



- Barry Brannin, resident of Morro Bay, complimented the consultant, Dudek, who is doing good quality reports.
- Richard Sadowski, resident of north Morro Bay, addressed the issue of integrated collection system problems. He said as a former employee of the Cayucos Sanitary District, he videotaped 15 miles of CSD sewer line and showed them to FEMA which resulted in \$1.2 million received due to liquefaction damage. He stressed the need for an accurate flow that comes into the Wastewater Treatment Plant.
- John Barta, resident of Morro Bay, stated the Pismo Beach and Goleta treatment plants did not have to face the same issues as MB/CSD JPA, including added costs of the EIR and consultants. He urged people to realize the cost in money time and delay. He supported the JPA Board in their steadfast determination to carry out the will of earlier JPA Boards which include tertiary treatment.

Mayor Yates closed Public Comment period.

## **A. CONSENT CALENDAR**

### **A-1 MINUTES OF JANUARY 12, 2012 JPA MEETING**

#### **Recommendation: Approve as submitted**

Mayor Yates noted that Marla Jo Bruton's name has been misspelled and asked to be corrected with minutes to be brought back to next meeting.

### **A-2 WWTP OPERATIONS REPORT THROUGH JANUARY 2012**

#### **Recommendation: Receive and file**

President Enns asked to clarify that bio solids are being sent to McCarthy Farms for composting at their facility. Keogh said yes, they are being composted at their facility.

Mayor Yates asked Delzeit to address Ms. Bruton's questions presented during public comment. Delzeit said there is no State Revolving Loan Fund application pending now. An application cannot be submitted without an approved project, which is waiting for the coastal development permit. Regarding the construction monies spent, there is no construction activity occurring,

Director Foster asked Keogh to clarify the Public Works Advisory Board. Rob Livick stated the Public Works Advisory Board is a five member board appointed by the City Council which is a recommending body to the City Council on matters of Public Works.

## **B. OLD BUSINESS**

### **B-1 STATUS REPORT ON UPGRADE PROJECT AS OF MARCH 1, 2012**

#### **Recommendation: Receive the Status Report and direct staff accordingly**

Dennis Delzeit presented the status report and noted that though the feasibility study was released today, it is still subject to change and the final draft will be released on Monday after which it will be submitted to the Coastal Commission. Delzeit noted the de novo hearing date has not been set yet by the Coastal Commission due to organizational and staffing changes occurring at the Coastal Commission. They are hoping for a possible June hearing at Huntington Beach.

Mayor Yates encouraged Delzeit to get the date of the hearing as soon as possible, since every month costs more money.

Councilmember Smukler expressed concern that there is no incentive with the lobbyist to keep the costs of the project to a minimum.

Councilmember Borchard agreed with Smukler noting that the extension of the hearing date creates downtime for the consultant who is put on hold and asked if costs could be reduced while waiting for a hearing date.

Director Lyon asked if McCabe has submitted a progress report.

Director Chivens agreed with Councilmember Borchard noting that justification for the added costs is needed.

Director Foster questioned Delzeit's decision to reinstate Ms. McCabe's contract at \$12,500/month when the Board has no knowledge when the de novo hearing will occur.

President Enns asked Delzeit if additional studies were supposed to be completed during this downtime. Delzeit stated yes, there has been additional work involved in addition to continued communication with Commissioners. Delzeit stated he would speak with Ms. McCabe to determine what services would be provided during this time period. Delzeit acknowledged the extra costs involved and noted that Ms. McCabe is very successful with what she does, and will forward the comments and concerns of the JPA Board to Ms. McCabe.

Mayor Yates asked for more detail in the form of a log to have better communication on the tasks that Ms. McCabe is performing for the JPA.

Councilmember Smukler stated Ms. McCabe's contract should be terminated and the JPA should instead solicit a proposal from Dudek on representing the project to the Coastal Commission. Smukler also encouraged the JPA Board to reconsider Ms. McCabe's value. Delzeit replied the ultimate goal is to get approval with the granting of the coastal development permit and Ms. McCabe is trying to improve our chances of success and approximately \$75,000 has been spent to date.

