

**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
Bud McHale, Vice-President
Hal Fones, Director
Shirley Lyon, Director
Michael Foster, Director

City of Morro Bay City Council:

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

MINUTES

MEETING DATE:

6:00 PM Thursday, May 13, 2010

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 6:03PM and asked staff member, Anita Rebich to take roll.

Morro Bay City Council Mayor Janice Peters, Council members Carla Borchard, Betty Winholtz, Noah Smukler and Rick Grantham were present

Cayucos Sanitary District Board members President Robert Enns, Directors Shirley Lyon and Michael Foster were present. Directors Bud McHale and Hal Fones were absent.

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 and requested that persons wishing to comment on WWTP issues hold those comments until after Item C2 since the WWTP is not on the agenda and the Board would be unable to respond.

Bill Martony, a Morro Bay resident, commented on his tour of the Santa Paula WWTP and various persons he spoke with on both the Santa Paula and Fillmore facilities. He emphasized that we should look at all options available.

Robert Staller, a rancher on Hwy 41, spoke about breakdowns of our current system and the effect on surrounding homes and businesses. His tour of the Santa Paula WWTP impressed him with their failsafe and redundant equipment to handle backups and breakdowns.

John Barta, a Morro Bay resident, spoke of better, faster, cheaper and asked that we not go down the same road of Los Osos or break our promise to have the WWTP online by 2014.

Kevin Rice, a computer builder, concurred with John Barta's comments.

Hearing no further comments President Enns closed public comments and reiterated that there would be a Public Comment period after Item C2.

A. CONSENT CALENDAR

1. Minutes of April 8, 2009 JPA Meeting – Recommend approve.

President Enns asked that Item A2 be pulled so Bruce Keogh can introduce Steve Hyland from MWH

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

MORRO BAY MOTION: Winholtz, Smukler 2nd to approve Consent Calendar Item 1. VOTE: 5-0

CAYUCOS MOTION: Foster, Lyon 2nd to approve Consent Calendar Item 1. VOTE: 3-0

Item 2: Status Report on Design Process

Keogh introduced Steve Hyland of MWH and presented staff report.

Steve Hyland of MWH thanked the Council and Board for the contract, concurred with Keogh's reporting and presented his personal qualifications and background.

B. OLD BUSINESS

1. Ratification of Decision between the City of Morro Bay and Cayucos Sanitary District to Pursue a Single Loan from the State Revolving Fund (SRF) for both Agencies to Finance the Construction of a New WWTP

President Enns turned this over to Keogh who reported that discussions occurred at the last board meeting as to the pursuit of a single loan from the SRF as opposed to previous talk of each agency getting their own loan, after discussion with staff at State Board the route of a single loan was the preferred method. This was voted on and approved at the last board meeting but was not properly noticed on the agenda as an action item and would need to be brought before the Council and Board and voted on again.

CAYUCOS MOTION: Foster, Lyon 2nd to approve Item B1. VOTE: 3-0

MORRO BAY MOTION: Grantham, Borchard 2nd to approve Item B1. VOTE: 5-0

Winholtz asked if alternative funding options are looked at, what obligation is there to the SRF loan. Schultz responded that any penalties for backing out would not come into play until further down the line in the loan process.

2. Approval of Request for Approval (RFP) for Project Management for the WWTP Upgrade Project

Keogh presented the RFP for Project Management Services and discussed scope of work.

Grantham asked if this PM could take care of the value engineering portion of project. Keogh stated his understanding was to have a 3rd party objective analysis of value engineering.

Smukler inquired if Aug 12 is still target date for PM contract award, Keogh acknowledged it was.

Smukler inquired about lack of cancellation clause in RFP, Schultz will add to contract.

Winholtz asked Keogh to explain the pros and cons of hiring an Independent Contractor vs a Morro Bay or Cayucos employee. Keogh referred the Council and Board to the table on the back page of the staff report. Board and staff continued discussion on the subject.

