

CAYUCOS SANITARY DISTRICT
200 Ash Avenue
PO Box 333, Cayucos, CA 93430-0333
805-995-3290

AGENDA ITEM: 3.A.2

DATE: March 17, 2016

ACTION: APPROVED

GOVERNING BOARD
R. B. Enns, President
D. Chivens, Vice-President
S. Lyon, Director
C. Maffioli, Director
D. Lloyd, Director

REGULAR MEETING
MINUTES
Thursday, February 18, 2016

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 6:03p.m.

Board members present: President Robert Enns, Vice-President Dan Chivens, Director Cary Maffioli, and Director Dan Lloyd.

Absent: Director Shirley Lyon.

Staff present: District Manager Rick Koon, District Counsel Tim Carmel, and Administrative Office Manager, Danielle Crawford.

Guests present: Dan Heimel from WSC, and David Foote from Firma.

President Enns opened the meeting up with brief introductions. He informed the public that the meeting is being recorded by AGP and gave instruction on where to watch, listen or obtain a copy for view.

2. PUBLIC COMMENTS

Enns opened the meeting to Public Comments.

Becky Barkley – Old Creek Road, Cayucos resident. Said she would like the wastewater facility to have a composting component for the solids. Thinks it's a great idea and would require less trucking.

Hearing no further comments, President Enns closed Public Comment.

3. CONSENT CALENDAR - Recommend to Approve.

Consent Calendar items are considered routine and therefore do not require separate discussion, however, any item may be removed from the Consent Calendar by a member of the Board of Directors

for separate consideration. Individual items on the Consent Calendar are approved by the same vote that approves the Consent Calendar, unless an item is pulled for separate consideration.

A. 1. Approval of Minutes for the January 21, 2016 Board of Directors Regular Meeting.

B. Financial Reports: January 2016

1. Check Register
2. Cash, Savings, and Investment Report
3. Budget vs. Actual Status Report FY 2015-2016
4. Capital Improvement Projects Report

MOTION: 1st by Lloyd, to approve consent items 3A and 3B. The motion was seconded by Chivens.
ROLLCALL VOTE: Enns-yes, Chivens-yes, Maffioli-yes, Lloyd-yes. **VOTE 4-0** Motion passed.

4. STAFF COMMUNICATIONS AND INFORMATION ITEMS (NO ACTION REQUIRED):

- A. District Manager's Report – January 2016
- B. Monthly Customer Satisfaction Survey Submissions
- C. Will Serves - New

None

Will Serves – Renewed

Ellis, APN 064-111-007, 124 Ash Ave. – SFR Demo/Rbld

Wolowodiuk, APN 064-154-020, 1073 Pacific Ave. – SFR Demo/Rbld

Reitz, APN 064-146-024, 94 7th Street – SFR Remodel

Will Serves – Finaled

None

Will Serves – Continue to Serve (no will serve required)

None

Manager Koon's report was presented. He briefly updated the Board on O&M activities, Capital Projects, and Administrative items for the month of January. Koon talked about the District's preparation for El Nino. He also informed the Board that the District has applied for, and received, a seventy five thousand dollar planning grant from the State Water Resources Control Board (SWRCB) for the CSWP.

President Enns opened the meeting to Public Comments.

Hearing none, Public Comments was closed.

Items 4 A through C were received and accepted.

5. PRESENTATION BY WSC AND FIRMA ON COMPARATIVE SITE ANALYSIS FOR CAYUCOS SUSTAINABLE WATER PROJECT (CSWP).

Manager Koon did a recap by PowerPoint presentation, of the District's prior activities in relation to the CSWP. He explained the Project Charter, the various site evaluations, the comparative analysis, and where the District is today in its process.

David Foote discussed the next set of slides regarding the District's original starting point with 12 potential sites and how they've gotten them down from the original 12, to then 5, and now just 3 candidate sites. Those sites being Toro Creek, Willow Creek, and Cayucos Creek then showed slides of the conceptual renderings of each.

Dan Heimel went into more detail concerning the comparative analysis alternatives overview and other beneficial reuse possibilities.

Chivens asked Heimel to explain grant options.

Heimel went over the various grant funding options, and each having many variables.

Maffioli inquired about the outfall and if it would be going into the ocean or the current location.

Enns asked Heimel to point out where the surface water augmentation was.

