

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

Cayucos Sanitary District  
Board of Directors:

City of Morro Bay  
City Council:

Robert Enns, President  
Craig Bell Jr., Vice-President  
Nat Raimondo, Director  
Harold Fones, Director  
Bill Gibeaut, Director

Janice Peters, Mayor  
Betty Winholtz, Vice-Mayor  
Melody DeMeritt, Councilmember  
William Peirce, Councilmember  
Thad Baxley, Councilmember

**ACTION MINUTES**

DATE: 7:00 p.m., Thursday, November 17, 2005  
PLACE: Multi-Purpose Room  
Morro Bay Community Center  
1001 Kennedy Way  
Morro Bay, CA 93442

**CALL TO ORDER AND ROLL CALL**

Mayor Peters called the meeting to order at 7:02 p.m. and asked the record to reflect all Councilmembers were present. Morro Bay staff members present were Bruce Ambo, Rob Schultz, Bruce Keogh and Kimberly Peeples.

Cayucos Board President Robert Enns asked the record reflect all Cayucos Board Members were present with the exception of Harold Fones. Cayucos staff members present were Bonnie Connelly, Tim Carmel and Bill Callahan.

**PUBLIC COMMENT PERIOD – None.**

**A. CONSENT CALENDAR**

1. Minutes of October 20, 2005 Meeting– Recommend approve.
2. Wastewater Treatment Plant Operations Report through September 2005 (Keogh)-recommend receive and file.
3. Financial Status Report as of September 2005 (Koser) – recommend receive and file.

Mayor Peters asked if anyone wanted to pull any consent items. Whinholtz asked to pull item A2. President Enns asked if any of the Cayucos Board Members wanted to pull any consent items. Gibeaut asked that item number A3 be pulled.

Whinholtz questioned the location in the plant of the asbestos that is referenced on page 3 of item A2. Keogh said it is not in the plant itself, the effluent is actually tested for asbestos each time. It is part of the standard testing that is done and is found to be non-detect.

Whinholtz also questioned the recent catch the NEP sampling did after the first rain showed a lot of contaminants coming out of Morro Bay, inquiring if that affected us this time of the year for our reports. Keogh responded that it does not affect the reports, as the amount of rainwater entering the system is minimal.

Regarding the monthly report for September, the quality seemed to be improved from the previous months. Keogh noted the flow rates were less, which does cause the plant to run more efficiently.

Whinholtz questioned the number of training sessions by the Fire Department and if the City is being charged for those sessions. Keogh said they were not being charged as they are just using open space to do some car fire training and using the facility for confined space training and felt it could be beneficial to the Plant should their services be needed.

Gibeaut requested documentation on account numbers 6401, 6411, 6473, 6499 on item #A3. The Board does not have a problem with the statement itself, but would like to see how those account numbers were calculated and how they were allocated to those specific account numbers.

MORRO BAY MOTION: Whinholtz, Pierce 2<sup>nd</sup> to approve all consent items as presented. VOTE: 5-0.

CAYUCOS MOTION: Gibeaut, Raimondo 2<sup>nd</sup> to approve all consent items as presented. VOTE: 4-0.

## B. UNFINISHED BUSINESS

1. Status Report on the Full Secondary WWTP Upgrade 91/2 Year Time Schedule (Keogh) – recommend receive and file.

Keogh presented the staff report noting that since the Status Report was drafted, he has received a copy of the Tentative Decision Document that is produced by USEPA. Overall the report was very positive about our discharge and that we do meet the criteria for continued renewal of the permit. It is not currently a public document and will be public noticed as part of the NPDES renewal process. Staff has also received recently a response from RWQCB regarding the draft agreement for memorializing the compliance schedule. It will be reviewed and comments provided for review. Once the Boards agree on the language in the Draft Settlement Agreement, the permit renewal process will formally begin again. Regional Board staff will then release a draft NPDES permit & the Tentative Decision Document. It will then be released for Public Comment and after the Public Comment Period it can go to the Regional Board meeting for approval of the permit. Keogh believes the earliest it will be in front of the Regional Board is March 2006.

It was agreed by consensus by the Governing Bodies to receive and file the report.

## C. NEW BUSINESS

Gibeaut asked that item #C2 be discussed first, so they may address items in date order. It was agreed by both boards that this was acceptable.