MORRO BAY MOTION: Grantham, Borchard 2nd to approve Item B2. VOTE 5-0

CAYUCOS MOTION: Foster, Lyon 2nd to approve Item B2. VOTE 3-0

Smukler asked that the JPA TAC or the Council and Board have a chance to interview the applicants before the final vote.

Foster expressed concern over lack of Termination Clause in RFP. Schultz said they would make sure it is inserted in its entirety before RFP goes out.

C. NEW BUSINESS

1. Consideration to Pay for Capital Costs Associated with the New Morro Bay-Cayucos (MBCSD) WWTP Based on Adopted Capacity Rights for the New MBCSD WWTP

Mayor Peters communicated that Morro Bay likes the proposed idea. Winholtz asked for clarification of this consideration. President Enns explained that currently Cayucos pays for their portion of the plant design based on flow and with the new WWTP Cayucos will pay based on capacity which allows Cayucos' payments to stay in line with plant ownership percentage.

CAYUCOS MOTION: Lyon, Foster 2nd to approve Item C2. VOTE: 3-0

MORRO BAY MOTION: Borchard, Grantham 2nd to approve Item C2. VOTE: 5-0

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President Enns referred to the report by the JPA Council and Board members who toured the Santa Paula facility and asked that they briefly speak on that tour. The members Smukler, Grantham, Foster and Enns all gave their impressions on the plant and what they came away with in respect to the project underway for Morro Bay and Cayucos and their citizens.

President Enns opened public comments.

Barry Brannon, a Morro Bay resident, thanked the committee for their work and the tour of the Santa Paula facility, but feels that we have design before needs and should be looking at needs, then design.

Walter Heath, a Morro Bay resident also thanked the committee for their work and the tour of Santa Paula facility. He compared the PERC facility to that of a Mercedes Benz and spoke of leasing vs. buying.

Bill Martony, a Morro Bay resident, concurred with Walter Heath's comments and added that the risk exposure of the PERC facility during the 30 years was minimal. He commented that looking at an alternate location not on prime ocean front property could potentially save money

Robert Staller, a rancher, expressed his concerns of odor with respect to the current location and asked that alternate locations also be investigated.

There was a brief discussion by the Board in regard to the PERC proposal and the 30 year plan they offer. President Enns said that more information was forthcoming that would provide an apples to apples comparison of the numbers and would be presented to the Board when complete.

1. Schedule Next Joint Meeting and Agenda Items

Next meeting is scheduled for June 10, 2010 in Morro Bay.

Smukler asked that measurements of success and criteria that were adopted by the Morro Bay City Council be put on the agenda for review and modification as needed for the JPA. He stated this would allow the Council and Board to ascertain their effectiveness especially in light of new members coming on due to this being an election year.

ADJOURNMENT

President Enns adjourned the meeting at 7:27PM

Copies of staff reports and other public documentation relating to each item of business for this meeting are available for inspection at Morro Bay City Hall at 595 Harbor Street and the Cayucos Sanitary District at 200 Ash Ave. A copy of this packet is available from the City of Morro Bay for copying at Mills Copy Center and from the Cayucos Sanitary District for a copy and duplication charge. Any person having questions regarding any agenda items may contact Bruce Keogh, Wastewater Division Manager (City of Morro Bay) at 772-6261 or Bill Callahan, District Manager (Cayucos Sanitary District) at 995-3290.

Materials related to an item on this Agenda submitted to the Morro Bay/Cayucos Wastewater Treatment Plant Joint Powers Authority after distribution of the agenda packet are available for public inspection at; Public Services Office at 955 Shasta Avenue, Morro Bay, CA 93442; Morro Bay Library at 625 Harbor Street, Morro Bay, Ca 93442; Mills/ASAP Reprographics at 495 Morro Bay Boulevard, Morro Bay, CA 93442 during normal business hours.