Mayor Yates disagreed with Councilmember Smukler, asserting that the project does need a lobbyist, which is typical for these types of projects and stressed Ms. McCabe's expertise with the Coastal Commission. He would be supportive of having the meeting next week and not cancelling the April meeting.

Councilmember Johnson stated a more detailed invoice and itemization of tasks between now and June may be necessary. Mayor Yates questioned the possibility of the de novo hearing not happening in June if it is delayed again. Councilmember Borchard agreed stating that accountability is needed.

Councilmember Leage stated agreement with the Mayor. Leage noted that although paying the costs is unpleasant, it is necessary to maintain the lobbyist services.

Director Foster appreciates Delzeit's work with getting the project at this location to Coastal Commission. However, Dudek was hired to do an independent site analysis and expressed concern with the lobbyist services and staff involvement. Foster also requested that a review of the McCabe contract be agendaized for the next JPA meeting.

Councilmember Smukler noted he is not suggesting Dudek become a lobbyist like McCabe, but rather to provide information.

Mayor Yates stated to Delzeit that if a JPA meeting is not held on March 14, 2012, then he would request the information from Delzeit in writing, and to also put the info on the website.

### **C. NEW BUSINESS**

#### **C-1 CONSIDERATION AND DISCUSSION REGARDING AMENDMENTS TO DUDEKS CONTRACT FOR THE COASTAL APPEALS PROCESS**

**Recommendation: Following consideration of this item, that the Council and District Board approve the proposed amendments to Dudek's contract for the Coastal Appeals Process**

Delzeit presented the staff report and explained the amendment proposal to Dudek's contract.

Mayor Yates expressed concern over the cost of the contract amendment. Councilmembers Leage and Johnson agreed stating they could read and study the report themselves. Councilmembers Smukler and Borchard chose to comment after public comment.

Directors Fones, Lyon, Chivens and Foster were not supportive of a presentation by Dudek. Foster added that the presentation should have been included, and not an additional cost.

President Enns agreed stating he was not supportive of a meeting. JPA members agreed they could read the report themselves without having to pay extra for a presentation by Dudek.

Mayor Yates opened Public Comment period:

- Marla Jo Bruton, resident of Morro Bay, stated the City has a severe water quality problem. She spoke in favor of tertiary treatment stating that the State Water is paid by ratepayers whether you get water or not; water is dumped that could be tertiary treated. She also addressed the issue of nitrate contamination in the main aquifer and the desal upgrade. Water needs to be safe. She stated the public has not seen the draft report that was released today and that the JPA members are discussing and many people do not have a computer. She asked the JPA to help the community to know what is going on.
- Barry Brannin, resident of Morro Bay, stated the report was well done, but however, it is based on some assumptions that he questions. He stated he read the whole report, and he questions the assumption, and that one could draw the wrong conclusions from them.

Mayor Yates closed Public Comment period.

Councilmember Smukler agreed with the Board regarding the expense. He stated the Coastal Commission is placing requirements on us for a reason in regards to water reclamation and recycling for this project. He spoke in favor of having a follow up meeting to allow staff to present the information and get public comment and have Board discussion.

Mayor Yates asked Dennis Delzeit to give a brief summary of the water reclamation issue. Delzeit reviewed with the Board the background of water reclamation and requirements by the Coastal Commission. He stated that the conclusions are that, it is economically infeasible to move forward with reclaimed water recycling at this time. He pointed out that the recommendations in the report may likely be required as follow up conditions in the coastal permit. The report would be moved forward in its draft form to the Coastal Commission staff for review.

Councilmember Smukler expressed concerns about water supply problems and stated that although it is important to recognize affordability, he doubted that the Coastal Commission staff will remove the requirement of water reclamation.

Mayor Yates responded that the Council wants to recycle the waste water, and stated the only reason to go to tertiary is to eventually recycle the water. He said despite this, it is important to go one step at a time, especially in order to keep rate payers bills low.

Councilmember Smukler agreed and stated it is important to be efficient and consider the ultimate reuse plan.

Councilmember Johnson stated the most important thing is to read the report before debating the merits of recycled water.

