

**JOINT MEETING
CITY OF MORRO BAY AND CAYUCOS SANITARY DISTRICT
WASTEWATER TREATMENT PLANT
(UNDER JOINT POWERS AGREEMENT)**

**CAYUCOS SANITARY DISTRICT
BOARD OF DIRECTORS PRESENT:**

Robert Enns, President
R.H. Bud McHale, Vice-President
Harold Fones, Director
Shirley Lyon, Director
Michael Foster, Director

**CITY OF MORRO BAY CITY COUNCIL:
MEMBERS PRESENT:**

Janice Peters, Mayor
Betty Winholtz, Vice-Mayor
Noah Smukler, Councilmember
Carla Borchard, Councilmember
Rick Grantham, Councilmember

MINUTES

MEETING DATE:
6:00 PM Tuesday September 8, 2009

HOSTED BY:
Cayucos Sanitary District

MEETING PLACE:
Cayucos Elementary School
Auditorium
301 Cayucos Drive
Cayucos CA 93430

CALL TO ORDER AND ROLL CALL

Robert Enns called the meeting to order at 6:00 p.m. with Roll Call taken by the Administrative Services Technician for Cayucos Sanitary District. All above stated members present and accounted for.

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the governing bodies on Morro Bay-Cayucos Wastewater Treatment Plant (WWTP) business matters may do so at this time. By the conditions of the Brown Act, the governing bodies may not discuss issues not on the agenda, but may set items for future agendas. When recognized by the Chair, please come forward to the podium and state your name and address for the record. Comments should be limited to three minutes.

Robert Enns briefly explained that Public Comment is reserved for items not on the current agenda and if the public present wanted to discuss **Old Business Agenda Item B1 WWTP Upgrade project Modifications** they would have an opportunity to do so after Staff gave their presentation. Mr. Enns opened Public Comment.

Marla Bruton, a Morro Bay resident, introduced a publication called 'The Blue Carpet Treatment' - *A Proposal for the Development of Water Clean up*. This collaborative proposal and possible pilot program for Estero Bay cites national standards regulations, enforcement, pollution prevention and green standards.

Lindy Owen, a Los Osos resident, believed Morro Bay and Cayucos had a great opportunity and hoped they had an open mind for 100% re-usage of water as in the Salinas area.

Robert Enns closed Public Comment.

B. OLD BUSINESS

1. Consideration to Select WWTP Upgrade Project Modifications as Identified in the Carollo Facilities Master Plan – Amendment No. 1 for Inclusion in the Project EIR

Bruce Keogh, Wastewater Division Manager provided historical information leading to the project modifications of the WWTP Upgrade Facilities Master Plan, Amendment One. As the draft EIR was put together a flood analysis was performed. The outcome recommended that the WWTP upgrade be moved to the

south in the areas presently occupied by the sludge beds, trailer storage and portions of the City maintenance yard; by doing so the WWTP would be out of the flood plane. At the August 11th JPA Meeting and the subsequent Technical Advisory Committee meeting August 27th an agreement with City of Morro Bay and Cayucos Sanitary District was made to give thoughtful consideration to the recommended “boxed” area south of the present location. A map exhibit demonstrating the “boxed” area was provided. Mr. Keogh summarized the agenda item objective as: A. Allowing an analysis of the proposed area inside the box. B. Reaffirm the approval of an oxidation ditch with filtration as the desired project alternative.

Rob Livick, City Engineer, in addition to projected maps shown, background information was provided demonstrating the outflow/overflow EIR flood analysis performed, several possible scenarios considered and impact of moving the WWTP to higher ground to the south.

Bruce Ambo, Public Services Director, followed up by pointing out the recommended area defined as the project on the overhead map. Mr. Ambo explained that by redefining the project description and area, a comprehensive EIR analysis of all alternatives can be completed including a commitment to the oxidation ditches, the method of treatment. Mr. Ambo reminded the audience the purpose of the EIR is to inform them of any environmental impacts and encouraged their participation, comments, questions and suggestions. In conclusion the recommendation is to describe the project within the box.

