

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

Technical Advisory Committee

MINUTES

Meeting Date:

Thursday, September 16, 2010 at 1:00 p.m.

Meeting Place:

Veteran's Memorial Building
209 Surf Street
Morro Bay, CA 93442

Hosted By:

City of Morro Bay

1. CALL TO ORDER AND ROLL CALL

Enns called the meeting to order at 1:10p.m. and noted the absence of Councilmember Grantham.

City Council Members Present: Mayor Janice Peters

City Staff Members Present: Andrea Lueker, Rob Livick, Bruce Keogh and Cindy Jacinth

Cayucos Sanitary District Members Present: Robert Enns and Shirley Lyon

Cayucos Sanitary District Staff Present: Bill Callahan, Jon Hanlon, Tim Carmel
and JPA Engineer, Dennis Delzeit

2. PUBLIC COMMENT on Special Meeting Agenda Items only.

No Public Comment was received.

3. Review and Comment of August 19, 2010 TAC Minutes

Carmel noted a correction to Paragraph 6 and provided written corrections to staff.

Keogh noted Steve Hyland's name is misspelled.

Councilmember Grantham arrived.

4. Discussion and Consideration of Revisions to Joint Powers Agreement

Carmel distributed a red-lined version of the JPA for review and discussion. He noted that no changes were made beyond Section 7A and that this revised JPA is just a preliminary document to initiate discussion among Committee members. Carmel explained each section and what changes were made, asking Committee members for direction on moving forward with definitions, the financial agreement and how to delegate each section.

Committee members discussed:

- Procedure for voting and what constitutes a quorum. The method of voting in section 6 is if a majority 3 person vote is not achieved on each side, then action would need a total of 7 votes from the full JPA board. Action taken by two separate entities would require the motion to be identical. Peters asked about the possibility of putting only one motion on the floor to take separate votes. Carmel agreed as long as it is a roll call vote.
- Need to address equalizing ownership and landownership and whether to address that outside the scope of the JPA.
- The different capacities with regard to trunk line, outfall and the treatment plant itself.

- The day to day operations of the plant and the financial limits of \$10,000 as the daily limit for unauthorized purchases. There will need to be some consensus from the TAC.
- The need to revisit how Morro Bay staff time hours are calculated for billing to the CSD.
- Developing an equitable percentage to reflect each entity's portion of cost as it relates to operation and maintenance or a more specific definition.
- The implications of ownership and capacity rights which depend on how capacity and current definitions are defined and whether there should be a separate operating agreement. Carmel noted that equalizing ownership and capacity rights would change the JPA agreement and should be discussed by both the TAC and the full JPA. Carmel stated that due to the sensitivity of this issue, each entity should discuss it separately and then discuss at the JPA meeting.

Carmel encouraged the Committee members to review Section 7 thoroughly as a substantive section of the document to make sure everyone is comfortable.

Keogh stated flow meters need to be clarified.

Committee members and staff discussed the issue of having separate agreements, one for construction in the short term and a separate agreement for operating in order to reflect conditions now which may be different from conditions 10-15 years from now. Also discussed was whether the agreement should specify the CSD's responsibility as co-owner even though Morro Bay operates the plant.

Discussion continued on whether the draft agreement should go to the full JPA board before or after changes are made, with the caveat this is not final.

Lueker said due to the lengthy October agenda, maybe instead at the October TAC meeting, the TAC could get it back with some changes and instead have the draft JPA agreement go the November meeting.

Enns said there is no advantage to own 40% of the property when they only own 28% of the plant. So it might be better yet risky to just state the CSD capacity is 28%/72% and move forward.

Lueker confirmed the draft does not go to the JPA then. Keogh asked if comments should come back a week prior in order for Carmel to input them.

Lewis Brookins arrived.

Delzeit spoke regarding capacity rights but low flow. If you opt for the 28%, that would preclude the District from expanding or annexations. There are future considerations especially with smart growth which generally increases density.

FUTURE AGENDA ITEMS

Committee members discussed the potential October agenda items and due to a full agenda, whether it would be preferable to hold the JPA meeting over the course of 2 days or have the meeting start early with a long break.

Keogh said the date set for the November JPA meeting might be a conflict because that is Veteran's Day. He is still trying to secure a meeting room for that date. Callahan said he would check with Cayucos staff for a potential Cayucos meeting place.

ADJOURNMENT

Enns adjourned the meeting at 2:33p.m.