**CAYUCOS MOTION:** Lyon moved to decline the amendment to Dudek's contract. Fones seconded and the motion carried unanimously. (5-0)

Foster stated he supports the motion and noted that just because we are declining, they still do not have authority to submit the study to Coastal Commission until it has been released in its final draft and accepted by the JPA.

Tim Carmel stated it is within the discretion of the JPA to make that determination. The report is intended to be a fluid document with minimal City/CSD staff involvement.

**MORRO BAY MOTION:** Smukler moved to decline the amendment to Dudek's contract. Borchard seconded and the motion carried unanimously. (5-0)

Director Foster discussed with Delzeit what the point of having a meeting would be if the report goes to Coastal Commission staff either way. Delzeit clarified that Dudek was hired to do an objective analysis which they have done. It would not be appropriate to change the content of the document. Foster spoke in favor of the JPA Board having an opportunity to review and receive public comment prior to submitting to the Coastal Commission.

Councilmember Smukler wants a specific analysis and discussion about the siting of the reclamation facilities.

Mayor Yates disagreed stated the presentation should be only the study and not anything added to it.

Barry Brannin, resident of Morro Bay, came to the podium to add that the report states that it costs \$120/lineal foot to run the pipe. The method of how the recycled water is made is included in the report, but not the plant design.

**C-2 DISCUSSION REGARDING POSSIBLE FUNDING STRATEGIES AND ALTERNATIVES FOR THE DEVELOPMENT, OPERATION AND MAINTENANCE OF RECYCLED WATER FACILITIES AND RELATED IMPROVEMENTS. – Verbal report**

**Recommendation: Following consideration of this item, that the Council and District Board direct staff accordingly.**

President Enns presented a verbal report regarding the agricultural community's interest in recycled water and potential for creating a reuse assessment district. Tertiary treated water might benefit the agricultural community. Enns quoted data from Dylan Wade that 1 million gallons per day discharged could irrigate 600-650 acres of avocados for example. Would need to explain to the agricultural district how to get organized and form an assessment district.

No comments from Cayucos board.

Councilmember Borchard spoke in favor of finding an opportunity for the agricultural community to fund and move water for their reuse and need to make sure all stakeholders are represented.

Enns stated his interest was to determine if the Council and Board are interested in pursuing this further.

Both Councilmembers and CSD Boardmembers expressed support.

Yates opened Public Comment period.

- Barry Brannin, resident of Morro Bay, spoke in favor of giving water to the farmers rather than dumping in the ocean. The agricultural coalition would pay attention.
- Marla Jo Bruton, resident of Morro Bay stated water is an important commodity and if catastrophic damage were to occur, there would be a 3 year gap of water deliveries to southern California.

Mayor Yates closed Public Comment period.

President Enns asked Dylan Wade, Capital Projects Manager to respond to public comments. Wade stated staff is actively seeking grants and other funding opportunities.

Councilmember Smukler stated the full Board should support directing staff to spend time to aggressively pursue.

C-3 CONSIDERATION OF SCHEDULING A SPECIAL JOINT MEETING FOR THE PURPOSE OF RECEIVING A PRESENTATION OF THE "DRAFT 2012 RECYCLED WATER FEASIBILITY STUDY"

**Recommendation: Following consideration of this item, that the Council and District Board schedule a special meeting for March 14, 2012 at 6pm.**

JPA Boardmembers discussed with Dennis Delzeit the process for receiving public comment since the Dudek contract amendment was declined and therefore, no meeting will be held on March 14, 2012.

Discussion also continued regarding the final draft of the recycled water feasibility study and how Board and public comments get incorporated into the document.

Livick clarified public comments can be compiled and submitted to the Coastal Commission staff for their consideration.

C-4 SCHEDULE NEXT JOINT MEETING AND AGENDA ITEMS

Councilmember Smukler asked for a brief review and discussion of alternative grant funds to pursue funding and requested Keogh to submit an update of the current biosolid handling process. Councilmembers agreed.

No Cayucos agenda items for next meeting.

**ADJOURNMENT**

Mayor Yates adjourned the meeting at 8:04p.m.

Minutes Recorded by:  
Cindy Jacinth, Morro Bay Public Services Dept.