

Foster stated the public comments he has heard in the meetings have been helpful and have influenced his opinion on the way this project is going and thanked the public for taking the time to come.

A. CONSENT CALENDAR

1 MINUTES OF AUGUST 11, 2011 JPA MEETING

MORRO BAY MOTION: Smukler made a motion to approve the Consent Calendar. The motion was seconded by Borchard and passed unanimously (5-0).

CAYUCOS MOTION: Lyon made a motion to approve the Consent Calendar. The motion was seconded by Chivens and passed unanimously (5-0).

B. OLD BUSINESS

1 STATUS REPORT ON UPGRADE PROJECT AS OF SEPTEMBER 1, 2011

Recommendation: Receive the Status Report and direct staff accordingly

Dennis Delzeit presented the status report and announced a workshop to receive public input on the Rough Screening Analysis will be held on September 19, 2011 at the Cayucos Veterans Hall at 6pm.

Yates opened up Public Comment and hearing none closed Public Comment.

Smukler discussed with Delzeit the timeline for the public's information including the fine screen analysis which will be brought to the November JPA meeting.

Foster expressed discomfort with idea of this study proceeding through the fine screen analysis until the Board has had the ability to approve the rough screen analysis. Foster questioned whether there is a need to have an October JPA meeting in order to have adequate time to review the rough screening material presented tonight. JPA Board members discussed with Delzeit the merits of having an October meeting in addition to the Public Input Workshop. The comments received on the Rough Screening will be incorporated prior to presenting the Fine Screening Results analysis. It was agreed to listen to the Dudek presentation later on the agenda before making a decision regarding a potential October JPA meeting.

2 DISCUSSION AND CONSIDERATION OF A PROPOSAL FROM CENTRAL COAST WATER TREATMENT DBA: CCULIGAN INDUSTRIAL (CCWT) FOR BRINE DISPOSAL

Keogh presented the staff report and stated the Regional Water Quality Control Board staff is supportive and would like the City and District to apply for a low threat waste discharge general permit.

Board members discussed:

- The monitoring reporting requirements
- Whether the JPA Board should approve new outside sources of brine or if should be a staff decision.
- The fee schedule and whether there should be a minimum annual fee. Foster stated support for a minimum annual fee and to get a fixed commitment.
- The potential for liability exposure in case of a noncompliance issue

Smukler stated the public should see we are taking a look at each and every additional source on our outfall which should give the public confidence of the Board's action. He also stated new sources should be approved by the Board with annual reports.

MORRO BAY MOTION: Yates moved the Council direct staff to work with the Regional Water Quality Control Board (RWQCB) to develop a low threat discharge permit for brine disposal; and direct staff to continue discussions with CCWT and to develop a fee schedule for brine disposal.

The motion was seconded by Johnson and passed 4-1. Smukler opposed.

CAYUCOS MOTION: Lyon moved the District Board direct staff to work with the Regional Water Quality Control Board (RWQCB) to develop a low threat discharge permit for brine disposal; and direct staff to continue discussions with CCWT and to develop a fee schedule for brine disposal.

The motion was seconded by Foster and passed 4-0.

C. NEW BUSINESS

1 PRESENTATION AND DISCUSSION REGARDING STATUS OF DRAFT ROUGH SCREENING ALTERNATIVE SITES EVALUATION

Recommendation: Receive presentation by consultant regarding status of Draft Rough Screening Alternative Sites Evaluation; Council and Board discussion regarding same.

Delzeit introduced the representatives of Dudek, the consulting firm which prepared the Rough Screening Evaluation. April Winecki, project manager of Dudek presented an overview of the Draft Rough Screening Analysis and explained the different criteria considered in evaluating each of the alternative sites. The fatal flaws analysis dismissed six of the 17 potential sites. Three sites are being recommended to move forward to the fine screening analysis.

Winecki explained the next step will be to compile public comments and stressed this is a draft and is intended to be revised based on comments received. The scope of work does not include another meeting.

