

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

Cayucos Sanitary District
Board of Directors:
Robert B. Enns, President
Bill Gibeaut, Vice-President
Craig P. Bell, Jr., Director
Hal Fones, Director
Nat Raimondo, Director

City of Morro Bay
City Council:
Janice Peters, Mayor
~~Betty Winholtz~~ Thad Baxley, Vice-Mayor
Melody DeMeritt, Councilmember
William Peirce, Councilmember
~~Thad Baxley~~, Betty Winholtz, Councilmember

DATE: 7:00 p.m., Thursday, June 15, 2006
PLACE: Cayucos Elementary School Auditorium
301 Cayucos Drive (Birch Ave. and Cayucos Dr.)
Cayucos, CA 93430

CALL TO ORDER AND ROLL CALL

Cayucos Board President Enns called the meeting to order at 7:03 p.m. and asked District staff member Nancy Martin to take roll.

City Council members present were Mayor Janice Peters, William Peirce and Thad Baxley. Betty Winholtz and Melody DeMeritt were absent. Morro Bay staff present was City Attorney Robert Schultz.

Board members present were President Robert B. Enns, Vice-President Bill Gibeaut, and Directors Craig P. Bell, Jr., Hal Fones and Nat Raimondo. District staff present was Bill Callahan, District Counsel Tim Carmel and Nancy Martin.

PUBLIC COMMENT PERIOD

Marla Bruton, North Morro Bay, invited concerned citizens to attend WWTP(JPA) meetings. She stated there was no posting of this June 15 meeting on the web sites, and that when one opens the Morro Bay site they are directed to the Sanitary District site for JPA information. Bruton asked Morro Bay to create their own JPA web site. She reported of an Ocean Protection Council meeting she had attended May 8, in Monterey. A researcher and analyst of sea otters, Dr. Jessop of Fish & Game, gave a presentation, which disputes the USEPA's consideration that sea otters are transitory.

Mayor Peters stated staff would check the web site and make sure that JPA agendas are posted. Pres Enns added that Cayucos has a web site, which posts the meetings, as well.

A. CONSENT CALENDAR

1. Minutes of April 27, 2006 Meeting – Recommend approve.
2. Wastewater Treatment Plant Operations Report Through April, 2006 (Keogh) – Recommend receive and file.
3. Financial Status Report as of March 31, 2006 (Hendrix) – Recommend receive and file.

CAYUCOS MOTION: First by Fones, second by Bell to approve the Consent Calendar in its entirety. VOTE: 5-0

MORRO BAY MOTION: First by Baxley, second by Peirce to approve the Consent Calendar in its entirety. VOTE: 3-0

~~Vice Mayor~~ Winholtz arrived at 7:15 p.m.

B. UNFINISHED BUSINESS:

1. Status Report on Collection Shed (Keogh verbal).

In Bruce Keogh's absence, Attorney Rob Schultz stated there is nothing to report at this time.

2. Status Report of NPDES Permit Renewal Process (Keogh) – Recommend receive and file.

Attorney Rob Schultz reported that at the May 11 joint public hearing with the Regional Water Quality Control Board and the USEPA in consideration of the modified discharge permit, as well as the settlement agreement, the Board deadlocked and the item was continued. The permit was neither denied nor approved, and there has been an administrative extension of the current permit at this time. A Biological Assessment on the sea otter population is being conducted by the USEPA. It was expected to be heard at a tentative September hearing, but the study will likely take longer to complete. When the Biological Assessment is completed, copies will be directed to the Governing Bodies for review and discussion before the hearing, which Schultz anticipates will probably be in October.

District Counsel, Tim Carmel, commended Schultz on his reporting. He stressed the importance of the Balanced Indigenous Population (BIP) issue and did not recommend going forward until the Biological Assessment is completed but added that the USEPA has offered to pay for an alternative dispute resolution process should the bodies choose to proceed.

Referring to May 18, 2006, correspondence between Keogh and Roger Briggs (California Regional Water Control Board), Enns asked what the term, Section 7 consultation, means. Schultz answered that if it is determined that outfall from the wastewater treatment plant would have an impact on the sea otter population, under the Endangered

Species Act a Section 7 Take permit will be issued, allowing the plant to continue to operate with determined conditions and monitoring.

