

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

**CAYUCOS SANITARY DISTRICT
BOARD OF DIRECTORS:**

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

5:00 p.m., Tuesday, August 11, 2009

HOSTED BY:

City of Morro Bay

MEETING PLACE:

Multi-Purpose Room
Community Center
1001 Kennedy Way
Morro Bay, CA 93442

CALL TO ORDER AND ROLL CALL

Mayor Peters called the meeting to order at 5:00 p.m. and asked that the record show all Council members present.

Mr. Enns asked that the record shall all District members present.

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.

Mayor Peters opened Public Comment.

Doug Claassen, Manager of Morro Dunes Travel Trailer and Resort Campground stated he was aware that he is "in the mix" with the Waste Water Treatment Plant Upgrade issue impacting his property. Mr. Claassen indicated that he was only recently informed of the meeting, and would appreciate advance notification as well as being kept informed.

Mayor Peters closed Public Comment.

B. OLD BUSINESS

1. Status Report on the EIR and Consideration of Potential Project Modifications Resulting from the Flood Hazard Analysis

Mr. Ambo shared that this discussion is a follow up to the memorandum of May 29, 2009, along with an update on the status of the EIR. He went on to say a flood analysis was completed as part of the EIR which revealed the proposed site to be 5.5 to 7.0 feet underwater. City and CSD Staff have been working to refine and analyze these flood impacts. The final consensus was a recommendation to shift the plant southward, as well as the inclusion of a culvert on Atascadero Road with an inverted crown to handle backwater and flood flows for short

term and longer events. The cost comparison is approximately the same, or slightly less. From an operational standpoint it would be easier to operate the existing plant and build the new plant concurrently. Staff is requesting a recommendation and direction to designate the project area for the new treatment plant. If this can be achieved, Staff will return with new analysis and cost estimates for the EIR process. Mr. Ambo noted that a number of the consulting engineers were present and available to answer questions.

Mr. Enns indicated that the CSD supports the concept, however, he recommended that a Technical Advisory Committee meeting occur between now and the September meeting.

Mr. Nunely, District Engineer reiterated that consensus had been reached that this may be the only option in order to have an insignificant impact on upstream property owners, and agreed that convening a Technical Advisory Committee would provide an opportunity to discuss property owner impacts, etc.

Mr. Livick reviewed the general area of the WWTP on an aerial and demonstrated how the 100 year storm event impacts Morro Creek, causing it to exceed capacity, overflowing in two places at Morro Creek, Main Street, and across the ball fields through the concrete plant, corporate yard and WWTP. Mr. Livick reviewed the Figure 1 alternative for WWTP relocation stating that the new site is on higher ground and not within the flood zone. He confirmed that the existing plant is within the major flow path. He explained that the original FEMA study showed the water depths in excess of 5-7 feet. Wallace Group was commissioned to reanalyze the flooding conditions utilizing a newer flow model. The results indicate the flooding condition is related to flow, rather than ponding, which would have less impact and could be addressed with flood walls. The flow impacts require an eight foot high wall which would significantly impact neighboring properties under flow conditions. Of the 15- 20 different scenarios evaluated, the final consensus was to move the treatment plant to higher ground. He explained that the Atascadero Road alternative helps during the high flows, but more importantly, during the smaller storms.

The following clarification was provided:

- ◆ The culvert and the inverted crown was included in the proposed solution as recommended by the engineer.
- ◆ A relocation site for the storage units has not been identified. For the purposes of the EIR, it simply needs to be analyzed as an impact.
- ◆ Mitigation issues are separate from the lease agreement between the City and Mr. Claassen. Regardless of whether mitigation is required in the environmental analysis, this will have to be addressed.
- ◆ The cost estimate for proposed solution includes the Atascadero Road improvements.
- ◆ The Dynegy tank farm site is also within the 100 year flood plain. The site was evaluated in a number of the alternatives. This evaluation concluded when it was determined that the site was no longer being impacted.
- ◆ MBR was analyzed and eliminated as an alternative in the Facility Master Plan analysis.
- ◆ The East/West orientation has the least amount of impact on the adjacent Trailer Storage.
- ◆ Other projects in the vicinity will be impacted by the flood issues. The extent of impacts to the Corporate Yard have not yet been evaluated.

The following concerns were raised:

- ◆ This approach does not explore other options, such as partnership with adjacent properties (Dynegy).
- ◆ Additional financial analysis regarding the Morro Dunes site, as well as comparisons with other scenarios was requested, as well as additional time to allow for review of these issues.
- ◆ This is a large site on prime real estate. MBR might allow for a smaller footprint and bring us closer to reclamation. These benefits should be considered in evaluating costs.
- ◆ MBR has higher maintenance and energy costs, while greywater and purple pipe may be more feasible with this technology.

- ◆ Water costs are high and the proposal is reliant on transport of solids, eliminating composting.
- ◆ Trailer Park owner should be made whole.
- ◆ Schedule is critical. Plant must be operational within 5 years. Evaluation of new sites and technologies may have a negative impact to the schedule.

