders, Inc.**

Amendment No. 4 includes six potential change orders (PCOs) that cover changes in the scope of work for the WRF Lift Station and Offsite Pipelines project. The following sections describe each PCO included this amendment.

**PCO No. 11 – Reroute IPR and Waterline Below Station 144 Culvert**

The original design called for the IPR and Waterline relocation in this area to be placed above the existing stormwater culvert. After the trench was excavated, it was discovered there was insufficient soil cover over the existing culvert to allow the IPR and Waterline to be installed over the top of the culvert. Consequently, these pipelines needed to be routed under the culvert, which increased the depth of excavations from 2-ft to 8-ft at Sta 143+99, thereby also increasing requirements for trench shoring, excavated spoils, backfill and compaction, and potential groundwater management, between Sta 142+95 and Sta 144+95.

**PCO No. 19 – Remove City’s Existing Desalination Iron Media Tank**

The City requested a quote from Anvil to remove and dispose of the existing desalination iron media tank located east of Pump Station A. Anvil’s quote includes removal of the tank, tank supports, and air vacs atop the tank. Removal of adjacent piping and appurtenances (air-vacs, anchor bolts, etc.) is not included in this work.

**PCO No. 28.1 – Emergency Generator Requirements – Rescind**

On 9/24/21, the City received a Notice of Incomplete Applications from SLO County Air Pollution

Control District (APCD), pursuant to the Pump Station A emergency generator and the Pump Station B emergency generator. The City subsequently completed and submitted Health Risk Assessments (HRAs) at each Pump Station, as was required by APCD as part of their Notice of Incomplete Applications. After submission of the HRAs, APCD reversed its initial determination and accepted both generators without modifications. As such, the City and Anvil agree to rescind the associated previous change order for added (assumed) emissions control devices included in Amendment No. 2.

#### PCO No. 33 – Paving Repairs near Station 102+50

The City requested Anvil repair existing failing pavement in the City right-of-way adjacent to Anvil's Joint Trench excavation. It was determined the damaged asphalt was not the fault of Anvil operations, but rather the on-going inclement weather and existing deteriorated pavement conditions. This occurred near station 102+50 at 972 Quintana Rd, Morro Bay. The area was re-paved 12/10/2021.

#### PCO No. 41 – Unknown Cementitious Subgrade at South Bay Blvd

During Joint Trench and IPR excavation work on South Bay Blvd, Anvil encountered cement-treated aggregate base-rock material below the existing pavement. This cementitious base material required additional effort and expenses in mechanical removal work and subsequent offsite disposal (material was not re-useable as backfill).

#### PCO No. 42 – Unknown Conduits at South Bay Boulevard and Quintana Road

During Joint Trench excavation work near the South Bay Blvd and Quintana Road intersection, Anvil encountered and damaged unknown existing conduits, which required additional effort and expenses to hand-dig around and repair. The conduits were not shown on the plans or claimed by any known utility owner.

#### PCO No. 49 – Vistra/PG&E Easements Unforeseen Work Items

During the project work within PG&E/Vistra easements to date, the below noted miscellaneous unforeseen minor utility work was required for contract work to proceed. The following items were not included in the original scope of work and are extra : (1) Excavation of test percolation ponds to determine the requirements for disposal of Pilot Injection Well development water, (2) Unknown utilities encountered from Sta 53+00 to Sta 54+00 which impacted production rates for the joint trench, (3) Installation of exclusionary fencing along LS-2 as required by SHPO, (4) Potholing LS-2 alignment for unknown utilities not shown on plans but marked by utility companies during pre-construction utility locating, (5) Unforeseen concrete slab not shown on plans along LS-2 alignment that impacted production, (6) Excavation around eight utilities not marked on plans along LS-2 alignment, (7) Sawcutting, removal, and stockpiling of unknown concrete slab along LS-2 alignment, and (8) Excavation and installation of 4" pipe and fittings to re-route existing Vistra waterline above LS-2 force main.

#### **Carollo Engineers, Inc.**

Amendment No. 6 to Carollo's current contract extends the contract expiration date to June 30<sup>th</sup>, 2023.

#### **CONCLUSION**

The requested contract amendments for Cogstone, Far Western, Anvil, and Carollo have been thoroughly reviewed and negotiated by the project management team and City staff. With the addition of these contract modifications, the WRF conveyance facilities project will continue to meet the timing and regulatory agency requirements of the entire WRF project.

#### **ATTACHMENTS**

1. Amendment No. 2 scope and fee to the agreement with Cogstone Resource Management, Inc. for cultural resource monitoring services during construction of the Water Reclamation Facility (WRF) Lift Station and Offsite Pipelines.
2. Amendment No. 7 agreement with Far Western Archaeological Research Group, inc. for extension of expiration date of existing contract with the City.
3. Amendment No. 4 to the agreement with Anvil Builders, Inc. (Anvil) - execution form and description of change document.
4. Amendment No. 6 agreement with Carollo Engineers, Inc. for extension of expiration date of existing contract with the City.

CITY OF MORRO BAY

AMENDMENT NO. 2 TO THE AGREEMENT  
FOR CONSULTANT SERVICES  
BETWEEN THE CITY OF MORRO BAY  
AND COGSTONE RESOURCE MANAGEMENT

This Amendment No. 2 is entered by and between the City of Morro Bay, a municipal corporation (“City”) and Cogstone Resource Management, a California corporation (“Consultant”).

**RECITALS**

WHEREAS, City and Consultant entered into an agreement as of January 12, 2021, for cultural resources monitoring and management services related to the Water Reclamation Facility Lift Station and Offsite Pipelines Project (the “Project”), which was approved by the City Council for a not-to-exceed amount of \$264,918 (the “Agreement”).