PUBLIC COMMENT: Robert Enns opened public comment reiterating the goal of the agenda item is to define the proposed area for the new treatment plant.

John Barta, a Morro Bay resident, provided a handout to all board members demonstrating his position as a rate payer picking up the expense to achieve tertiary treatment when no creature will know the difference.

Sandra Brazil, representing the Ocean Outfall Group, recommends tertiary and water reusage.

Bill Martony, advocated water reusage suggesting redelivery to farmers, go slow, look at other alternatives including new location and new water system.

Robert Enns once again reminded the speakers that the subject is to identify the rectangle; the goal is to move the EIR forward.

Betty Winholz added that the goal includes identifying the project within that box. Mr. Enns agreed that the goal includes reaffirming the oxidation ditch and the filtration.

Robert Staller, having a background in reclamation agriculture for the last 53 years, advocated the value and benefits of going to tertiary treatment and water reusage.

Dana Putman, Morro Bay resident and home owner, commented on 5 topics: 1) 100 year flood zone, reengineering area; 2) Water reclamation, at a minimum design should allow for future reclamation; 3) Energy generation, consider cogeneration out of waste; 4) Bio solids, keep current beds to avoid trucking off waste; 5) Alternative technology, consider smaller footprint such as Membrane Batch Reactor.

Joan Carter, Morro Bay resident, willing to pay more for an environmentally designed facility including tertiary with reclamation.

Michael Lucas, a member of the Morro Bay Planning Commission speaking as a Morro Bay resident, provided overhead images of past flood events (1954 storm cutting a path through sand spit; 1930 old Morro Creek; 1880 survey work maps) there are significant flood issues to deal with. The box is not good enough, do the right thing and put forth the resources for tertiary, reclamation and bioremediation of the waste products.

Doug Claussen, Morro Dunes RV Park, neighbor to the WWTP, voiced concerns about proximity to Park; odor; and not being notified about upcoming project events.

Piper Reilly, a Los Osos resident, advocated pond technology; low pressure collection systems; conservation and reuse.

Zack Stowasser, suggested consideration of new ideas and alternatives allowing other companies to bid and present possible better options.

Jeff Pienack, San Luis Bay Surfrider, recommends: 1) just say no to the box; doesn't gain elevation for flood impacts; 2) just say no to the ocean outfall: wasted water. Slow it down, spread it out and sink it in.

Marla Jo Bruton, a Morro Bay resident, speaking on behalf of New Water for Peace, discussed the California severe drought and the National Environmental Pollution Act of 1969 as 40 years of governmental regulators giving hall passes to polluters and encouraged the JPA Board to put away their thrift ideas, stop operating with closed curtains and do better.

Maggie Ragatz, Morro Bay resident & small business owner, we can do something more successful for our community. We have the creative and financial resources to think outside **this** box.

Lindy Owen, a Los Osos resident, think outside the box, go inland, do ponds, solar, spend money to do it right.

Ben Difatta, a Los Osos resident, get rid of 2000 year old plant, get the plant away from the ocean, look at alternatives.

Andrew Christie, Director of the San Lucia Chapter of the Sierra Club, would appreciate being notified in a timely fashion of any significant changes; a project without a sludge handling capacity is a different project and mandates a reconsideration of oxidation ditch treatment; due to environmental impacts such as intense energy usage you should absolutely not commit to an ox ditch solution. The purpose of the EIR is to evaluate the impact and benefits of treatment alternatives such as ox ditch treatment. You have an opportunity to be sustainable, bring to tertiary; reuse, take the time to reevaluate all options; 60 days would not be out of line.

Alan Perlman, a Los Osos resident, recommends going to a triangle; do not pound a round peg in to a square hole; due to global warming, 100 year flood will go to 50 years. Regulatory agencies respond to EIR, predict changes needed. Convert waste to water. Delay, do it right the first time.

