

**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

**MEETING DATE:**  
6:00 p.m., Thursday, December 12, 2013

**HOSTED BY:**  
Cayucos Sanitary District

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

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

**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 members present were Mayor Irons, Vice-Mayor George Leage, Councilmembers, Nancy Johnson, Noah Smukler and Christine Johnson.

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

Morro Bay Staff members present were Rob Livick, and Susan Slayton.

Cayucos staff members present were District Council Tim Carmel, District Manager 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.

All remarks shall be addressed to the governing bodies, as a whole, and not to any individual member thereof. This governing body requests that you refrain from making slanderous, profane, or personal remarks. Please refrain from public displays or outburst such as unsolicited applause, comments, or cheering. Any disruptive activity that substantially interferes with the ability of this governing body to carry out its meeting will not be permitted and offenders will be requested to leave the meeting. Your participation in JPA meetings is welcome and your courtesy will be appreciated.

President Enns opened Public Comment.

- Richard Sadowski – North Morro Bay. Wants a new Joint Powers Agreement. He says the way the current agreement is written (by a former Cayucos Board member), favors Cayucos. He said back in 2003/2004, he and a coworker videotaped miles of Cayucos infrastructure and made a presentation to FEMA regarding infrastructure damage from the San Simeon earthquake. According to his calculations, the flows based on averages are deceptive.

Hearing no further comments President Enns closed Public Comment.

President Enns welcomed visiting Cambria CSD Board Member, Muril Clift then moved on to the consent calendar.

#### **A. CONSENT CALENDAR**

1. MINUTES OF SEPTEMBER 12, 2013 JPA MEETING – Recommend approve as submitted.
2. WWTP OPERATIONS REPORT THROUGH OCTOBER, 2013 – Recommend receive and file.
3. STATUS REPORT ON THE NPDES PERMIT RENEWAL PROCESS – Recommend receive and file.

**MORRO BAY MOTION:** Councilmember Christine Johnson made a motion to approve Consent Calendar Items. Vice-Mayor Leage seconded. Motion passed (5-0).

**CAYUCOS MOTION:** Director Lyon made a motion to approve Consent Calendar Items. Vice-President Chivens seconded. Motion passed (3-0).

#### **B. OLD BUSINESS**

1. STATUS REPORT OF THE MAJOR REPAIR AND MAINTENANCE PLAN (MMRP) FOR THE WWTP – Recommend receive and file.

Rob Livick discussed highlights from Keogh's status report noting that the focus this past month has been on digester repairs, maintenance procedures for digester #2, looking at preparing the RFP for sandblasting and coating of that same digester, and performing electrical inspections of the plant site.

Report received.

President Enns moved on to Item C-1

## **C. NEW BUSINESS**

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

Livick discussed Morro Bay's activities with regard to site analysis and potentials for alternative sites. He said they have held a number of public input sessions starting with stakeholder interviews back in July 2013, a public workshop in August 2013, a technical presentation in September 2013, and a second public workshop in November 2013, as well as several City Council meetings. The purpose of the effort was to provide public outreach, identify issues and priorities, and affirm Council's goals for the new water reclamation facility. At their last meeting on December 3, 2013 City Council gave direction to proceed on the new water reclamation facility and confirmed their goals. The goals are the following: production of tertiary disinfected wastewater, the production of reclaimed water for potential users including private and public landscape areas, agriculture or groundwater recharge, bringing that forward with a master water reclamation plan and a construction schedule to phase that reclamation in over time, and to continue to look toward onsite solids handling. The plant should have the ability to: provide energy recovery, treat and address contaminants, and be sensitive to neighbors especially in regard to odor and visual impacts. He said the preferred sites that Council gave direction to look at were the following, in order of priority: 1) sites located in the Morro Valley; 2) those in the Chorro Valley; and 3) sites located within a property known as the "Giannini" site (off Little Morro Creek Road.). The Council also gave direction to pursue a parallel path for analysis of the potential Regional facility at the California Men's Colony treatment plant site and perform due diligence at those preferred sites. Livick said they are to report to Council within 60 days with detailed status and progress update describing where they are in their progress, provide a construction schedule, and a cost estimate.

