

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

MINUTES

**CAYUCOS SANITARY DISTRICT
BOARD OF DIRECTORS:**

Robert Enns, President
Dan Chivens, Vice-President
Shirley Lyon, Director
Michael Foster, Director
Dan Lloyd, Director

**CITY OF MORRO BAY CITY COUNCIL
MEMBERS:**

Jamie Irons, Mayor
George Leage, Vice-Mayor
Nancy Johnson, Councilmember
Christine Johnson, Councilmember
Noah Smukler, Councilmember

MEETING DATE:

6:00 p.m., Thursday, April 11, 2013

HOSTED BY:

Cayucos Sanitary District

MEETING PLACE:

Cayucos Veterans Hall
10 Cayucos Drive
Cayucos, CA 93430

CALL TO ORDER AND ROLL CALL

President Enns called the meeting to order at 6:08 p.m.

Morro Bay City Council present were Mayor Irons, Vice-Mayor George Leage, Council-members, Nancy Johnson, Noah Smukler and Christine Johnson.

Cayucos Sanitary District Board members present were President Robert Enns, Vice-President Dan Chivens, Directors Shirley Lyon, and Dan Lloyd. (Director Foster was not present)

Morro Bay Staff members present were Bruce Keogh, Susan Slayton, Rob Schultz, and Andrea Lueker

Cayucos staff members present were District Council Tim Carmel, Rick Koon, and Danielle Crawford

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the governing bodies on Morro Bay-Cayucos Wastewater Treatment Plant (WWTP) business matters may do so at this time. By the conditions of the Brown Act, the governing bodies may not discuss issues not on the agenda, but may set items for future agendas. When recognized by the Chair, please come forward to the podium and state your name and address for the record. Comments should be limited to three minutes.

President Enns then opened Public Comment.

Hearing none, President Enns closed Public Comment.

A. CONSENT CALENDAR

1. MINUTES OF MARCH 14, 2013 JPA MEETING – Recommend approve as submitted.
2. WWTP OPERATIONS REPORT THROUGH FEBRUARY, 2013 – Recommend received and file.
3. STATUS REPORT OF THE MAJOR REPAIR AND MAINTENANCE PLAN (MMRP) FOR THE WWTP – Recommend receive and file.

Mayor Irons requested Agenda Item A-3 be pulled for separate discussion.

MORRO BAY MOTION: Mayor Irons made a motion to approve Consent Calendar Items A-1 and A-2. Councilmember Smukler seconded. Motion passed (5-0).

CAYUCOS MOTION: Director Lloyd made a motion to approve Consent Calendar Items A-1 and A-2. Director Chivens seconded. Motion passed (4-0).

Mayor Irons asked Keogh to elaborate on item A-3 and discuss the key projects that were laid out in his staff report.

Keogh went into greater detail saying that their first main focus was gathering data for the MMRP, and outlining its process. Presently, with this being a budgetary review period; they are concentrating on bringing forward the projects that will fall within the next Fiscal Year so they can better prepare how it will impact the financial plan. Some of those bigger projects include: cleaning and rehabilitation of one of the digesters, installation of influent screens at the headworks, rehab of the flights and the mechanisms in the chlorine contact tank, and also some rehab on other buildings as well.

Mayor Irons asked the Council if they had any other questions. Hearing none, he brought it to vote.

MORRO BAY MOTION: Mayor Irons made a motion to approve Consent Calendar Item A-3. Councilmember Christine Johnson seconded. Motion passed (5-0).

CAYUCOS MOTION: Director Lyon made a motion to approve Consent Calendar Item A-3. Director Lloyd seconded. Motion passed (4-0).

President Enns then opened Public Comment.

Hearing none, President Enns closed Public Comment.

B. OLD BUSINESS

1. PRESENTATION OF THE FY 2011/2012 WWTP AUDIT – Recommend that the Board of Directors of the Cayucos Sanitary District and the City Council accept the audit report.

Susan Slayton presented the FY 2011/2012 WWTP Audit to the panel for discussion and approval.

Christine Johnson clarified her comments from the last meeting, stating that at the time, she was concerned with the auditor's presentation, his presentation style, and the lack of communication between Bob Crosby and the City of Morro Bay. Johnson has since spoken with Susan Slayton about the Audit and her previous apprehensions and, after speaking with her, Johnson concluded she no longer has those issues or concerns and thanked Slayton for her time.

President Enns then opened Public Comment.

Hearing none, President Enns closed Public Comment.

MORRO BAY MOTION: Mayor Irons made a motion to accept Agenda Item B-1 as presented. Vice-Mayor Leage seconded. Motion passed (5-0).

CAYUCOS MOTION: Director Lloyd made a motion accept Agenda Item B-1 as presented. Director Chivens seconded. Motion passed (4-0).

President Enns moved to item C-1.

C. NEW BUSINESS

1. VERBAL REPORT BY THE CITY AND DISTRICT ON THE PROGRESS OF THE FUTURE WWTP

Mayor Irons asked Andrea Leuker to present Item C-1.

Leuker explained the City of Morro Bay issued an RFP for a Project Consultant three weeks ago, which is due April 15, 2013. The RFP can be found on the City website. She stated that although they have no way of knowing how many candidates have downloaded the RFP, they have had a number of qualified firms call the City and inquire about the project. She added that at the last City Council meeting, they expanded the selection committee to include five community members to review the RFP and help in the selection process. Leuker also announced the City of Morro Bay is holding a "Study Session" which is scheduled on April 29, 2013, at 6:00 pm at the Morro Bay Veteran's Hall. She explained it to be a session where they will predominantly be looking at the identified sites, and then they will be doing some evaluations of those sites. Lastly, she spoke of the appraisal of the Righetti property being in the works and that they expect a return document by the end of April. Keogh then added that he and the Mayor attended a presentation in San Luis Obispo on April 5, 2013 by a company called GE2. The presentation was basically promoting a solid waste to energy concept where GE2 is looking to gather support within the County to potentially look at the feasibility of doing something like that around here. Keogh added that it is a very interesting concept, and stated he will monitor that project as it moves forward.

