

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

MINUTES

**CAYUCOS SANITARY DISTRICT
BOARD OF DIRECTORS:**

Robert Enns, President
Harold Fones, Vice-President
Shirley Lyon, Director
Michael Foster, Director
Dan Chivens, Director

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

William Yates, Mayor
Noah Smukler, Vice-Mayor
Carla Borchard, Councilmember
George Leage, Councilmember
Nancy Johnson, Councilmember

MEETING DATE:

6:00 p.m., Thursday, August 11, 2011

HOSTED BY:

Cayucos Sanitary District

MEETING PLACE:

Cayucos Veterans Hall
10 Cayucos Drive
Cayucos, CA 93430

CALL TO ORDER AND ROLL CALL

President Enns called the meeting to order at 6:08 p.m.

Morro Bay City Council present were Mayor Yates, Vice-Mayor Noah Smukler, Councilmembers Carla Borchard and Nancy Johnson. Councilmember George Leage was absent.

Cayucos Sanitary District Board members present were President Robert Enns, Vice-President Hal Fones, Directors Shirley Lyon and Michael Foster. Director Dan Chivens was absent.

Morro Bay Staff members present were Bruce Keogh, Rob Livick, Rob Schultz, and Andrea Lueker. Also present was JPA WWTP Project Manager Dennis Delzeit.

Cayucos staff present were District Manager Bill Callahan, Lewis Brookins, Anita Rebich and District Council David Hirsch.

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.

President Enns opened Public Comment.

- Richard Sadowski - Commented on the BBC International News Agency scientific consortium on discharge of wastewater into the ocean. He said we need to take notice of what's happening on a national and international level regarding these issues and this type of outfall and dumping into the ocean is not viable for the future. He requested that the Board and Council consider moving the WWTP.

Hearing no further comments President Enns closed Public Comment.

President Enns asked Rob Schultz to come to the microphone and apologized on behalf of Cayucos for asking him to respond to news that was published, of which Schultz did respond and explained he was misquoted on. Enns presented Schultz with a t-shirt that read "You Have the Right to Remain Silent, Anything You Say Will Be Misquoted and Used Against You"

A. CONSENT CALENDAR

1. MINUTES OF MAY 12, 2011 JPA MEETING
2. WWTP OPERATIONS REPORT THROUGH JUNE 2011

CAYUCOS MOTION: Foster made a motion to approve the Consent Calendar as presented. Lyon 2nd. Motion passed (3-0), Fones abstained.

Smukler asked to pull A2 for clarification.

MORRO BAY MOTION: Smukler made a motion to approve Consent Calendar Item A1. Borchard 2nd. Motion passed (4-0).

Smukler asked Keogh about the composting operation permit termination and its relevance in the future should we decide to start up composting again. Keogh responded it was terminated due to fees related to quarterly inspections. Since there were never issues in the past with the program or permit, Keogh doesn't foresee any problems should we decide to restart the composting program.

MORRO BAY MOTION: Smukler made a motion to approve Consent Calendar Item A2. Borchard 2nd. Motion passed (4-0).

B. OLD BUSINESS

1. STATUS REPORT ON UPGRADE PROJECT AS OF AUGUST 1 2011

Recommendation: Receive the Status Report and direct staff accordingly

Delzeit presented the status report.

Smukler asked Delzeit what he felt the comment period or process for the draft rough screening alternative sites evaluation would be.

Delzeit responded they are targeting releasing the report to the Board, Council and the public on September 1, 2011 which should allow sufficient time for reading. Comments can then be heard at the September 8, 2011 JPA meeting where the evaluation is scheduled to be on the agenda.

Smukler then asked what the next steps are.

Delzeit spelled out the steps following the presentation of the rough screening phase of the report.

Smukler asked if the comment period could be extended should the Board and Council feel it necessary.

Delzeit responded that the comment period can be extended as can further discussion or additional studies if deemed necessary.

Foster asked for clarification on footnotes regarding MWH billing and timing issues.

Delzeit responded that the timing of the billing submittal wasn't an issue as all items are researched and verified.

Borchard had questions regarding the McCabe fee prorating, what months we were billed for and that date the contract was suspended.

Delzeit clarified the prorating issue. The time frame that McCabe billed and the actual suspension date of the McCabe contract would be checked on and reported back to the Board & Council.

Keogh also had input on the billing and said they would triple check the dates and report back.

C. NEW BUSINESS

1. CONSIDERATION TO ADOPT FISCAL YEAR 2011/2012 WWTP BUDGET

Recommendation: that the Board of Directors of the Cayucos Sanitary District approve the FY 2011/2012 budget

It was stated that Morro Bay had already adopted the WWTP budget in their entire annual budget adoption.

Lewis Brookins, Administrative Services Officer for Cayucos Sanitary District presented his overview and approval of the budget.

Lyon also questioned the suspension date of the McCabe contract, pointing out that it was in the budget notes as being terminated May 1, 2011 which was inconsistent with the May 31, 2011 dated stated by Delzeit.

CAYUCOS MOTION: Lyon made a motion to approve Adopting Fiscal Year 2011/2012 WWTP Budget. Fones 2nd. Motion passed (4-0).

Foster commented he was still in discussion on the relative merits of the flood and earthquake insurance costs. Once all the information has been gathered, Foster will notify the Board and Council for inclusion on a future agenda.