C. Johnson complimented the report and wanted to clarify that the purpose of a Technical Committee will be to encourage residents and some elected to participate in the process.

Livick confirmed and said the idea is for a Citizens Technical Advisory Committee.

Chivens also complimented the report and stated he is anxious to hear what Morro Bay's consensus is regarding whether they have a specific location that they are interested in. He thinks it would be a great idea to stay teamed up and together. He said as a ratepayer in Cayucos, the potential to have to pay more for this new facility wherever it ends up being, is there, and probably going to happen, but to be able to regionalize it, he likes that idea. He is curious as to which way Morro Bay is leaning toward and when they might know.

Enns presented Cayucos' update and progress. He said they are moving forward with the evaluation of the CMC site as it seems to be the best alternative. He referred to a meeting in March 2013 with RWQCB's Director, Ken Harris where Ken said we need to be thinking regionally, and 75 years out. Thinking along those lines, it appears what might be needed here at this time is an Integrated Regional Management Plan that could concentrate on reducing a reliance on state water.

Smukler asked Enns to elaborate on the concept of the Integrated Regional Management Plan and pointed out that he would like to move forward with those discussions, as they do want to participate.

Enns stated page 49 of their consultant report mentions “hydro geological technical memorandum on the benefits of reclaimed water in the Chorro Valley”. This was puzzling to the Cayucos Board that this was one missing component of his report and they are curious if Morro Bay is planning to pursue that type of technical memorandum in conjunction with either the CMC site or the Chorro Valley site.

Livick said that issue will be examined in some of the follow-up due diligence they would have to do on that facility, and they would be looking to get proposals from hydro geologist firms to look at that analysis. The other issue to be examined is the water rights issue with regards to discharge.

Smukler followed up on Enns’ earlier comment and wanted to know if the Integrated Regional Management Plan he mentioned will involve discussions between staff and CMC or Estero Bay (Morro Bay and Cayucos) separate from CMC.

Koon said that the next steps would be to work with RWQCB and SLO County to get their opinion. With regard to the technical memorandum on the Chorro Valley groundwater, he thinks a key component for the citizens of Morro Bay is to see if its reuse potential proves out, and feels it is something that needs to be done immediately. He added that he hopes they can do this together.

Smukler agreed, saying it is something the Council has expressed as being in support of and that they would like to see that happen as well.

Irons asked to clarify the statement previously made in the report about reducing the reliance on state water for Cayucos and asked Enns to identify all of Cayucos’ water sources.

Enns said that Cayucos does not currently use state water but that Morro Bay does. Enns believes discharges to Chorro Valley from the CMC plant to augment the underground aquifer, would enhance Morro Bay’s ability to utilize their wells that are in that valley that supply the City water, and in so doing could reduce Morro Bay’s reliance on state water.

Smukler commented on the CMC option pointing out that we all know the expense of maintaining the existing plant and time is of the essence as far as moving forward with the new plan. He described his personal patience with the CMC option as being “limited”, saying that as long as it doesn’t start to hold back a viable alternative option, or delay progress forward in another area.

C. Johnson highlighted Smukler’s comment adding that Morro Bay has had a lot of community input and support for the idea of reclaimed water in whatever phase that may come to be a resource for the City. That has been a focus on the Council end because of their reliance on state water.

Enns attended one of Morro Bay’s first workshops where their consultant presented his first public report, which listed the CMC site costing \$160 million. Enns had an opportunity to speak with the consultant Mike Nunley (the engineer who put the costs together). Nunley informed Enns there was roughly \$33 million that included piping back to the Morro Valley and that because of the nature of where they were in the process, the consultant added 30% contingency to the overall cost. WSC’s report showed a cost of \$87 million for both Morro Bay and Cayucos to go to the CMC site. Enns would like the public to know what the elements of the costs are, and not just some lump sum number.