Jane Heath, a Morro Bay resident, had nothing more to add except for Board to look at the room full of people that care about this issue. That is the message; you have the opportunity to do something great. Listen to these citizens, do the right thing, do what we have elected you to do.

Dawn Feurerberg, a resident of Morro Bay, small business owner and mother of two, wants a sustainable community, hopes the box is reconsidered.

Allison Ford, new director of the Otter Project, although in the past, along with RWQCB and the Sierra Club, advocated for a speedy process to upgrade the WWTP, in light of new information, a postponement to review all options is recommended.

Jerry Luhr, Morro Bay resident, believes there is a 5, 10, 1500 year flood problem with this site and that area in particular; expand view out, consider ponding similar to the Santee park system, and solve flood plane problems with less money.

Michael Duryck, a Morro Bay resident, familiar with Santee ponding added that a sought after RV park is part of that area. We have to trust you to do the right thing for us. Sewer bill was 3X's the electric bill, over 2X's the gas bill, spend our money wisely.

David Hirsch, Attorney, Carmel & Naccasha representing Cayucos Sanitary District, spoke on behalf of staff. This process has already been going on for 4 years, there is an 8 year timeline, and to start over at this point is unrealistic, from a legal standpoint this project needs to continue forward.

Robert Enns closed public comments explaining there were several items discussed by the public that were not on the agenda such as reclamation. The agenda item and concern is to have a plan to go into EIR, from there the EIR will be released to the public and all concerns can be addressed at that time. Mr. Enns went on to insure that the goal is to include filtration to tertiary and reclamation. By designating this "box" we will be able to move forward. Mr. Enns invited Morro Bay City Council to comment.

Betty Winholtz opened Morro Bay City Council questions with several relating to design build; timeline appeal process; flooding; fill costs; and ponding. These questions were answered by Dylan Wade, Utilities/ Capital Projects Manager, City of Morro Bay; Rob Livick, City Engineer; Bruce Ambo, Public Works Director; and David Stringfield, Carollo Engineers.

Mayor Janice Peters asked a question about the cost of pipe involved in the transportation of reclaimed water. Dylan Wade answered estimating the cost to be \$100 to \$150 per foot depending on variables such as depth, route, etc.

Noah Smukler asked Mr. Wade for clarification about the PG&E pipeline project for transporting reclaimed water. Mr. Smukler also asked Mr. Wade about the feasibility of receiving grant funding money for this project.

Bud McHale expressed appreciation for all the public comments and is anxious to move forward with the EIR and continued public participation through that process.

Michael Foster added his appreciation for the public comments having been on the Board since December 2008 he too had some of the same questions and concerns.

A discussion continued with Board members articulating their opinion. *Rick Grantham* provided historical background leading up to the current vote, expressing a desire to do the right thing *and* the reasonable thing, ultimately to look out for everyone. Let the EIR, the people that handle environmental issues, tell us if the current proposal will or will not work. *Noah Smukler* appreciates the staff effort made to provide solutions for the WWTP upgrade however, believes due to the current economy, global warming and new technology it would be a disservice to continue with the current proposal and not to make reclamation a priority and not to take the time to analyze all new alternatives and opportunities. *Carla Borchard* thanked all for being there explaining her position of trying to establish a balance between environmental options and cost associated with the project. There needs to be a market for reclamation, however, hopes staff will pursue using bio solids, composting and reclamation. *Betty Winholtz* expressed her concerns with costs based on 2006 figures; not all alternatives explored; the need to partner with community farmers; Ms Winholz telephoned the Regional Water Quality Control Board and spoke to a staff person that said they would be sensitive to WWTP taking more time to explore environmental issues. *Mayor Janice Peters* proceeded step by step with many of the concerns presented, explaining decisions made based on cost factors, protecting surrounding property owners, protecting rate payers, continuing partnerships, reiterating there is too much at risk by not moving ahead. We are already behind; there are no waivers available, if the EIR says changes must be made, all are welcome to give suggestions at that time.