WHEREAS, the Agreement when prepared and signed had a typo showing the not-to-exceed amount was \$261,918.40;

WHEREAS, the Parties amended the Agreement as of October 12, 2021, to include additional services and established a not to exceed amount of \$740,803.22 for the entire Agreement (Amendment No. 2); WHEREAS, the Parties now agree to amend the Agreement to provide for monitoring and project management services for the Project, which work requires an expansion of the tasks to be provided by Consultant pursuant to the Agreement;

WHEREAS, Consultant has specific knowledge and experience to provide technical oversight needed to accomplish necessary tasks required to meet the City Council's goals for the Project, and

WHEREAS, due to the expansion of tasks to be provided, the compensation payable pursuant to the Agreement must be increased.

NOW THEREFORE, City and Consultant mutually agree to amend the Agreement as follows:

1. The additional services to be provided by Consultant, pursuant to the Agreement, as hereby amended, shall include Tasks 1.1, 1.2, 2.1, 2.2, 2.3, and 2.4 of the Scope, with optional tasks A, B, C, D and E as set forth in Exhibit A, attached hereto and incorporated herein by this reference (the "Additional Work"). The Additional Work shall be satisfactorily commenced immediately after June 14, 2022, and completed no later than June 30, 2023. Optional Tasks A through E shall be provided by Consultant only if directed by City’s Public Works Director.

2. The compensation for the Additional Work shall not exceed \$390,270, which includes \$43,060 of optional tasks. All Additional Work and further optional tasks shall be paid in accordance with the hourly rates set forth in Exhibit B, attached hereto and incorporated herein by this reference (the “hourly rates”) and the process established by the Agreement on a time and

materials basis. With the amount added for satisfactory completion of the Additional Work and further optional tasks, if all are requested to be performed, the total compensation paid pursuant to the Agreement shall not exceed \$1,395,991.22.

3. Except as expressly stated herein, all terms and conditions in the Agreement shall remain in full force and effect.

4. The effective date of this Amendment No. 1 shall be deemed to be June 14, 2022.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to be executed by their duly authorized representatives as of the day first written above.

CITY OF MORRO BAY

CONSULTANT

By: \_\_\_\_\_  
Scott Collins,  
City Manager

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

Attest:

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

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

Approved As To Form:

\_\_\_\_\_  
Chris Neumeyer, City Attorney



April 28, 2021

Cogstone 5170

To: Scott Collins, City of Morro Bay  
From: Desireé Martinez, Project Manager

RE: Change Order 02 for the Water Reclamation Facility Lift Station and Offsite Pipelines Construction

Cogstone has completed a budget analysis for our contract dated January 27, 2021, due to changes in scope and cost. Cogstone's original contract totaled \$264,918.40 and Change Order 1 totaled \$850,154.62 with optional tasks totaling \$155,970.22 for a total new contract sum of \$1,006,124.84. We are requesting this change order due to an increase in the Project length estimated to be 16 weeks.

### Scope of Work

We have included additional one-hour weekly lookahead meetings for the remaining 16 weeks for the Project. The meetings are necessary to coordinate the Native American monitoring as well as cultural and/or paleontological resources monitoring for the Project. Additional Cultural and Paleontological Resources Sensitivity Trainings have been added due to the increased length of the Project.

Changes in scope include the following:

- The Project will now require additional archaeological and paleontological resources monitoring, estimated to be five 8-hour days per week for 16 weeks (80 days). We have included five overtime hours for archaeological and paleontological monitoring each week.
- We have included additional responses to inadvertent finds due to the increased duration of the Project.
- Additional Native American monitoring time has been added due to the need for three to six monitors every day instead of the previously scoped one monitor per day. A single Native American monitor must be present at each work location that is further than 200 feet from each other, the standard distance used during professional monitoring services.
- Additional task management, supervision, and reporting time has been added due to the increased scope, scheduling complexities, and tribal coordination for the duration of the Project. This includes attendance at 16 1-hour weekly lookahead meetings and on-boarding of the Xolon Salinan Tribe, as well as associated management of this additional Tribe to the Project.

### Optional Monitoring Tasks

- We have also added hours for archaeological and paleontological resources and Native American night monitoring under Optional Monitoring Tasks, which is anticipated to be three 6-hour nights.
- Additional archaeological and paleontological monitoring for ten 8-hour days with two hours of overtime per week is included.
- Additional Native American monitoring for two Native American monitors for ten 9-hour days.
- Additional supervision is included for the PI and Supervisor for two weeks.

### Assumptions

1518 West Taft Avenue  
Orange, CA 92865  
Office (714) 974-8300

Branch Offices  
San Diego – Riverside – Morro Bay – Sacramento – Arizona

cogstone.com  
Toll free (888) 333-3212

Federal Certifications WOSB, EDWOSB, SDB  
State Certifications DBE, WBE, SBE, UDBE



Should the Project run longer than anticipated or require additional meetings, a change order will be required. Six additional Sensitivity Trainings are included. We have included 80 8-hour days of archaeological and paleontological resources monitoring, as well as five hours of overtime each week. Additional monitoring will require a change order. All work is time and materials, not a fee. We have included additional Native American monitoring time to account for having an estimated three Native American monitors on site for 120 9-hour days. We have included an additional five 8-hour days for response to inadvertent finds for the Project due to the increased length of the Project, as well as additional lab work and documentation hours. Additional reporting time, including paleontological resources reporting time, is included. Additional changes in scope will require a change order.

