



AGENDA NO: 6.d

MEETING DATE: October 14, 2025

Staff Report

TO: Honorable Mayor and City Council

DATE: September 30, 2025

FROM: Lori Thompson, Harbor Business Manager

SUBJECT: **Adoption of Resolution No. 52-25 Authorizing the City of Morro Bay to Enter into a Fiscal Year (FY) 2025-26 Surrendered and Abandoned Vessel Exchange Grant Contract and Related Budget Amendment**

RECOMMENDED ACTION

Adopt Resolution No. 52-25 authorizing the Harbor Business Manager to execute and act as the City's agent for the attached FY 2025-26 Surrendered and Abandoned Vessel Exchange Grant (SAVE) Agreement #C25S0605 with the State of California Department of Parks and Recreation, Division of Boating and Waterways (DBW) for \$15,750.00 for funding to remove abandoned/surrendered vessels and hazards to navigation, and authorizing the related budget amendment.

ALTERNATIVES

The Council could not accept this grant, and direct staff accordingly.

FISCAL IMPACT

Approval of this \$15,750.00 grant agreement will provide funding for demolition and removal of abandoned or surrendered vessels and hazards to navigation. The City is required to provide a 10% in-kind funding match, or \$1,575.00, which will come from existing budgeted funds, primarily in the form of staff time and supplies. Staff is requesting approval of Resolution No. 52-25 to authorize the Harbor Business Manager act as the City's agent for the grant award and to amend the City's FY 2025-26 Adopted Operating and Capital Budget to reflect the receipt of grant funds and offsetting expenditures.

BACKGROUND

The Vessel Turn-In Program (VTIP) was established by DBW from enabling Legislation in 2009. It provides a funding mechanism for local agencies to identify vessels in danger of being abandoned (generally older vessels at or beyond their useful life and falling into dereliction) and accepting ownership of those vessels from willing owners for demolition, prior to them being abandoned and becoming a hazard to navigation or the environment.

The Abandoned Water Abatement Fund (AWAF) was established in 1997 and provides funds to public agencies to remove, store, and dispose of abandoned, wrecked, or derelict vessels or other submerged objects from navigable waterways which pose a hazard to navigation or the environment.

Prepared By: LT

Dept Review: CM

City Manager Review: AL

City Attorney Review: BS

Today, the two grants are combined to create a single grant, entitled “Surrendered and Abandoned Vessel Exchange” (SAVE), which will allow the City the ability to utilize the funds as deemed necessary for both AWAFF and VTIP grant purposes. To date, together the Harbor Department has received and expended over \$203,500.00 in ten separate grants.

The Harbor Department was most recently awarded a \$38,000.00 SAVE grant from DBW in 2023 and utilized an additional \$38,000.00 in unspent funds from the Sacramento Sheriff’s Department, for a total of \$72,000 since 2023. Those funds have now been fully expended.

DISCUSSION:

As stewards of the harbor and ocean environment, these grants enable the Harbor Department to continue to accept surrendered vessels for demolition prior to them becoming abandoned and posing hazards to navigation or the environment.

In addition, the Harbor Department identifies vessels in danger of abandonment and prioritizes removal of them by working with willing owners, as well as identifying and prioritizing vessels in probable need of future abatement. Demolition projects are put out to bid as necessary, and as many vessels as possible within the scope of the grant agreement will be removed.

Currently, we have identified one vessel that may be deemed abandoned with a threat to pollute and two that may be turned in by owners for demolition, at an estimated cost of \$11,0000.00, with additional vessels under review.

CONCLUSION

Staff recommend that the City Council adopt Resolution No. 52-25 accepting a \$15,750.00 SAVE grant from DBW for demolition and removal of abandoned/surrendered vessels and hazards to navigation.

ATTACHMENTS

1. Resolution No. 52-25
2. SAVE Grant Agreement #C25S0605