



CITY OF MORRO BAY
COMMERCIAL FISHING INDUSTRY IMPROVEMENT FUND
2020 PROJECT PROPOSAL

C-MANC WASHINGTON WEEK 2020
Narrative Summary

C. Project Definition

1. **Overall Cost:** The City of Morro Bay is requesting grant funds for the costs of the two-person City delegate team attendance at the annual C-MANC Washington D.C. trip. Total direct costs were approximately \$8,500, with City in-kind costs estimated at \$16,000.

We are requesting \$8,000 in grant funding for reimbursement of Washington DC trip costs.

2. **Duration of Project:** The 2020 C-MANC Washington Week conference and associated meetings took place March 2-4, 2020 including other independent personal visits to various legislators and other key staffers. Including flights before and after, the overall project duration is March 1 to March 5, 2020.

3. **Number of Staff Used:** A two-person delegate team attended this year's proceedings: the Mayor and Harbor Director for the City of Morro Bay.

4. **Skill and Experience:** The City is a founding member of C-MANC, which was created in 1965/1966 when the Northern California Marine Affairs Conference and the California Navigation Conference (CNC) merged. Prior to that merger, San Luis Obispo County and the City were members of CNC.

For the past 25+ years, the City has sent representatives to the "Washington Week" meetings. In addition, for the past several years the City has sought and successfully obtained and administered Commercial Fishing Industry Improvement Fund grants. In addition to the Mayor, City Manager and Harbor Director, Harbor Department administrative staff assists with project and grant administration.

5. **Measurable Deliverables:** C-MANC annually hosts "Washington Week" meetings, where representatives of California Ports and Harbors have the opportunity to remind Congress and various other agencies of the importance of dredging projects, commercial fishing and other coastal-related legislation in California and nation-wide. In addition, C-MANC and our Washington D.C. trip are not only about dredging; we also meet with various legislators, regulators and other agencies to bring forth issues and matters of concern such as fisheries, ocean and coastal management and coastal governance. Attached to this application are this year's C-MANC and City DC agendas.

On January 14, 2020, the City Council authorized the Mayor and Harbor Director as this year's Morro Bay delegation. With this year's C-MANC proceedings on March 3-4, staff attended Morro Bay-specific meetings both before and after the official C-MANC proceedings in order to take full advantage of the time in Washington.

Despite accommodating approximately 400 recreational and 75 commercial fishing vessels, Coast Guard Station Morro Bay, a California Fish and Wildlife patrol vessel, Morro Bay Harbor Patrol, two ~100-foot commercial service vessels and a small marine construction firm, from a priority standpoint, Morro Bay is considered a small or "subsistence" harbor. In terms of commerce, although we do generate

approximately \$8 Million in ex-vessel value out of 3.5 million tons in commercial fishing landings per year, we are quite low on the totem pole compared to powerhouses like Los Angeles/Long Beach and Oakland. Because of our relative isolation, however, “harbor of safe refuge” status, United States Coast Guard presence and relatively dangerous harbor entrance, Morro Bay’s rank in priority for funding is elevated above a “subsistence” harbor, and we have been successful in having our dredging needs met.

The City could not afford to dredge our harbor without the Corps, as annually the Corps spends approximately \$3 Million to dredge our entrance, and \$7 Million - \$8 Million every 6-8 years to dredge the remainder of our channels, and continued dredging of our Federally-authorized and funded harbor entrance and channels remains our top priority with C-MANC, our work with the Army Corps of Engineers (Corps) and Washington DC visits. That will ensure our harbor remains not only safe for passage, but fully navigable from a commerce and operational standpoint.

On average for the past five years the Corps’ dredge ship *Yaquina* has removed approximately 180,000 cubic yards of clean sand and gravel from our entrance and placed it in the EPA-approved Nearshore placement site south of the harbor for beach nourishment. In our most recent whole-harbor dredging cycle in 2017/2018, Ahtna Design-Build, Inc. removed 280,793 cubic yards of material at a cost of \$4,862,961 using “hydraulic” or pipeline-type equipment, and in 2009/2010, AIS Construction removed 573,969 cubic yards for \$8,167,145. Those dredged materials were primarily placed on the beach north of the Rock roughly opposite the high school, also an EPA-approved beach nourishment material placement site that in part helps ensure the dunes in north Morro Bay remain large and healthy.

It is vitally important, therefore, for the City to maintain its relationships at all levels of the Corps’ organization and with our legislators in Washington D.C. Our membership and involvement with C-MANC is one key to our and other California ports and harbors’ voices being heard, and needs being met.

