

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
Nat Raimondo, Vice-President
Hal Fones, Director
Bud McHale, Director
Shirley Lyon, Director

City of Morro Bay
City Council:
Janice Peters, Mayor
Melody DeMeritt, Vice-Mayor
William Peirce, Councilmember
Betty Winholtz, Councilmember
Rick Grantham, Councilmember

MINUTES

DATE: 6:00 p.m., Thursday, February 8, 2007
PLACE: Multi-Purpose room
Community Center
1001 Kennedy Way
Morro Bay, CA 93442

CALL TO ORDER AND ROLL CALL

President Enns called the meeting to order at 6:03 p.m. and asked District Manager and Board Secretary, Bonnie Connelly, to take the roll.

Morro Bay City Councilmembers present were Mayor Janice Peters, William Peirce, Betty Winholtz and Rick Grantham. Councilmember absent was Melody DeMeritt. Mayor Peters reported that DeMeritt would arrive shortly. Morro Bay Staff present were Bruce Keogh, Rob Schultz, Bruce Ambo and Susan Slayton.

Cayucos Sanitary District Boardmembers present were President Enns, Nat Raimondo, Bud McHale and Shirley Lyon. Boardmember absent was Hal Fones. Cayucos Staff present were Bonnie Connelly, Bill Callahan, District Counsel Tim Carmel and Nancy Martin.

President Enns introduced Shirley Lyon, newly seated Director, to the Councilmembers and public.

PUBLIC COMMENT PERIOD

After opening the meeting to Public Comment, President Enns announced that public comments should be with regard to items that are not on the agenda and that comments would be encouraged at the time each item is addressed.

Matthew Fleming, Surfrider Foundation, stressed the importance of upgrading the treatment plant to tertiary as quickly as possible, as a pattern of illness is developing among surfers and others enjoying the local beaches.

Joseph Racano, Ocean Outfall Group, reported on his demonstrating at the Winter Bird Festival in Morro Bay. He also offered to share a report he received on Membrane Bio Reactor technology.

Steve Schimek, the Otter Project, reported on the increase in otter mortality in the area, and urged a speedy upgrade to tertiary, as it is the responsibility of the communities to clean up the water.

Seeing no further comments President Enns closed the Public Comment Period.

A. CONSENT CALENDAR

1. Minutes of December 14, 2006 Meeting – Recommend approve
2. Status Report on NPDES Permit Renewal Process – Recommend receive and file
3. Status Report on the City of Morro Bay Wastewater Treatment Alternatives Analysis in the Chorro Valley – Recommend receive and file
4. Status Report on the Draft Revenue Program – Recommend receive and file

Winholtz asked to have Item number A1 pulled. Enns asked to have Item A2 pulled.

MORRO BAY MOTION: First Grantham, second Winholtz to receive and file Items A3 and A4. VOTE: 4-0 (DeMeritt absent)

CAYUCOS MOTION: First Raimondo, second Lyon to receive and file Items A3 and A4. VOTE: 4-0

Councilmember DeMeritt arrived at 6:15 p.m.

Winholtz asked for clarification of the statement on Page 2 of the Minutes, second paragraph, second sentence of Item A4. Keogh stated that he was referring to the permit renewal process, and that the upgrade project is on another track and is not being held up. Winholtz also asked on Item C1, first sentence, that the second “and” be deleted.

In the first paragraph, second sentence of Item A4 of the Minutes Enns asked that the word “them” be replaced with “the JPA”. Keogh added that at the May 11 hearing the NRDC was made aware of the change of the timeline from 9.5 years to 8.

Anjali Jaiswal, Natural Resources Defense Council, stated she has never seen the 8-year timeline for the Wastewater Treatment Plant Upgrade and would like to see it. She stated that it has never been the intention of the NRDC to make the JPA look bad.

Melody DeMeritt reported that, although she was not at the September 21 meeting, she did watch the video, and asked for what she felt was Keogh's subjective opinion of the NRDC's intentions be removed. Mayor Peters recalled Keogh's statement as recorded in the Minutes.

MORRO BAY MOTION: First Peirce, second DeMeritt to approve Item A1 as amended. VOTE: 5-0

CAYUCOS MOTION: First McHale, second Lyon to approve Item A1 as amended. VOTE: 4-0

Referring to Item A2, Enns asked for clarification of the statement in Keogh's report, "There has been little action to report on the permit renewal process." Keogh answered that the permit renewal and upgrade process are on separate tracks. With regard to the permit renewal, the Regional Board is waiting for completion of the biological assessment before a hearing can be scheduled. He stated that the upgrade process is still ahead of schedule at this time.

Winholtz asked if the conflict resolution/mediation offered by the USEPA is part of the permit renewal process and what the status is. District Counsel, Tim Carmel, answered that it is not related to Keogh's status report. He stated that the funds originally offered by the USEPA several months ago have run out as the parties await the completion of the biological assessment.