Heimel elaborated on the conceptual layout of augmentation and clarified that Old Creek Valley is where they identified the best opportunities for groundwater recharge and extraction. He proceeded with the presentation and explained how the criteria scoring works and how each of the sites ranked. Heimel

discussed a second component, the economic analysis showing the capital cost comparison summary and explained how each of those costs and alternatives were derived with the various stages of beneficial and potable reuses. He added that there are several variances depending on the type of treatment which will drive up the cost, but that it could also be offset by the various grants. Heibel said there are many available especially those pertaining to full reuse treatment.

Lloyd asked the panel to expand on the legislative or regulatory mandate that all communities are facing relative to potable reuse and using recycled water into the future.

Koon said indirect potable reuse is already a factor for any treatment facility and he believes direct potable reuse will be mandated for all Districts by the year 2020.

Lloyd further explained to the audience his understanding of treatment and potable reuse and reiterated that the cost will be directly related to the level of treatment.

Enns asked Heibel about the fourteen million dollar figure for the construction of the plant (on one of the cost comparison slides). He wanted to know what type of treatment is associated with that figure.

Heibel said that particular figure is associated with MBR tertiary treatment but there are a number of others that will be evaluated.

Enns asked if that means it could cost less than fourteen million.

Heibel said yes, there will be opportunities for optimization with regard to O&M, and technology that will be identified in the FMP.

Carmel reminded everyone that the numbers being presented tonight are specifically for comparison purposes.

More discussion regarding treatment options and particulars of the studies were discussed amongst the Board and

Due to the increased attendance this evening, Enns went over how public comment would flow best.

Enns opened the meeting to Public Comments.

Ron Wilson – Cayucos resident. Asked about the offset and piping costs and wanted to know if Whale Rock gets a percentage of what we are putting in even though we are bearing the full cost to put it there, or do we get full credit for what we put in to WhaleRock.

Rosalyn Heaslet – Cayucos resident. Said she pays \$52.00 per month for her sewer bill which includes operations, treatment and maintenance but it does not include the capital costs for implementing any of these alternatives. She asked, per million dollars of capital costs, how much her bill would increase. She said to make this cost analysis more thorough would be to include the cost to connect to Morro Bay as a customer.

Michael Foster – Cayucos resident, former District Board member. Said Cayucos Sanitary District cannot ever anticipate all the costs. He did some “rough math” and came to \$16,000.00 per rate payor which doesn’t seem so high if over 50 years. Foster asked if the water goes into Whale Rock, does Cayucos get the benefit of the use.

Bill Martony – Morro Bay resident. Said site number 2 is on his property line and is visible from highway one. He thinks site number 4 is the best option. He spoke at the Coastal Commission and said they were shaking their heads, doesn’t make sense to build dual plants. He feels that either Cayucos or Morro Bay should be a customer to the other.

Cheryl Conway – South Cayucos resident. Asked if we had ownership of Morro Bay outfall. Also wanted to know the process for site selection.

Terry Paris – Cayucos resident. Said he is concerned about 14 million dollar cost, thinking it is too low. He asked if that meant that Cayucos standards are lower than Morro Bay or Los Osos.

Becky Barkley – Old Creek Road, Cayucos resident. Said she is concerned about the releasing of the Brine and the outfall. Hopefully it's not an issue, but wants to make sure it is something Cayucos is looking at.

Rob Fisher – Cayucos resident. Asked if tonight's presentation would be available and wants to know if there is any CSD liability with regard to the decommissioning of the MB WWTP. He also asked if there has been a comparison of costs with Morro Bay's treatment facility.

Mike Taylor – Cayucos resident. Asked about the timeline or scheduled deconstruction of the MB WWTP in relation to when the CSWP will be completed.

Hearing no further comments, President Enns closed Public Comment.

Lloyd began addressing some of the public commentary questions that he took note of. He said water that Cayucos inserts into Whale Rock would be considered a commodity. He went into more detail with regard to the different treatment levels as it pertains to agricultural use and potable reuse. He asked staff to address the question regarding the actual cost to the rate payor per million dollars spent.

Koon said there was a study done some time ago that showed at a 4% interest rate, it would be an increase of roughly \$2.50 per month, per rate payor, per million dollars borrowed. He added that Cayucos has 35% ownership of the outfall, to address another question asked earlier.

Lloyd asked about the timeline of MB WWTP deconstruction.

Koon stated that Cayucos has already caught up to Morro Bay in their separate processes and that Cayucos would be constructing a much smaller plant, logistically speaking Cayucos would be finished in a much shorter time period.

Lloyd asked about brine outfall.

Heimel said while there is significant concern regarding the brine discharge from a de-sal plant, a wastewater treatment facility will discharge lower concentration and it would be well below the concentration of what it would be with sea water.