### **Optional Monitoring Tasks Assumptions**

We have included three 6-hour night monitoring for both the A/P monitor and the Native American monitors. Additional night work will be charged on a time and materials basis at a rate of \$125/hour for a Native American monitor. We have included ten 8-hour days of archaeological and paleontological resources monitoring, as well as two hours of overtime each week. We have included additional Native American monitoring time to account for having an estimated two Native American monitors on site for ten 9-hour days. Additional monitoring will require a change order. All work is time and materials, not a fee. Due to lack of notice for cancellations, any cancellations with less than 24-hours' notice will be billed as a 4-hour minimum.

## CHANGE ORDER

Client Contact: Scott Collins, City Manager  
 Client Company: City of Morro Bay  
 Client Contract #: 01181.0001/537195.1  
 Client Contract Date: January 27, 2021  
 Change Order No.: 02

### Summary of Increased Scope:

- Previously Authorized Change Orders – Survey of Laydown Yard
- Additional Task Management and Communication
- Weekly Lookahead Meetings (16 1-hour meetings)
- Additional Sensitivity Training (6 trainings)
- Paleontological Monitoring and Additional Archaeological Monitoring (5 8-hour days for 16 weeks)
- Additional Supervision
- Additional Native American Monitoring (three Native American Monitors for 5 9-hour days for 16 weeks)
- Additional Responses to Inadvertent Finds (five responses)
- Additional Reporting Time (including adding Paleontological Reporting)

### Optional Monitoring Tasks Scope:

- Paleontological Monitoring and Additional Archaeological Monitoring (10 8-hour days)
- Night monitoring for Archaeological/Paleontological monitor (3 6-hour nights)
- Additional Native American Monitoring (2 Native American Monitors for 10 9-hour days)
- Night monitoring for Native American monitor (3 6-hour nights)
- Additional Supervision

### Contract Summary:

|  |                       |
|--|-----------------------|
| Original Contract Amount   | \$264,918.40          |
| Total Previous Contracted Amount including Change Order 01 and Optional Monitoring Tasks | \$1,006,124.84        |
| <b>New Contract Sum including this Change Order 02</b>                                   | <b>\$348,490.00</b>   |
| Proposed Costs for Optional Monitoring Tasks in Change Order 02                          | \$43,060.00           |
| <b>New Contract Sum including Change Order 2 and Optional Monitoring Tasks</b>           | <b>\$1,397,674.84</b> |

Client accepts Change Order and it will become a supplement to the contract with all provisions of the contract applying hereto.

\_\_\_\_\_  
 Client Signature

\_\_\_\_\_  
 Client Name (printed or typed)

\_\_\_\_\_  
 Date Signed

\_\_\_\_\_  
 Effective Date (if different from date signed)