MORRO BAY MOTION: First Peirce, second DeMeritt to receive and file Item A2. VOTE: 5-0

CAYUCOS MOTION: First Raimondo, second McHale to receive and file Item A2. VOTE: 4-0

B. UNFINISHED BUSINESS

1. Presentation by Carollo Engineers on the Facility Master Plan, Chapter 8-Secondary Treatment Alternatives

David Stringfield introduced Tracy Clinton, as the presenter, Eric Casares, the project engineer, and Steve Girard, an intern with Carollo from University of Pacific.

Ms. Clinton gave the PowerPoint presentation outlining the Facility Master Plan background and process, overall meeting schedule, attendees' roles, and details on full secondary (option partial tertiary) and secondary alternatives (trickling filter/solids contact or extended aeration activated sludge).

Carollo Engineers answered questions regarding secondary alternatives:

- Flood plain impacts and flood wall depth
- Wastewater strength (concentration) and diminished capacity
- Comparable construction costs

- Comparable operation costs
- Odor control
- Feasibility of upgrading to tertiary from secondary
- Solids handling (composting, trucking out, incinerating)
- Removal of pharmaceuticals at secondary and tertiary treatment levels
- Costs of soil compaction and flood wall
- Costs for onsite composting

President Enns opened the meeting to public comments.

Michelle Maeda, NRDC, provided the governing bodies with a Proposed Resolution of the Morro Bay-Cayucos Waste Water Treatment Plant, “to place on the agenda for the next regularly-scheduled meeting a vote to adopt an upgrade time schedule that is as fast as possible and is, in all cases, no longer than comparable Central Coast sewage treatment facilities.”

Cal Wilford, EcoSLO, representative asked for the upgrade as soon as possible.

Sandra Brazil and Joey Racano, Ocean Outfall Group, both recommended a regional plan to include Los Osos, and upgrading to full tertiary.

Noah Smukler, Pam Heatherington, Tim Tringali and Sara Korbin (Surfrider Foundation), Margaret Webb of Morro Bay, Luke Polittle, Andrew Christie (Sierra Club), and Lynn Harkens of Cambria all stressed the importance of upgrading to tertiary as soon as possible.

Anjali Jaiswal, NRDC, provided a handout of funding opportunities for the Wastewater Treatment Plant upgrade. She referred to a letter to the Governing Bodies from the Environmental Protection Agency (EPA), in which the EPA expressed concerns with the otters and with the lack of progress in the upgrade over the last few months. Additionally, she stated that the EPA, as well as the NRDC, has tried unsuccessfully to set up meetings with the Governing Bodies. She stated the commitment of the communities must be to upgrade the treatment plant as soon as possible to tertiary.

Ken Twist, Morro Bay resident, also urged upgrading to tertiary as quickly as possible.

Peirce and DeMeritt both reported that Morro Bay is committed to tertiary and that it will be considered. Peirce stated that what is weighing heavily on Council and Board members is that the cost of the upgrade will be reflected in sewer rates. Mayor Peters added that even if the plant is upgraded to tertiary, the effluent might have to be disposed of in the ocean.

DeMeritt invited the public to attend all the meetings to keep abreast of the upgrade process and thanked Ms. Jaiswal for providing the list of funding opportunities and for communicating the concerns of the EPA to the public.

Grantham estimated a 100% increase in customers' sewer bills with the upgrade to full secondary and 300-400% increase if the plant is upgraded to tertiary. Additionally, he stated that businesses will be greatly affected.

Winholtz stated that the Governing Bodies are ultimately responsible for the future astronomical rate hikes due to poor planning. Additionally, they are also responsible for notifying the public of progress with the upgrade. She urged the use of the best technology available for the upgrade.

Mayor Peters, in reference to the draft resolution provided by the NRDC, stated that the upgrade is proceeding as fast as possible. She thanked the NRDC for the list of funding options and urged cooperation by all parties.

President Enns stated that the goal is to move the project forward as quickly as possible. Cayucos supports the concept of tertiary but recognize time constraints, as well as increased costs. He thanked Carollo for their work thus far and for input from the public.

Winholtz asked if the discussion in March will cover the fact that Morro Bay advocates upgrading to tertiary and Cayucos is proposing full secondary with the capability of a future upgrade to tertiary. Enns answered it will. In March, Carollo will provide the Governing Bodies with options, including comparative costs. Direction will be given to Carollo and in April the report should be finalized. June 15 will be the vote for the project. There will be initial opinions available on rate impacts. Stringfield encouraged both communities to pursue grant options, as Carollo is not commissioned to pursue grants. Schultz suggested possibly considering an outside consultant for that purpose after a project is decided on.

C. NEW BUSINESS

1. FY 2006/2007 First and Second Quarter Invoices – Recommend Approve

MOTION: First Lyon, second McHale to approve payment of FY 2006/2007 First and Second Quarter Invoices for \$76,963.50 and \$82,844.49, respectively. VOTE: 4-0

2. Schedule Next Joint Meeting and Agenda Items

The next joint meeting was scheduled for March 15, 2007, at 6:00 p.m. in Morro Bay.

ADJOURNMENT

The meeting adjourned at 8:25 p.m.

Minutes recorded by: _____
Nancy Martin