Lloyd asked Koon if the presentation will available to the public via the District website.

Koon answered yes, it will be on the District website immediately. Koon also added that the District has a percentage liability in the deconstruction of the MB WWTP.

Chivens asked about what the 14 million covered with regard to the different options.

Koon said that the District has always approached this as keeping as many options open as possible not only in the construction of a plant but also the future use of a plant 30 years down the line.

Carmel spoke in regards to the question earlier about the ability for Cayucos getting water into Whale Rock. He said today, you couldn't put that water into Whale Rock, because the regulations simply don't exist. They are being drafted and it is anticipated that by the year 2018, or 2019 you'll have regulations

addressing surface water augmentation and theoretically speaking you'll be able to put water into Whale Rock but would still have to be approved through negotiations.

Enns introduced County Supervisor Bruce Gibson.

Gibson said he's been in conversation with Cayucos staff for many months, and very much appreciates the care they are taking moving logically forward through this. Being a Cayucos rate payor, Gibson spoke about comparative costs, regulations today only require you to redirect that treated effluent to the outfall... He said we can expect that in coming years, those regulations will become more stringent.

6. DISCUSSION AND SELECTION OF PREFERRED CSWP SITES.

Koon presented the final slides and summary of figures. He mentioned reasons for the recommended sites regarding grants, and funding. Staff's final recommendation to the Board is to pursue the Toro Creek site and the Willow Creek site and suspend moving forward on the Cayucos Creek site.

Lloyd asked if they choose two sites, will they both be evaluated in the EIR.

Footo said the District has to identify a proposed project and choose one site, but you're allowed to evaluate as many reasonable alternatives as you chose.

Lloyd asked if the FMP would be evaluating the two sites or everything but the dirt.

Koon explained if the District chooses Toro Creek they would start by evaluating that site. He said he thinks it's important that while the FMP is looking into technologies for that site, there is another parallel site path being evaluated.

Lloyd asked Koon when more information on progress will be coming back to the community.

Koon said they will probably when they get into the FMP, sometime around June 2016.

President Enns opened the meeting to Public Comments.

Ted (last name inaudible) – resident "off of Montecito Road". Asked if anyone has considered using the existing pipelines and wants to know to what level is this plant going to treat specifically?

Bill Martony – Morro Bay resident. Wanted to follow up on the previous comment made. Said pipeline runs across his property and the easement from San Ardo over does not allow that. He said it is strictly for oil and it's controlled so you would need the consent of every land owner between here and San Ardo to do something of that nature but the easement wouldn't currently allow that.

Ted (last name inaudible) – resident "off of Montecito Road". Added to his previous comment saying that as a point to making it economically viable for the community, if you allow the property owners that the pipeline runs through tap into that line to irrigate whatever they want to irrigate, that might be a heck of an incentive.

Hearing no additional comments, Enns closed Public Comment.

Enns asked if staff had any comments based on the two public comments.

Koon said in the FMP they will be looking at all pipeline options.

Carmel concluded that it's a "phased process" contingent upon regulations and funding.

Lloyd asked Foote, relative to Bill Martony's comment regarding site four, can you characterize the soil and or fault issue.

Foote said the geologist did not indicate a fault or landslide as a fatal flaw, or insurmountable constraint.

Enns indicated that the absent Director, Shirley Lyon had broken her ankle and was in the hospital but in her absence, she wrote a letter she wanted Enns to present at the meeting on her behalf. Enns read the letter from Lyon which showed her support to follow staff recommendation of the Toro Creek and Willow Creek sites with Toro Creek being the preferred site.

MOTION: 1st by Lloyd, to accept staff's two top site recommendations Toro Creek and Willow Creek with the Toro Creek site being the preferred site. The motion was seconded by Chivens.

ROLLCALL VOTE: Lloyd-yes, Chivens-yes, Maffioli-yes, Enns-yes. **VOTE 4-0** Motion passed.

Enns asked Koon to talk a little bit about what's going to happen next and when the public can expect to see us again.

Koon said the next steps are the Facilities Master Plan, and then the Environmental Impact Report, and at the same time, they will start opening up negotiations with the property owners. We can expect to meet again around June 2016.

Enns said with the Board's permission, he would like to skip agenda item number 7 and go to straight to item number 8 for a motion of adjournment.

MOTION: 1st by Lloyd, to adjourn the meeting. The motion was seconded by Maffioli.

8. ADJOURNMENT

The meeting adjourned at 7:55p.m.

Minutes Recorded and Respectfully Submitted By:

X 

Danielle Crawford
Administrative Office Manager