| ESTIMATED LABOR HOURS & COSTS  |                    |              |   |   |               |              |               |                |                  |                   |                      |                          |                      |
|--|--------------------|--------------|---|---|---------------|--------------|---------------|----------------|------------------|-------------------|----------------------|--------------------------|----------------------|
| Water Reclamation Facility Lift Station and Offsite Pipelines Construction (5170)                  | Change Order 2 rev | QA/QC        | Principal Investigator for Paleontology | Task Manager & Principal Investigator for Archaeology | Supervisor    | GIS          | A/P Monitor   | A/P Monitor OT | Technical Editor |                   |                      |                          |                      |
|  |                    |              |   |   |               |              |               |                |                  | Hourly Rates      |                      |                          |                      |
|  |                    | Hours        | Hours                                   | Hours   | Hours         | Hours        | Hours         | Hours          | Hours            | TOTAL LABOR HOURS | TOTAL LABOR COSTS    | TOTAL OTHER DIRECT COSTS | GRAND TOTAL          |
| <b>SCOPE OF WORK</b>   |                    |              |   |   |               |              |               |                |                  |                   |                      |                          |                      |
| <b>Task 1.1. Project Team Coordination</b>   |                    |              |   |   |               |              |               |                |                  |                   |                      |                          |                      |
| A. Task Management and Communication (communication with Anvil, Corollo, City, etc.: 16 weeks)     |                    | 10.00        |   | 175.00  |               |              |               |                |                  | 185.00            | \$ 19,825.00         | \$ -                     | \$ 19,825.00         |
| B. Meetings (16 1-hour weekly lookahead meetings)  |                    |              |   | 16.00   | 8.00          |              |               |                |                  | 24.00             | \$ 2,320.00          | \$ -                     | \$ 2,320.00          |
| Task 1.1. Project Team Coordination Subtotal   |                    | 10.00        | 0.00                                    | 191.00  | 8.00          | 0.00         | 0.00          | 0.00           | 0.00             | 209.00            | \$ 22,145.00         | \$ -                     | \$ 22,145.00         |
| <b>Task 1.2. Construction Worker Cultural and Paleontological Sensitivity Training</b>             |                    |              |   |   |               |              |               |                |                  |                   |                      |                          |                      |
| A. Provide In-Person Sensitivity Training (max. 6 trainings; incl. travel time)                    |                    |              |   |   |               |              |               | 8.00           |                  | 8.00              | \$ 520.00            | \$ -                     | \$ 520.00            |
| Task 1.2. Construction Worker Cultural and Paleontological Sensitivity Training Subtotal           |                    | 0.00         | 0.00                                    | 0.00  | 0.00          | 0.00         | 8.00          | 0.00           | 0.00             | 8.00              | \$ 520.00            | \$ -                     | \$ 520.00            |
| <b>Task 2.1. Mitigation Monitoring During Construction</b>   |                    |              |   |   |               |              |               |                |                  |                   |                      |                          |                      |
| A. A/P Monitoring (5 8-hour days for 16 weeks incl. five OT hours per week)                        |                    |              |   |   |               |              | 640.00        | 80.00          |                  | 720.00            | \$ 49,400.00         | \$ -                     | \$ 49,400.00         |
| B. Supervision (1 hour per week for 16 weeks for PI, 2 hours per week for 16 weeks for Supervisor) |                    |              |   | 24.00   | 32.00         |              |               |                |                  | 56.00             | \$ 5,080.00          | \$ -                     | \$ 5,080.00          |
| Task 2.1. Mitigation Monitoring During Construction Subtotal                                       |                    | 0.00         | 0.00                                    | 24.00   | 32.00         | 0.00         | 640.00        | 80.00          | 0.00             | 776.00            | \$ 54,480.00         | \$ -                     | \$ 54,480.00         |
| <b>Task 2.2. Coordination with Tribal Monitors</b>   |                    |              |   |   |               |              |               |                |                  |                   |                      |                          |                      |
| A. Task Management and Communication (Coordination with up to five Tribal members; 16 weeks)       |                    |              |   | 200.00  | 46.00         |              |               |                |                  | 246.00            | \$ 24,680.00         | \$ 216,000.00            | \$ 240,680.00        |
| Task 2.2. Coordination with Tribal Monitors Subtotal   |                    | 0.00         | 0.00                                    | 200.00  | 46.00         | 0.00         | 0.00          | 0.00           | 0.00             | 246.00            | \$ 24,680.00         | \$ 216,000.00            | \$ 240,680.00        |
| <b>Task 2.3. On-Call Cultural Resources Monitoring</b>   |                    |              |   |   |               |              |               |                |                  |                   |                      |                          |                      |
| A. Task Management and Communication   |                    | 2.00         |   | 6.00  |               |              |               |                |                  | 8.00              | \$ 920.00            | \$ -                     | \$ 920.00            |
| B. Monitoring (max. 5 responses to inadvertent finds)  |                    |              | 8.00                                    | 16.00   | 10.00         |              |               | 40.00          |                  | 74.00             | \$ 6,000.00          | \$ 280.00                | \$ 6,280.00          |
| C. Lab Analysis (max. 300 artifacts and/or 5 fossils)  |                    |              | 4.00                                    | 80.00   | 16.00         |              |               |                |                  | 100.00            | \$ 10,140.00         | \$ 100.00                | \$ 10,240.00         |
| D. DPR 523 forms (max. 5 archaeological sites)   |                    |              |   | 10.00   | 20.00         | 10.00        |               |                |                  | 40.00             | \$ 3,450.00          | \$ -                     | \$ 3,450.00          |
| E. Additional Reporting Time to Document Inadvertent Finds   |                    |              | 6.00                                    | 10.00   | 20.00         | 4.00         |               |                | 2.00             | 42.00             | \$ 3,855.00          | \$ -                     | \$ 3,855.00          |
| Task 2.3. On-Call Cultural Resources Monitoring Subtotal   |                    | 2.00         | 18.00                                   | 122.00  | 66.00         | 14.00        | 40.00         | 2.00           | 0.00             | 264.00            | \$ 24,365.00         | \$ 380.00                | \$ 24,745.00         |
| <b>Task 2.4. Reporting</b>   |                    |              |   |   |               |              |               |                |                  |                   |                      |                          |                      |
| A. Additional Reporting Time (includes adding time for Paleontology)                               |                    | 2.00         | 8.00                                    | 6.00  | 16.00         | 4.00         |               |                | 1.00             | 37.00             | \$ 3,505.00          | \$ -                     | \$ 3,505.00          |
| B. Additional Response to Comments Time  |                    | 1.00         | 4.00                                    | 2.00  | 4.00          |              |               |                |                  | 11.00             | \$ 1,135.00          | \$ -                     | \$ 1,135.00          |
| Task 2.4. Reporting Subtotal   |                    | 3.00         | 12.00                                   | 8.00  | 20.00         | 4.00         | 0.00          | 0.00           | 1.00             | 48.00             | \$ 4,640.00          | \$ -                     | \$ 4,640.00          |
| <b>GRAND TOTAL FOR ALL TASKS 1.1 - 3</b>   |                    | <b>15.00</b> | <b>30.00</b>                            | <b>545.00</b>   | <b>172.00</b> | <b>18.00</b> | <b>688.00</b> | <b>82.00</b>   | <b>1.00</b>      | <b>1,551.00</b>   | <b>\$ 130,830.00</b> | <b>\$ 216,380.00</b>     | <b>\$ 347,210.00</b> |

| <b>Optional Monitoring Tasks</b>   |  |              |              |               |               |              |               |              |             |                 |                      |                      |                      |
|--|--|--------------|--------------|---------------|---------------|--------------|---------------|--------------|-------------|-----------------|----------------------|----------------------|----------------------|
| A. Night Monitoring (3 6-hour nights)  |  |              |              |               |               |              | 18.00         |              |             | 18.00           | \$ 1,170.00          | \$ 6,750.00          | \$ 7,920.00          |
| B. A/P Monitoring (10 8-hour days incl. 2 OT hours per week)                                     |  |              |              |               |               |              | 80.00         | 4.00         |             | 84.00           | \$ 5,590.00          | \$ -                 | \$ 5,590.00          |
| C. Native American Monitoring (2 Native American monitors for 10 9-hour days)                    |  |              |              |               |               |              |               |              |             | 0.00            | \$ -                 | \$ 27,600.00         | \$ 27,600.00         |
| D. Task Management and Communication (Coordination with up to five Tribal members; 2 weeks)      |  |              |              | 12.00         | 2.00          |              |               |              |             | 14.00           | \$ 1,420.00          | \$ -                 | \$ 1,420.00          |
| E. Supervision (1 hour per week for 2 weeks for PI, 2 hours per week for 2 weeks for Supervisor) |  |              |              | 2.00          | 4.00          |              |               |              |             | 6.00            | \$ 530.00            | \$ -                 | \$ 530.00            |
| Optional Monitoring Tasks Subtotal   |  | 0.00         | 0.00         | 14.00         | 6.00          | 0.00         | 98.00         | 4.00         | 0.00        | 122.00          | \$ 8,710.00          | \$ 34,350.00         | \$ 43,060.00         |
| <b>GRAND TOTAL FOR ALL TASKS</b>   |  | <b>15.00</b> | <b>30.00</b> | <b>559.00</b> | <b>178.00</b> | <b>18.00</b> | <b>786.00</b> | <b>86.00</b> | <b>1.00</b> | <b>1,673.00</b> | <b>\$ 139,540.00</b> | <b>\$ 250,730.00</b> | <b>\$ 390,270.00</b> |