Livick said Enns is correct on the cost analysis numbers, and that there is a 30% contingency on all the projects so if you are going to subtract that on one, you must subtract that same amount on all of them for comparison purposes.

Smukler added that they have thought quite a bit about cost and the affordability component as well as the water recycling and reclamation.

Enns said that with regard to water deliveries to farmers, they do not want the water all the time. Although they certainly would want it this year, they likely would have only taken it two of the last twenty years. They want it when they need it, so Enns doesn't think that they are a reliable source of taking water. He then asked Koon how to go about hiring a consultant to help us understand what the positive benefits of replenishing the aquifer would be.

Koon said the first step is to meet with RWQCB and San Luis Obispo County to sit down and outline what they would want to see in some sort of technical memorandum.

Irons asked Livick to elaborate whether they will start working in a parallel path, or if they will be working together in evaluating the CMC site.

Livick suggested everyone work together on evaluating the CMC site and not duplicate each other's efforts.

Irons asked Livick, regarding Cayucos' suggestions on their pursuit and analysis of the CMC site, how it dovetails into Morro Bay's analysis, and if he is confident the original analysis that he wanted to proceed with will be adequate in conjunction with Cayucos working together.

Livick said yes, it would coincide with their analysis, although there may be a difference of opinion with the engineers as to what components would be needed, and their level of comfort on contingencies.

President Enns opened Public Comment.

- Richard Sadowski – Morro Bay, speaking on behalf of SurfRider. A major concern for SurfRider is the use of the existing outfall. Richard attended a Cayucos workshop regarding the CMC option and what he learned was that the sewage outfall is still part of that CMC option. He says Morro Bay is in a position to gain a lot of side benefits by reclaiming the water.
- Bill Martony – Morro Bay. Says that there is an extreme demand for water as some of the avocado grower's wells are drying up. He says that the problem with the CMC site is that right now, the CFI flow in Chorro Creek is about 0.8cfs and Morro Bay cannot pump their wells until they are 1.4cfs so this recharge from CMC isn't even keeping up with the minimum flow that Morro Bay needs to pump their wells. Secondly, the appropriation rights to the Chorro Valley haven't been approved per Rob Schultz who thought it may take 10 years to get legal approval.

Hearing no further comments President Enns closed Public Comment.

President Enns thanked the Brown Butter Cookie Company and Top Dog Coffee Bar for donating cookies and coffee for the JPA meeting.

Irons asked Council if any further questions or closing comments.

Smukler said the state water project in the Delta, their initial estimates are in the \$20 billion dollar range. He anticipates that all the communities involved with that program will see a very hefty bill coming down to be paid if we want to continue to participate. What we do now may help mitigate the costs we have to pay later.

C. Johnson mentioned that Dianne Feinstein in a letter today urged Governor Brown to declare an emergency drought action for the state of California and the last time there was an emergency drought in California was when Arnold Schwarzenegger declared one back in 2009. That declaration lasted about a year and a half before it was repealed.

Irons stated that he supports the three sites that Council chose, and the report they received from their consultant was laid out in a way that was very informative and met all the goals that were laid out by the community with professional guidance. In an effort to partner in on the research with Cayucos, they added directing their staff to take a parallel path and to explore the CMC Regional option.

## **2. SCHEDULE NEXT JOINT MEETING AND AGENDA ITEMS**

Enns mentioned January 9 2014 will be the next JPA meeting.

Koon suggests holding the date open until we get closer to it.

Irons commented that it would be 60 days before they will have their data and a meeting in February may be more feasible.

Livick agreed with Koon that they should keep January open.

### **ADJOURNMENT**

President Enns adjourned the meeting at 7:08 p.m.

### **Minutes Recorded and Respectfully Submitted By:**

2/14/2014

X



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Danielle Crawford  
Administrative Services Billing Manager