### 2. Invoice for Fourth Quarter FY 2004 – 2005 (Koser) – recommend approve

Gibeaut requested on behalf of the Cayucos Board to have a reclassification done of the auditor's bill payment for \$11070.00 from account number 6106 (Contract Services) to account number 6103 (Financial Audit budget line). This request would not change the bottom line, but would keep it clear for historical purposes. Gibeaut also noted account number 8510 has \$30,000.00 budgeted with no expense and account number 6499 has \$24,987.00 budgeted with no expense. They would like to see the expenses noted on the fourth quarter statement, if there are expenses. If there were not expenses for those items then they would like to see those items eliminated from the budget. He indicated they believe there will be a post-audit adjustment and a future billing for these two items and they would like to have it billed the first time around instead of as a post-audit adjustment. They are recommending non-payment of this item until they receive the billing or until the audit adjustment is made.

DeMeritt asked why the Cayucos Board is refusing to pay an invoice for services rendered until they receive clarification on accounting questions that won't have an affect on the bottom line or if in fact there are expenses for a budgeted item you will be billed for an additional amount. Gibeaut pointed out that they do believe there are expenses in account number 8510 and 6499 and would like to be billed for those items at the time the bill is issued and not after the fact. Mayor Peters asked how they would be able to bill for items that they may not know about until the next quarter.

Mayor Peters indicated that this item will need to go back to Finance Director Koser for clarification and she also requested that in future if the Cayucos Board has these types of questions, to please present them to Mr. Koser prior to the meeting so they may be addressed in advanced.

### 1. Invoice for First Quarter of FY 2005 – 2006 (Koser) – recommend approve.

Mayor Peters asked if the same issues apply to item #C1. President Enns responded yes. Gibeaut indicated the account numbers they are requesting clarification on for this item are 6401, 6411, 6473 and 6499. Which are the accounts they referred to earlier which have to do with insurance.

### 3. Consideration to Issue Request for Proposal (RFP) for Facility Master Plan for WWTP upgrade (Keogh) – recommend approve.

Keogh presented the RFP Staff Report explaining how the process will work and that it is designed to solicit the most qualified consultant, with a cost proposal being discussed after the consultant is selected. A number of alternative treatment options were also requested as well as a breakdown of the specific costs, so fiscal responsibility should be easier to determine.

During discussion items questioned and addressed were:

- Why the period of time is set at only 20 years.

- The time frame for public review and the involvement of the public.
- Criteria for the selection of which alternatives the consultant is going to recommend.
- Timeline of acceptance of the proposal & an extension to the end of January 2006.
- Would like drafts via electronic transmission as well as the final proposal.
- Communications preferred via e-mail as well, so unfair advantages can be avoided.
- Who the members of the interview committee would be and the number of members.
- The need for “public acceptance” listed as a criteria for the evaluation.
- Staff/Consultant interaction throughout this process.
- Number of copies provided at the final phase.
- Including a project schedule and a cap on the time frame.
- On page 12, paragraph 4, in the last sentence the word “prior” should be in bold type.
- On page 4, paragraph 3, in the last sentence delete the word “and” before long-term and add “and value” after the word treatment.

MORRO BAY MOTION: Pierce, Baxley 2<sup>nd</sup> to direct Staff to proceed with the consultant procurement process by public noticing the RFP as modified. VOTE: 5-0.

CAYUCOS MOTION: Gibeaut, Enns 2<sup>nd</sup> to direct Staff to proceed with the consultant procurement process by public noticing the RFP as modified. VOTE: 4-0.

#### 4. Schedule Next Joint Meeting and Agenda Items

The next joint meeting will be held Thursday, December 15, 2005 in Cayucos, contingent on the availability of items for that agenda.

D. ADJOURNMENT - (Next Meeting will be hosted by Cayucos)

MORRO BAY MOTION: Baxley, Peirce 2<sup>nd</sup> to adjourn the meeting at 8:17pm. VOTE: 5-0.

CAYUCOS MOTION: Gibeaut, Raimondo 2<sup>nd</sup> to adjourn the meeting at 8:17 pm. VOTE: 4-0.

Minutes prepared by: \_\_\_\_\_  
Kimberly Peeples