Mayor Peters asked how the NRDC responded to the question of sharing the cost of the sea otter study. District Counsel, Tim Carmel, stated that the NRDC is a nonprofit organization and does not have funds to expend in that way.

3. Status Report on Facilities Master Plan for WWTP Upgrade (Keogh) – Recommend receive and file.

Bill Callahan presented a Meeting Schedule and Discussion Topics for the Facility Master Plan prepared by Carollo Engineers for the governing bodies to review, with no action to be taken. Items for consideration include type of meetings, ~~meetings type~~, with objectives to complete and many information items ~~lots of information~~ to consider. President Enns asked if the schedule reflects the aim to complete the Facilities Master Plan as quickly as possible and Bill Peirce asked how much time would be saved. Callahan answered that if the schedule is adhered to, the project will be six months ahead of schedule. Additionally, Carollo will be present at the meetings.

Callahan stated that the dates are tentative and to be considered. Mayor Peters determined the dates are those of normal JPA meetings (Thursdays). Information on the different topics will be received prior to the scheduled meetings and items considered at the previous meeting will be recapped at the beginning of the next. Callahan stated the schedule refers to joint meetings and not those referred to in the contract as public meetings. He added that technical advisory committee meetings will also be scheduled between the joint meetings dates. Raimondo suggested posting the schedule with tentative dates on the web site.

C. NEW BUSINESS

1. Invoice for Third Quarter, FY 2005-2006 (Hendrix) – Recommend approve.

CAYUCOS MOTION: First Gibeaut, second Fones to approve the third quarter, FY 2005-2006 invoice for \$98,278.49 as presented. VOTE: 5-0

2. Proposed Budget for WWTP FY 2006-2007 (Keogh) – Recommend approve.

President Enns asked for questions. Winholtz commended Keogh's frugality and clarity in justifying budgetary changes; however, the cost estimate for line item 6104 Engineering Services was confusing. Enns and Schultz stated that the figure is an estimate and that as both Tasks 1 and 2 of the Master Facilities Fund could extend into FY 07-08, actual costs may be lower for Task 1 and higher for Task 2.

Director Gibeaut wondered why only \$10,000 was budgeted for item 7000 Capital Outlay when he recollected that at the last JPA meeting Mr. Hendrix had indicated that the wastewater treatment plant upgrade would be treated as such. Gibeaut stated he believes Engineering costs should be capitalized.

Mayor Peters apologized for Mr. Keogh's absence, reporting he was attending his daughter's graduation, and that Mr. Schultz had, on short notice, agreed to field questions. She added that concerns could be addressed at the next meeting. President Enns thanked Schultz for his help.

Enns wondered what was anticipated for items 6601 Outside Equipment Repair & Maintenance and 6602 Outside Structural Repair, which totaled over \$97,000. He also noted item 8730 Fixed Asset Depreciation and asked if the plant upgrade will be treated as a capital project.

Director Gibeaut asked if the budget needs to be approved this date while awaiting clarification on several items. Mr. Schultz, President Enns and Mayor Peters stated the District could approve the budget at a separate meeting.

MORRO BAY MOTION: First by Peirce, second by Baxley to approve the budget for WWTP FY 2006-2007 as presented. VOTE: 4-0

CAYUCOS MOTION: First by Raimondo, second by Fones to approve the budget for WWTP FY 2006-2007 as presented. VOTE: 4-1, with Gibeaut dissenting.

3. Schedule Next Joint Meeting and Agenda Items.

Enns asked if a joint technical subcommittee meeting should be held before the tentative July 20 meeting. Councilmember Baxley indicated he would not be available and asked if a subcommittee meeting is necessary before an informational meeting. Mr. Schultz stated if information is received the first of July it is possible for a subcommittee meeting. Enns recommended staff determine if a subcommittee meeting is warranted when the information is received. Winholtz recommended Morro Bay not hold a meeting before every informational meeting.

The next joint meeting was scheduled for July 20, 2006.

ADJOURNMENT

CAYUCOS MOTION: First by Raimondo, second by Fones to adjourn the meeting at 7:40 p.m. VOTE: 5-0

MORRO BAY MOTION: First by Baxley, second by Winholtz to adjourn the meeting at 7:40 p.m. VOTE: 4-0

Minutes recorded by: _____
Nancy Martin