2. DISCUSSION AND CONSIDERATION OF A PROPOSAL FROM CENTRAL COAST WATER TREATMENT DBA: CULLIGAN INDUSTRIAL (CCWT) FOR BRINE DISPOSAL

Recommendation: That the Council and District Board approve of the brine disposal concept; direct staff to notify the Regional Water Quality Control Board (RWQCB) of MBCSD's intent to discharge brine; and direct staff to develop a permit and agreement with CCWT for brine disposal.

Keogh presented the request for brine discharge from CCWT and the mechanical issue at the South SLO Sanitation District (SSLOCSD) that prompted this request. He recapped the procedure involved with ocean discharge of salt brine and recommended that our permit be based on the SSLOCSD permit and use rates similar to what Monterey charges. Keogh conveyed his discussions with the RWQCB and their positive reaction to the ocean outfall brine disposal, and they stated if this was accepted by the Board and Council, they could most likely administratively modify our NPDES permit. Keogh further explained the requirements to modify the WWTP were fairly simple and could be performed in-house by staff in about 1 day. The issue of staff workload, time and cost would be minimal and the revenues would be split accordingly by ownership between Morro Bay and Cayucos.

President Enns asked Arby Kitzman of CCWT to speak on the request. Kitzman clarified the brine would be coming from the industrial side of Culligan that handles the regeneration of deionization cartridges that are used at commercial establishments such as factories and laboratories that require high quality water. Kitzman further explained that the issue with SSLOCSD is a temporary one, and in the meantime they are hauling to Santa Paula which is extremely expensive and they are looking for an alternative.

Smukler asked Keogh how this might impact the potential for reclamation in the future from our WWTP.

Keogh clarified the brine would not enter our treatment plant, it would enter after the chlorine contact tank and before the outfall pipe. He further explained the requirements of RWQCB that brine and effluent mix prior to entering the ocean. Any reclamation would come before this process.

Smukler commented that with salt removal being a factor in reclamation, if we do go forward with reclamation, how would this proposal effect the concentration of brine being discharged through our outfall and what effect would it have with the RWQCB permit.

Keogh replied he recommends the maximum monthly discharge be set at 50,000 gallons per month, whereas the SSLOCSD has their permit limit at 50,000 gallons per day thus the effect on future reclamation would be not be an issue.

Smukler asked if we could actually make this decision now, anticipate future needs and balance these with the future choices for the WWTP.

Keogh replied he looks at this as a pilot project, we'll have the agreement with this Culligan dealer alone to see how it all works out. He pointed out the permit is revocable at any time.

Smukler expressed a concern that contaminates from outside our area could be introduced into our waters and out of our control due to testing by various outside sources. He clarified he's not saying that it would be intentional, just our lack of resources for testing contaminants we aren't used to could be problematic.

Keogh explained the testing process for metals and that the deionization that Culligan performs is basically from potable water, compared it to taking the salts out of a bottle of drinking water.

Foster asked if this request was a backup plan or if we would be the primary discharge source.

Kitzman responded this would be a temporary measure awaiting permit renewal with Oceano, which would be their primary source and Morro Bay would be a backup. He concurred with, and elaborated on Keogh's explanation of the testing process.

Foster suggested a fixed stand-by fee for setting up and maintaining the facility for brine discharge by outside sources.

President Enns opened Public Comment.

- Richard Sadowski – Put the Board and Council on notice that their permit does not cover this type of discharge and stated the RWQCB cannot administratively modify our permit. He stated a CCC development permit was necessary for this.

President Enns asked Rob Schultz to comment on the above

Rob Schultz stated that we will follow whatever rules are necessary for this permit based on the decisions made by the Board and Council. Whatever agencies we need to involve we will but he doesn't agree this is a coastal commission matter.

- Betty Winholtz – Would like to see a deadline put on this since it is a pilot program and to limit to this discharger. As other applicants come forth, it should come back to the Board and Council for further review. Stated her concern with discharging into waters right next to a national estuary.
- Marla Jo Bruton – Read from a NPDES permit writing book on who is required to have an NPDES permit and the various constituents involved. She doesn't understand why we would want to do this brine discharge.

Hearing no further comments President Enns closed Public Comment.

Smukler would like to see EPA comments and make sure we cover our bases.

Mayor Yates stated he has no problem with this and we have to depend on staff and legal counsel to see us through the necessary agencies and address all the issues.

CAYUCOS MOTION: Fones made a motion to explore the concept for brine disposal; Permitting and an Agreement with CCWT. Lyon 2nd. Motion passed (4-0).

Discussion took place between Keogh, Board and Council regarding revenues, time and expenses put forth and permit amendment. Keogh stated he will bring updated information back to the Board and Council for review and discussion possibly at the September meeting.

MORRO BAY MOTION: Borchard made a motion to explore the concept for brine disposal; Permitting and an Agreement with CCWT. Johnson 2nd. Motion passed (4-0).

3. SCHEDULE NEXT JOINT MEETING AND AGENDA ITEMS

Delzeit said the next meeting with Dudek should be at the next regularly scheduled JPA meeting which is on September 8, 2011 in Morro Bay.

ADJOURNMENT

Fones made the motion to adjourn the meeting. Foster 2nd.

President Enns adjourned the meeting at 7:12 p.m.