Discussion continued between Dudek representatives April Winecki, Alison Evans and Bob Ohlund and the JPA members regarding:

- The public process and whether all parties have been properly noticed. Smukler stressed the importance of emailing anyone who had submitted a comment on the project considering the significance of the project.
- The Chevron property and why the property was split into two different sites (#15 and #5). Winecki clarified the property split is due to how the site was identified based on public input received. Smukler expressed concern to Winecki regarding the Chevron site evaluated as two sites, when it should be presented as a contiguous site and to re-do the rough screen analysis to see if a revised analysis would increase its rating score.

Yates and Smukler discussed the merits of evaluating the Chevron property as one parcel. Mayor Yates stated consensus would be needed from two other Board members then questioned if the Chevron site is selected to move forward to fine screening, then why not other properties. Smukler emphasize the importance of getting the rough screen analysis done right.

Winecki suggested moving forward with the fine screen analysis and including the Chevron property in its totality (sites 5/15) in order to get a higher level of analysis.

Further discussion continued with Dudek regarding the components of what the fine screen analysis would include: whether the treatment process is part of the analysis; the economic analysis; the ESHA area. Dudek clarified that the California Coastal Commission staff report did not find any ESHA concerns related to the existing site - an environmental analysis was done, and none were found on the existing site's parcel. The ESHA analysis is an all or nothing approach regarding whether to move forward.

Foster expressed concern regarding an all or nothing approach which could introduce a bias especially when comparing a 150 acre parcel to a 7 acre parcel. He stated several excellent candidates are being eliminated as a result and it is important to find a way to adjust for that.

Foster stated that in terms of an economic analysis, despite Dudek's attempt to quantify power costs; it is hard to calculate the potential for flood and tsunami insurance. Insurance will be required as a condition of loan and the ramifications of building on the cost could be significant.

Mayor Yates called for a 10 minute break and the meeting resumed at 740pm.

Foster asked Dudek why the existing site was not eliminated as a fatal flaw. If the criteria were applied consistently among the 17 sites, then the existing site would not have made the cut due to non-compliance with the California Coastal Act.

Foster also addressed the following concerns:

- The need for refinement of the ranking system before proceeding to a fine screening analysis. The rating and ranking system is favorable or unfavorable to various sites, some of which did not make the list.
- The issue of water reclamation and land use. Foster stated the fatal flaw analysis of prime agricultural land should be reconsidered. Adding water as a resource to prime agricultural land increases the value of the agricultural land.
- The importance of elected representatives as the decision makers. Foster stated he would like the opportunity to see the Phase I in its more final version before proceeding to Phase II.

Chivens asked for clarification regarding the process for negotiating with private property owners for property sales.

Lyon asked regarding the actual hard costs of the different sites and what the timeframe would be if the site was changed to a different location.

Dudek replied to both Chivens and Lyon that more of these details will be provided in the fine screening report.

Enns noted this is a draft report and a rough screening and noted many of the comments tonight appear to be focused on specific details that he would expect to see in the fine screening not at this stage.

Mayor Yates opened Public Comment period:

- Al Barrow, resident of Los Osos, discussed alternative energy sources and different technologies that could be used. Also, Mr. Barrow asked if a site tour has been done for the public, Water Board, and the Coastal Commission.
- Lee Johnson, resident of Morro Bay, addressed the need to pay attention to details and make sure the criteria is correct even though it is only a rough screening.

Mayor Yates closed Public Comment period.

Further discussion continued regarding doing additional analysis of the Chevron site. Dudek confirmed that they would look at sites (5/15) combined.

Delzeit stated an extra meeting is not included to approve rough screening analysis, but the JPA does have the option to add an extra meeting to the Dudek contract.

Cayucos members agreed to stick with the schedule and let Dudek lead the way.

Morro Bay members also agreed to stick with the schedule. Smukler asked for clarification regarding when the final draft of the rough screen analysis will be released. Delzeit replied the analysis will be presented at the November 10th meeting.

ADJOURNMENT

Mayor Yates adjourned the meeting at 8:18p.m.

Minutes Recorded by:

Cindy Jacinth, Morro Bay Public Services Dept.