Robert Enns explained that many of the comments presented have been addressed; decisions were made over a year ago after 3-4 years of work and reinforced the necessity to move forward with the project.

VOTE: City of Morro Bay: *Mayor Janice Peters made a motion to define the Project as Box indicated here and proceed with the EIR; Rick Grantham seconded and the motion passed with opposing votes from Betty Winholtz and Noah Smukler. Motion passes three in favor two opposed.*

VOTE: Cayucos Sanitary District: *Bud McHale made a motion to define the project as Box indicated; Hal Fones seconded with one opposing vote from Michael Foster. Motion passes four in favor one opposed*

MOTION PASSED

Mr. Enns commented to the public that their concerns will be addressed through the EIR process and will look forward to their participation.

A short recess.

A. CONSENT CALENDAR

1. Minutes of June 4, 2009 JPA Meeting – Recommend approve
2. Minutes of August 11, 2009 JPA Meeting – Recommend approve
3. Minutes of August 27, 2009 JPA TAC Meeting – Recommend approve
4. Wastewater Treatment Plant (WWTP) Operations Report through July, 2009 – Recommend receive and file
5. Status Report on the Design Process for the WWTP Upgrade Process – Recommend receive and file

Robert Enns asked for a motion to approve the consent calendar.

VOTE: Cayucos Sanitary District: *Bud McHale made a motion to approve the Consent Agenda Calendar, Hal Fones seconded and the motion passed unanimously.*

Mayor Janice Peters asked for a motion to approve the consent calendar.

VOTE: City of Morro Bay: *Betty Winholtz made a motion to approve the Consent Agenda Calendar, Rick Grantham seconded and the motion passed unanimously.*

MOTION PASSED UNANIMOUSLY

Robert Enns explained Agenda Items B 2; B 3; and B4 are pulled for a future JPA meeting.

B. OLD BUSINESS

2. Discussion of Proposals for Real Property Appraisals: WWTP Related Property with Consideration to Approve Real Property Appraisal Proposal
3. Status of Analysis of Statement of Net Assets for FY 2006 and 2007 Relating to “Cash and Cash Equivalents”
4. Status Report: FY 2007-2008 WWTP Audit

C. NEW BUSINESS

1. The Renewal of the Ocean Monitoring Contract with Marine Research Specialists through the Next Five-Year NPDES Permit Period – Recommend Approve

Bruce Keogh provided background information of the five year renewal of the offshore Ocean Monitoring contract with the Marine research Specialists, on contract since 1993, and the continued value of their technical expertise and excellent support. Reports are available to the public on the website. A brief discussion continued.

VOTE: City of Morro Bay: *Rick Grantham made a motion to approve the Renewal of the Ocean Monitoring Contract with Marine Research Specialists through the Next Five-Year NPDES Permit Period , Carla Borchard seconded and the motion passed unanimously.*

VOTE: Cayucos Sanitary District: *Hal Fones made a motion to approve the Renewal of the Ocean Monitoring Contract with Marine Research Specialists through the Next Five-Year NPDES Permit Period; Bud McHale seconded and the motion passed unanimously.*

MOTION PASSED UNANIMOUSLY

2. Schedule Next Joint Meeting and Agenda Items: The next JPA meeting was tentatively scheduled for **Wednesday, November 4, 2009**.

Future Agenda items to include **RFP for Appraisal of WWTP and Adjourning Property**

Noah Smukler and Betty Winholz wanted assurance that there is proper notification to stakeholders of future meetings.

Bruce Ambo assured the Board and Council that meetings are posted according to all legal requirements and can also be found on the city's web site.

ADJOURNMENT

Robert Enns adjourned the meeting at 8:44 PM (Next meeting will be hosted by the City of Morro Bay)

September 8, 2009 Minutes recorded by Margaret M Nesby
Margaret M Nesby