6. ***Overall Project Criteria & Benefits: Dredging.*** This federal fiscal year (FY20) the Corps is funded in the President’s budget with ~\$2.75 Million to dredge Morro Bay with the *Yaquina*, tentatively due in May to begin that project. In the FY21 federal budget, we requested of the Corps \$3.0 Million for annual harbor entrance dredging.

Because of our whole-channel dredging in 2017/2018, Morro Bay is in relatively good shape at present. We must, however, stay attentive to our harbor’s crucial and on-going needs and continue to press for adequate funding. Therefore, for FY21, we are requesting \$3.0 Million for annual *Yaquina* dredging. Although the President’s draft budget was released, the current situation with the Coronavirus has taken most of the federal government’s attention. Continued annual *Yaquina* funding, however, does appear secure.

Our goal this year is to continue our message of the importance of Morro Bay dredging to our community, the region and state, and to ensure we maintain our important Corps relationships, including thanking those involved with securing our funding.

Fisheries. Refinancing of a \$45 Million federal loan to reduce West Coast commercial fishing capacity was a focus last year, which loan is being paid back by fees levied on groundfish quota harvests; and, thus, a refinance of that loan, with more favorable terms, would reduce a significant burden on the industry. We are happy to report that refinancing of that loan was accomplished with legislative action

last year. In addition, an alternative to the current 100% human observers required in the groundfish quota fishery continues to be an impediment to participation in that sector.

Bureau of Ocean Energy Management (BOEM). As BOEM continues to pursue the Federal leasing and permitting process for floating offshore wind production off our coast, we will be staying closely engaged, including meeting with BOEM Director Walter Cruickshank to convey Morro Bay’s concerns, and what Morro Bay’s roles, responsibilities and opportunities may be in the leasing and permitting processes. We will also be conveying the City’s support of Castle Wind by way of the Community Benefits Agreement recently executed between the City and Castle, and the Benefits Agreement recently executed by the Morro Bay and Port San Luis commercial fishermen’s associations to address that industry’s concerns. With concerns from the Department of Defense (DoD) regarding placement of offshore wind farms continuing to be a major impediment to the leasing process, the City has worked closely with Congressman Carbajal on resolving those issues with DoD.

United States Coast Guard (USCG). With the importance of the continued presence and operational effectiveness of Coast Guard Station Morro Bay, we will continue to convey support for the USCG’s new building proposal we have been working on for several years, which project should get under construction in late summer this year.

Legislators. Each year we meet personally with our Congressional delegation, and/or their key staffers. Those meetings typically are both of a general nature and to focus on specific projects, issues and recent news and happenings of a noteworthy nature. Those personal meetings are important and do make a difference in matters and funding important to Morro Bay. They can also serve to identify other potential funding sources for the WRF program.

In addition to Senators Feinstein and Harris and Congressman Carbajal, we will continue to forge relationships with Congressman Huffman (CA-2), Congresswoman Pingree (ME-1), Congresswoman Brownley (CA-26), and Congressman Panetta (CA-20).

D. Project Plan

C-MANC Winter Meeting San Pedro	↔			
C-MANC Washington D.C. Trip	↔			
Grant Application Process	↔			
Reimbursement Process	↔			
Follow-Up with Legislators	↔			
Time Frame	Jan 2020	Mar 2020	April 2020	May 2020

E. Financial Schedule

The City will has paid all costs for the Washington, D.C. trip, and, should the grant be approved, are requesting reimbursement for the costs as indicated. The various funding aspects of the trip are as outlined in the following chart. City in-kind costs are being provided for informational purposes only.

2020 C-MANC ACTUAL COSTS FOR THE 2-PERSON CITY DELEGATE TEAM

<u>Description</u>	<u>Amount</u>
Conference Registration	\$990.00
Lodging	\$3,850.00
Airfare/Transportation	\$2,498.00
Meals	\$375.00
Misc.	\$50.00
Golden State Reception	\$750.00
ACTUAL DIRECT COSTS FOR GRANT FUNDING	\$8,513.00

2020 ESTIMATED CITY IN-KIND COSTS*

<u>Description</u>	<u>Amount</u>	
<u>Harbor Staff Time</u>		
Harbor Director		
Winter Meeting	20 hours	\$3,646.20
Washington DC	50 hours	\$9,115.50
Business Coordinator	4 hours	309.64
<u>Additional Hard Costs</u>		
C-MANC Dues		\$1,350.00
Winter Meeting Registration		\$225.00
Winter Meeting Expenses		\$1,300.00
Misc. Administrative Costs		\$85.00
ESTIMATED IN-KIND COSTS		\$16,030.00

*City in-kind costs are estimated and were comprised of costs derived from attendance of the C-MANC Winter meeting which took place on January 15-17, 2020, and Harbor staff costs associated with preparing for the Washington D.C. trip.