Mr. Enns expressed a desire to see the draft EIR, and asked if there were other issues. Mr. Ambo responded that it is staff's responsibility to complete the technical review of the administrative draft, and policy to not release the document for public review until this has occurred. The flood study made a part of the public record is available for review.

A brief discussion occurred as to whether it was possible, with everyone present, to address the issues relative to project area and system selection in order to allow the EIR to move forward. Both the District and their Counsel, and various City Council members indicated a desire to evaluate impacts or alternatives regarding adjacent property as well as financial impacts prior to making a determination on the project area and description. Mr. Schultz confirmed that he was not prepared to discuss information regarding negotiations, cost, options, or other issues related to the real estate issues. Other issues or questions related to the three alternatives could however be addressed at this meeting.

Mr. Ambo clarified that it was necessary to determine whether the same treatment methods identified in the Facility Master Plan would be utilized, stating that once the project area and the treatment type are defined, then environmental analysis may proceed. Mr. Enns asked for confirmation of which alternative was recommended by Staff. A discussion occurred regarding the site alternatives relative to the treatment system selected.

Mr. Wade explained that for the purpose of the environmental analysis they wanted to define a large envelope to allow for design flexibility. The North/South or East/West orientations are not critical, if consensus can be reached on the global direction that the area identified in the envelope is acceptable. Environmental impact analysis may identify additional issues for consideration. It would be premature to attempt to flush out all the impacts at this juncture.

Mr. Ambo suggested that the direction given to Staff could identify minimizing the southerly extension of facilities and oxidation ditches. The design could then proceed on that basis within the identified envelope. He clarified that the EIR would evaluate only the impacts of the treatment technology. Final design and site plans would be forthcoming in the formal design. Mr. Keogh confirmed that Figure 2 and 3 are very close to the same as far as the location of the project area. A determination of system technology would still be required. Mr. Ambo clarified we could analyze the MBR alternative in the EIR document; however, there is serious concern about describing that as the project as the EIR must then analyze the impacts.

Mr. Wade clarified that an attempt was made to paint the envelope a little bit larger to allow the design engineer some flexibility. Structures may need some distance for seismic reasons, or circulation, etc. In reality, when designed, it could have a smaller footprint.

Mr. Nunely indicated he had no issue in saying that the envelope depicted by the dotted line was acceptable, as well as the aeration system. The big challenge is whether or not Atascadero Road is included as there are questions regarding who will pay for it.

Mr. Naccasha, Counsel for the CSD stated it was difficult to conceive of all the questions that need to be addressed, and that more information is needed to articulate the considerations they may have. He advised the District to hold off on any formal action until the September meeting.

Mr. Hirsh, also Counsel for the CSD, indicated that in the interim, meetings could occur with City counsel to discuss the implications of the trailer park lease as well.

Mr. Enns asked how long we have been aware of the flood issue. Mr. Ambo responded that Wallace Group identified the discrepancy early on and it was included as an issue to be resolved in the Facility Master Plan. It was felt the issue could be addressed at the existing site. Once the recommendations of the FMP were followed, and the flood analysis completed, the impacts to other properties were identified as significant.

In response to Mr. Enns inquiry regarding schedule impact Mr. Nunely responded there are some activities that could occur concurrently. While impacts to the schedule will need to be evaluated, it is prudent to evaluate these issues now as they may result in higher costs later.

Mr. Hirsch expressed concern that it is unknown whether all of the issues have been addressed. Does not feel we are ready to decide if this is the new plant location.

Mr. Enns requested a delay on this decision until the September meeting, with a Technical Advisory Committee meeting to occur with the next few weeks. Mayor Peters expressed concerned that City counsel may not be available. Schedules were reviewed. Consensus was reached that the meeting would occur on Tuesday, September 8, 2009 at 6:00 pm in Morro Bay (meeting location to be determined.).

Mr. Naccasha expressed concerned that District Counsel Tim Carmel may not be available. Mr. Enns stated the scheduling of the meeting on September 8, 2009 should move forward, pending confirmation of Mr. Carmel's availability.

The previously scheduled September 10, 2009, meeting was cancelled due to schedule conflicts and will be rescheduled.

Mr. Enns indicated the District would provide a list of questions for the Technical Advisory Committee agenda.

Mr. Ambo agreed to coordinate the meeting.

MOTION: Mr. Enns, Mr. McHale 2nd to delay on this decision until the September meeting (date to be determined) with a Technical Advisory Committee meeting to occur with the next two weeks.

VOTE: 10-0 (Morro Bay City Council and Cayucos Sanitary District Board Members voting concurrently.)

MOTION CARRIES.

ADJOURNMENT - (Next meeting will be hosted by the Cayucos Sanitary District)

The meeting was adjourned at 7:15 p.m.

Minutes recorded by: _____
Christine Rogers