Smukler asked Keogh if other jurisdictions attended the presentation. Keogh responded that there were representatives from Pismo, the City and County of San Luis Obispo, and also other consultants.

Enns asked Lloyd to explain some of the activities and the progress the CSD has made since the last meeting with regard to looking at a future WWTP. Lloyd discussed two meetings attended with WSC where they reviewed the overall objectives to be considered by Cayucos for a standalone Waste Water Treatment Facility, and discussed disposal options, reuse options and level of treatment required for those options. An outline of their discussion items from the first meeting was prepared by WSC for further discussion at their second meeting. For their third meeting, scheduled in a couple of weeks, the CSD Board representatives requested that WSC be more specific in their outlined items. The CSD will bring back any findings as the meetings progress and report them in future JPA meetings.

President Enns opened Public Comment.

- Richard Margetson – Cayucos. Regarding the Cayucos presentation, at what point has the firm been asked to come back with some cost parameters for these options of breaking off from Morro Bay?

Hearing no further comments President Enns closed Public Comment and then asked Director Lloyd if he would like to address the question posed during Public Comment.

Lloyd responded saying that costs are “everything, ultimately” explaining that what they have been trying to do so far, is “define what the box looks like, what are all the components that go into the box”, and then once they have refined the configuration of the “box”, they will get into costs. Lloyd stated he expects to have some cost information probably in the meeting after next.

Smukler stated that his questions were more in regard to the California Men’s Colony (CMC) and the interest that has been expressed from members of the public as well as members of their Council to look more closely at that as an option. He asked if the Cayucos Board would be interested in attending a meeting with Morro Bay Council and CMC. Enns replied that Cayucos would be interested in attending such meetings.

Koon said Cayucos needs another month to prepare a matrix with WSC and then they will have a better idea of where they are headed from there. He stated they are interested in meetings with CMC and feels they will know more in a few weeks, after their next meeting with WSC.

Irons spoke to dispel any “rumors,” noting that basically, Morro Bay is simply discussing their options right now with regard to CMC.

C Johnson asked if the CSD’s discussions with WSC regarding a standalone project would be transferable into a joint project. Lloyd stated that they are absolutely transferable to a joint project. He asked that if Morro Bay would like to have formal meetings with CMC, please let the Cayucos Board know in advance so that they may attend. Irons and Smukler stated they will contact Cayucos and extend the invitation if there are any formal meetings.

Agenda Item C-1 required no action. President Enns then moved to Item C-2.

2. DISCUSSION AND APPROVAL TO TERMINATE THE CONSULTANT SERVICES AGREEMENTS WITH DELZEIT; DUDEK; McCABE & COMPANY; AND MONTGOMERY WATSON HARZA (MWH) – Recommendation: Staff recommends that the City and District terminate the Consultant Agreements with Delzeit, Dudek, McCabe, and Montgomery Watson Harza (MWH)

Irons stated the contract was suspended at one point and it has been brought back to be formally discussed at this juncture, for termination.

Enns asked Keogh if keeping MWH is a possibility based on what has already been invested in that firm, or if it is better to let it go and rebid the whole project.

Keogh would like to rebid the whole project, saying that MWH expressed desire to work, or help out in the interim, but in the long run, you are going to want to rebid that contract.

Enns said based on the preliminary work MWH has done, and with them already being up to speed, he thought maybe it would be in “our” best interest to keep them on board.

Carmel stated that the work MWH did in the past was specific to the site that is now not a viable option.

Mayor Irons opened Public Comment.

- **Richard Margetson** – Cayucos. Stated that the staff report has no information for the public regarding how much has been spent. He stated that it is ridiculous to consider MWH based on their track record and previous performance. Margetson described a video by the Los Osos Community Services District’s (LOCSO) General Manager and a representative of Montgomery Watson Harza where they were explaining the reasons as to why it could not be located out by the cemetery, and yet look where it is being built now. Margetson suggested future compensation be based on performance.

Rob Shultz (in response to Richard's question) said that with regard to how much has been spent, the January 3, 2013 staff report shows those amounts, and added that the reports are available on the City's website. Smukler agreed with the idea of performance-based contracts.

Hearing no further comments, President Enns closed Public Comment.

MORRO BAY MOTION: Irons made a motion to approve Item C-2 to terminate the contracts as noted in the staff report. Councilmember Smukler seconded. Motion passed (5-0).

CAYUCOS MOTION: Chivens made a motion to approve Item C-2 to terminate the contracts as noted in the staff report. Director Lloyd seconded. Motion passed (4-0).

Irons then moved on to item C-3

3. SCHEDULE NEXT JOINT MEETING AND AGENDA ITEMS

President Enns confirmed the next JPA meeting will be held in Morro Bay on May 9, 2013 at 6pm.

Smukler would like to discuss the idea of performance-based contracts in a future JPA meeting.

Lloyd stated he will not be able to attend the next JPA scheduled for May 9, 2013

Enns stated that they will be meeting with WSC on May 9, 2013, at 1pm and will have a verbal report at the next JPA.

ADJOURNMENT

President Enns adjourned the meeting at 6:43 p.m.

Minutes Recorded and Respectfully Submitted By:

X

Danielle Crawford
Administrative Services Billing Manager