| Other Direct Costs Itemized   | UNITS    | RATE       | TOTAL               |
|---|----------|------------|---------------------|
| 2.2 A. Native American Monitoring (3 Native American monitors for 5 9-hour days for 16 weeks) | 2,160.00 | \$ 100,000 | \$ 216,000.00       |
| 2.3 B. Mileage  | 500.00   | \$ 0.560   | \$ 280.00           |
| 2.3 C. Supplies (bags, tags, burlap, plaster, etc.)   | 1.00     | \$ 100,000 | \$ 100.00           |
| <b>Other Direct Total</b>   |          |            | <b>\$216,380.00</b> |

| Optional Direct Costs Itemized  | UNITS  | RATE       | TOTAL              |
|---|--------|------------|--------------------|
| Optional A. Native American Night Monitoring (three Native American monitors for 3 6-hour nights) | 54.00  | \$ 125,000 | \$ 6,750.00        |
| Optional D. Native American Monitoring (2 Native American monitors for 10 9-hour days)            | 180.00 | \$ 100,000 | \$ 18,000.00       |
| Optional D. Native American Cancellation Fee (1 cancellation per week for 24 weeks)               | 24.00  | \$ 400,000 | \$ 9,600.00        |
| <b>Other Direct Total</b>   |        |            | <b>\$34,350.00</b> |

**Assumptions**

- 16 weekly 1-hour lookahead meetings for the Project. Should the Project run longer than anticipated or require additional meetings, a change order will be required.
- Six additional Sensitivity Trainings are included.
- 80 8-hour days of cultural and paleontological resources monitoring are included. 10 8-hour days of monitoring are included as optional monitoring task.
- 80 9-hour days for three Native American monitors. 10 9-hour days for two Native American Monitors are included under optional monitoring task.
- Three 6-hour night monitoring for both the A/P monitor and the Native American monitors are included as an optional task.
- Due to lack of notice for cancellations, any cancellations with less than 24-hours' notice will be billed as a 4-hour minimum.
- We have included an additional five 8-hour days for response to inadvertent finds for the Project due to the increased length of the Project.
- Additional reporting time, including paleontological resources reporting time, is included.
- Changes in scope will require a change order.

|  |                     |
|--|---------------------|
| Change Order 1                                 | \$ 810,680.72       |
| Change Order 2                                 | \$ 347,210.00       |
| <b>Contingency (Optional Monitoring Tasks)</b> | <b>\$ 43,060.00</b> |

**Assumptions**

- Changes in scope will require a change order.
- No meetings
- No archaeological/paleo resources will require updating or recording
- Report will be sent electronically

| Other Direct Costs Itemized | UNITS | RATE     | TOTAL         |
|-----------------------------|-------|----------|---------------|
| Mileage                     |       | \$ 0.560 | \$ -          |
| <b>Other Direct Total</b>   |       |          | <b>\$0.00</b> |

\*\* 2021 mileage rate is .56

CITY OF MORRO BAY

AMENDMENT NO. 7 TO THE AGREEMENT  
FOR CONSULTANT SERVICES  
BETWEEN THE CITY OF MORRO BAY AND  
FAR WESTERN ANTHROPOLOGICAL RESEARCH GROUP, INC.

This Amendment No. 7 is entered by and between the City of Morro Bay, a municipal corporation (“City”) and Far Western Anthropological Research Group, Inc., a California corporation (“Consultant”).

**RECITALS**

WHEREAS, City and Consultant entered into an agreement as of January 1, 2019, for consulting services related to the Water Reclamation Facility (the “Project”) for a not to exceed amount of \$124,644.01 (the “Agreement”);

WHEREAS, the Parties amended the Agreement as of February 1, 2020, to include additional services and established a not to exceed amount of \$260,922.01 for the entire Agreement (Amendment No. 2), which amendment was approved by act of the City Council, as required;

WHEREAS, the Parties amended the Agreement as of July 13, 2020, to include additional services and established a not to exceed amount of \$282,014.01 for the entire Agreement (Amendment No. 3);

WHEREAS, the Parties amended the Agreement as of January 25, 2021, to provide for additional time for the entire Agreement (Amendment No. 4);

WHEREAS, the Parties amended the Agreement as of February 23, 2021, to include additional services and established a not to exceed amount of 397,079.01 for the entire Agreement (Amendment No. 5).

WHEREAS, the Parties amended the Agreement as of October 12, 2021, to include additional services and established a not to exceed amount of 463,086 for the entire Agreement (Amendment No. 6).

WHEREAS, the Agreement and Amendment No. 1, No. 2, No. 3, No. 4, No. 5, and No. 6 are hereinafter referred to as the “Amended Agreement;”

WHEREAS, the Parties now agree it is time to again amend the Amended Agreement to extend the contract expiration date from June 30<sup>th</sup>, 2022 to December 31<sup>st</sup>, 2025;

WHEREAS, Consultant has specific knowledge and experience to provide technical oversight needed to accomplish necessary tasks required to meet the City Council's goals for the Project; and

NOW THEREFORE, City and Consultant mutually agree to amend the Amended Agreement as follows:

1. The contract expiration date for the Amend Agreement shall be extended from June 30, 2022 through December 31, 2025.
2. Except as expressly stated herein, all terms and conditions in the Amended Agreement shall remain in full force and effect.
3. The effective date of this Amendment No. 7 shall be deemed to be June 14, 2022 (Effective Date).

IN WITNESS WHEREOF, the parties will be deemed to have caused this Amendment No. 7 to be executed by their duly authorized representatives as of the Effective Date.

CITY OF MORRO BAY

CONSULTANT (2 signatures required)

By: \_\_\_\_\_  
Scott Collins  
City Manager

By: \_\_\_\_\_  
\_\_\_\_\_,  
Its \_\_\_\_\_

Attest:

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

By: \_\_\_\_\_  
\_\_\_\_\_,  
Its \_\_\_\_\_

Approved As To Form:

\_\_\_\_\_  
Chris Neumeyer, City Attorney

CITY OF MORRO BAY

AMENDMENT NO. 4 TO THE AGREEMENT  
FOR CONSTRUCTION SERVICES  
BETWEEN THE CITY OF MORRO BAY  
AND ANVIL BUILDERS, INC.

This Amendment No. 4 is entered by and between the City of Morro Bay, a municipal corporation (“City”) and Anvil Builders, Inc., a California corporation (“Contractor”).

**RECITALS**

WHEREAS, City and Contractor (collectively, the “Parties”) entered into an agreement as of November 10, 2020, for construction services for Contractor to complete the work for the Water Reclamation Facility Lift Station and Offsite Pipelines Project, (the “Project”) which was approved by the City Council for a not to exceed amount of \$31,493,675 (the “Agreement”).

WHEREAS, the Parties amended the Agreement, as of October 12, 2021, to expand the tasks to be provided by Contractor and to increase the compensation payable in the amount of \$674,485 (Amendment No. 1), increasing the total compensation payable pursuant to the Agreement to \$32,168,160;

WHEREAS, the Parties amended the Agreement, as of January 11, 2022, to expand the tasks to be provided by Contractor and to increase the compensation payable in the amount of \$587,502 (Amendment No. 2), increasing the total compensation payable pursuant to the Agreement to \$32,755,662;

WHEREAS, the Parties amended the Agreement, as of March 22, 2022, to expand the tasks to be provided by Contractor and to increase the compensation payable in the amount of \$241,317 (Amendment No. 3), increasing the total compensation payable pursuant to the Agreement to \$32,996,979;

WHEREAS, the Agreement, Amendment No. 1, Amendment No. 2, and Amendment No. 3 are referred to collectively as the "Amended Agreement;"

WHEREAS, the Parties again agree to amend the Amended Agreement because the construction services for the Project require an expansion and removal of some of the tasks to be provided by Contractor pursuant to the Amended Agreement;

WHEREAS, due to the expansion and reduction of tasks to be provided, the compensation payable pursuant to the Amended Agreement must be decreased.

NOW THEREFORE, City and Contractor mutually agree to amend the Amended Agreement as follows:

1. The additional services to be provided by Contractor, pursuant to the Amended Agreement, as hereby further amended, shall include Change Orders 11, 19, 28.1, 33, 41, 42, and 49 for the out of scope items, as set forth in Exhibit A, attached hereto and incorporated herein by this reference (the "Change Order No. 4"). The Change Order No. 4 activities shall have been already satisfactorily commenced as of the date of this Amendment No. 4 or be satisfactorily commenced immediately after June 14, 2022, and, to the extent not completed by that June date, completed no later than September 3, 2022.

2. The total compensation to be paid for the Amended Agreement, as a result of Change Order No. 4 is reduced by \$54,065. The activities for Change Order No. 4 shall be paid in accordance with (i) the amounts set forth in Exhibit A, and (ii) the process established by the Amended Agreement on a lump sum basis. With the amounts added for the Additional Work and reduced for cancelled work, the total compensation paid pursuant to the Amended Agreement shall be reduced to a not exceed amount of \$32,942,914.00.

3. Contractor shall not be compensated for any services rendered in connection with its performance of the Amended Agreement which are in addition to those set forth in Change Order No. 4.

4. Except as expressly stated herein, all terms and conditions in the Amended Agreement shall remain in full force and effect.

5. The effective date of this Amendment No. 4 shall be deemed to be June 14, 2022.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 4 to be executed by their duly authorized representatives as of the day first written above.

CITY OF MORRO BAY

CONTRACTOR

By: \_\_\_\_\_  
Scott Collins,  
City Manager

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

Attest:

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

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

Approved As To Form:

\_\_\_\_\_  
Chris Neumeyer, City Attorney





**City of Morro Bay**  
**Water Reclamation Facility**  
**Lift Stations and Offsite Pipelines Project**  
**CHANGE ORDER 004**

**Project:** WRF Lift Stations and OffSite Pipelines Project      **Contractor:** Anvil Builders, Inc.  
**Date:** June 14, 2022      **Project Manager:** Chris Fassari

Upon mutual acceptance and execution of this document by the City of Morro Bay (City) and Anvil Builders, Inc. (Contractor), Contractor is hereby directed to make the following changes for the consideration set forth below:

See following page(s) for Descriptions and Reasons for Change

| PCO #                       | DESCRIPTION  | Reason For Change | Amount          | Contract Time (Calendar Days) |
|-----------------------------|--|-------------------|-----------------|-------------------------------|
| 11                          | Reroute IPR and Water Line Below Sta. 144 Culvert    | DSC               | \$ 103,893.00   | 0 Days                        |
| 19                          | Remove City's Existing Desalination Iron Media Tank  | CR2               | \$ 54,189.00    | 0 Days                        |
| 28.1                        | SLO County APCD Generator Mandates (Rescind)         | REG               | \$ (301,703.00) | 0 Days                        |
| 33                          | Paving Repairs Near Todd's Garage                    | CR2               | \$ 6,895.00     | 0 Days                        |
| 41                          | Unknown Cementitious Subgrade at South Bay Blvd      | DSC               | \$ 26,600.00    | 0 Days                        |
| 42                          | Unknown Conduits at South Bay Blvd and Quintana Road | DSC               | \$ 7,788.00     | 0 Days                        |
| 49                          | Vistra/PG&E Easements Unknown Extra Work Items       | DSC               | \$ 48,273.00    | 0 Days                        |
| NET CHANGE ORDER ADJUSTMENT |  |                   | \$ (54,065.00)  | 0 Days                        |

|                                  |                  |
|----------------------------------|------------------|
| ORIGINAL CONTRACT AMOUNT         | \$ 31,493,675.00 |
| Previous Change Orders           | \$ 1,503,304.00  |
| Previous Contract Amount         | \$ 32,996,979.00 |
| Adjustments by this Change Order | \$ (54,065.00)   |
| Change Order to Date             | \$ 1,449,239.00  |
| New Contract Amount              | \$ 32,942,914.00 |

|                               |          |
|-------------------------------|----------|
| CURRENT FINAL COMPLETION DATE | 9/3/2022 |
| Extension Days (Calendar)     | 0 Days   |
| NEW FINAL COMPLETION          | 9/3/2022 |

Acceptance of this Change Order constitutes an agreement between the City and Contractor, and the work is to be performed subject to the same terms and conditions as are contained in the Agreement with Contractor and for work on the above-mentioned project.

By signature of this Change Order, the Contractor acknowledges that the adjustments to the Contract Cost and Time contained in the Change Order are in full satisfaction and accord and so waives any right to claim any further cost and time impacts at any time during and after completion of the Contract for the changes encompassed by this Change Order (EXCEPT AS NOTED IN ITEM 13.1 HEREIN WHEREIN DELAY IMPACTS ARE ON-GOING).

ACCEPTED

Anvil Builders Inc.

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Contractor (Company Name)

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(Authorized Signature) (Date)

Chris Fassari

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(Print Name and Title)

When signed by the Construction Manager, and upon execution of source document Amendment by City Council, this document becomes effective IMMEDIATELY, and Contractor shall proceed with the change(s) described above.

APPROVED

Carollo Engineers Inc / MEG Inc.

Construction Manager

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Authorized Signature (Date)

Steve Mimiaga - Construction Mngr.

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(Print Name and Title)



**City of Morro Bay  
Water Reclamation Facility  
Lift Stations and Offsite Pipelines Project  
CHANGE ORDER 004**

**Project:** WRF Lift Stations and OffSite Pipelines Project

**Contractor:** Anvil Builders, Inc.

**Date:** June 14, 2022

| PCO  | TILE  | DESCRIPTION OF CHANGE   | Reason For Change |
|------|---|---|-------------------|
| 11   | Reroute IPR and Water Line Below Sta. 144 Culvert   | The original design called for the IPR and Waterline relocation in this area to be placed above the existing stormwater culvert. After the trench was excavated, it was discovered that there was insufficient soil cover over the existing culvert to allow the IPR and Waterline to be installed over the top per Drawings. Consequently, these pipelines needed to be routed under the culvert, which increased the depth of excavations from 2 ft to 8 ft at Sta 143+99, thereby also increasing requirements for trench shoring, excavated spoils, backfill and compaction, , and potential groundwater management, between Sta 142+95 and Sta 144+95. Reference RFI #52.  | DSC               |
| 19   | Remove City's Existing Desalination Iron Media Tank | The City requested a quote from Anvil to remove and dispose of the existing Desalination Iron Media Tank (horizontal pressure filter) located east of Pump Station A, along Atascadero Rd. Anvils quote includes removal of the tank, tank supports, and air vacs atop the tank. Bid includes the removal of a max. of 20 CY of concrete inside the tank. Bid is based on the steel tank weighing a maximum of 55,000 lbs (once concrete is removed). Anvil will remove and replace the existing chain link with barbed wire fence; 50 LF max. Removal of adjacent piping and appurtenances (air-vacs, anchor bolts, etc.) is not included in this work.  | CR2               |
| 28.1 | SLO County APCD Generator Mandates (Rescind)        | On 9/24/21, the City received a Notice of Incomplete Applications from SLO County Air Pollution Control District (APCD), pursuant to the Pump Station A emergency generator and the Pump Station B emergency generator. The City subsequently completed and submitted Health Risk Assessments (HRAs) at each Pump Station, as was required by APCD as part of their Notice of Incomplete Applications. After submission of the HRAs, APCD reversed its initial determination and accepted both generators without modifications. As such, the City and Anvil agree to rescind the associated previous change order for added (assumed) emissions control devices included in Amendment No. 2. Reference PCO #28.  | REG               |
| 33   | Paving Repairs Near Todd's Garage                   | The City requested that Anvil repair existing failing pavement in the City right-of-way adjacent to Anvil's Joint Trench excavation. It was determined that the damaged asphalt was not the fault of Anvil operations but rather the on-going inclement weather and existing deteriorated pavement conditions. This occurred near Todd's Garage at 972 Quintana Rd, Morro Bay. The area was re-paved 12/10/2021.  | CR2               |
| 41   | Unknown Cementitious Subgrade at South Bay Blvd     | During Joint Trench and IPR excavation work on South Bay Blvd, the Contractor encountered cement-treated aggregate base-rock material below the existing pavement. This cementitious base material required additional effort and expenses in mechanical removal work and subsequent off-site disposal (material was not re-useable as backfill). This extra work warrants reimbursement of verified extra costs including documented labor, equipment, and other expenses on 2/1/2022, 2/3/2022, 2/4/2022, 2/5/2022, 2/10/2022, 2/11/2022, and 2/14/2022.  | DSC               |
| 42   | Unknown Conduits at South Bay Bvd and Quintana      | During Joint Trench excavation work near the South Bay Blvd and Quintana Road intersection, the Contractor encountered and damaged unknown existing conduits which required additional effort and expenses to hand-dig around and repair. This extra work warrants reimbursement of verified extra costs including documented labor, equipment, and other expenses on 1/25/2022. The conduits were not shown on the plans or claimed by any known utility owner.  | DSC               |
| 49   | Vistra/PG&E Easements Unknown Extra Work Items      | During the project work within PG&E/Vistra easements to date, the below noted miscellaneous unforeseen minor utility work was required for contract work to proceed. The following items are acknowledged as unforeseen conditions and as such warrant reimbursement of verified extra costs: (1) Excavate "test percolation ponds" at City request along Bike Path on 2/16/2022, (2) Unknown utilities encountered from Sta 53+00 to Sta 54+00 which impacted production on 2/16/2022, (3) Installation of exclusionary fencing along LS-2 as required by SHPO on 2/23/2022, (4) Potholing LS-2 alignment for unknown utilities not shown on plans but marked by utility companies on 3/7/2022, (5) Unforeseen concrete slab not shown on plans along LS-2 alignment impacting production on 3/22/2022, (6) Excavate around utilities not marked on plans along LS-2 alignment, 8 utilities total, between 3/17/2022 and 3/31/2022, (7) Sawcut, remove, and stockpile unknown concrete slab at Sta 21+00 of LS-2 alignment on 3/30/2022, and (8) Excavate and install 4" pipe and fittings to re-route existing Vistra waterline above LS-2 force main pipe on 4/6/2022. | DSC               |

**REASON FOR CHANGE CODES**  
**CR1:** City requested (required)  
**CR2:** City requested (Optional)  
**E&O:** Design Error or Omission  
**ABI:** Anvil request / claim item  
**DSC:** Differing Site Conditions  
**REG:** Regulatory Agency Item

**AMENDMENT NO. 6 TO THE AGREEMENT  
FOR CONSULTANT SERVICES  
BETWEEN THE CITY OF MORRO BAY  
AND CAROLLO ENGINEER, INC.**

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This Amendment No. 6 is entered by and among the CITY OF MORRO BAY, a municipal corporation (“City”) and CAROLLO ENGINEERS, INC., a Delaware Corporation (“Consultant”). City and Consultant are sometimes collectively referred to as the “Parties.”

**RECITALS**

WHEREAS, City and Consultant entered into an agreement as of April 10, 2018, for consulting services related to the Program Management for the Water Reclamation Facility Project (WRF Project), which was approved by the City Council for a total not-to-exceed amount of \$292,000 (the “Agreement”); and

WHEREAS, the Parties understood the Agreement was to cover completion of the Project Confirmation phase of the WRF Project (Phase 1); and

WHEREAS, the Parties amended the Agreement on November 27, 2018, to include additional services for a portion of the Project Implementation phase of the WRF Project (Phase 2) and established a total not-to-exceed amount of \$1,898,948.00 for the Agreement; and

WHEREAS, the Parties amended the Agreement on November 7, 2019, to include additional services for a portion of the Project Implementation and Project Oversight phases of the WRF Project (Phase 2 and 3) and established a total not-to-exceed amount of \$4,280,916 for the Agreement; and

WHEREAS, the Parties amended Agreement on June 23, 2020, to include additional services for Project Oversight phases of the WRF Project (Phase 3) and established a total not-to-exceed of \$6,360,378 for the Agreement; and

WHEREAS, the Parties amended Agreement on June 22, 2021, to include additional services for Project Oversight phases of the WRF Project (Phase 3) and established a total not-to-exceed of \$11,991,472 for the Agreement, and

WHEREAS, the Parties amended Agreement as of July 1, 2021, to expand the entities protected by the hold harmless clause in the Agreement; and

WHEREAS, the Agreement and the November 27, 2018, November 7, 2019, June 23, 2020, June 22, 2021, and July 1, 2021, amendments are hereinafter referred to as the “Amended Agreement;” and

WHEREAS, this Amendment No. 6 does not require any increase in the total not-to-exceed contract amount approved by the June 22, 2021, amendment.

NOW, THEREFORE, City and Consultant mutually agree to further amend the Amended Agreement as follows:

1. The expiration date for the Amended Agreement is extended through June 30, 2023.
2. Except as expressly stated herein, all terms and conditions in the Amended Agreement shall remain in full force and effect.
3. The effective date of this Amendment No. 6 shall be deemed to be June 14, 2022.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 6 to be executed by their duly authorized representatives.

CITY OF MORRO BAY  
a municipal corporation

CONSULTANT

CAROLLO ENGINEERS, INC.

By: \_\_\_\_\_  
Scott Collins, City Manager

By: \_\_\_\_\_  
Paul Amico, Vice President

Dated: June \_\_, 2022

Dated: June \_\_, 2022

Attest:

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

Approved As To Form:

\_\_\_\_\_  
Chris Neumeyer, City Attorney