

Richard Sadowski stated on Item C of the January 5, 2016 minutes, he stated “The City should not be subsidizing not only California State Parks *but also industrial waste dischargers that are into collection system.*”

MOTION:

Steve Shively made a motion to approve both minutes of the meetings with the *amendments* made by Richard Sadowski. The motion was seconded by Bill Woodson and carried 9-0.

B. BUSINESS ITEMS

B-1 WRF PROGRAM UPDATE

<https://youtu.be/X30iYmW36vc?t=6m26s>

Mike Nunley presented the Staff Report.

The public comment period was opened, seeing none, the public comment period was closed.

B-2 WRFCAC SUB-COMMITTEE UPDATES AND RECOMMENDATIONS

<https://youtu.be/X30iYmW36vc?t=11m46s>

Barbara Spagnola stated the Finance Sub-Committee met and discussed the commitments log and what they might do in terms of defining the requirements for a more comprehensive budget and accounting information to help manage a project of this magnitude. Barbara submitted a WRFCAC Quarterly Budget Report to be included in the minutes.

Richard Sadowski asked if there is an advantage to having a column that shows staff time.

Rob Livick clarified there is an area for staff time on the report.

Richard Sadowski asked if Cayucos is being charged or billed for staff time.

Rob Livick stated no, and clarified if they enter the project again Cayucos will get a lump sum bill.

Ginny Garelick stated it appears there is no budget for the fatal flaws analysis for geotechnical, initial hydrogeologic and field testing for the Righetti property.

Mike Nunley replied the Fugro report included this work and clarified 30% of the funding for grant and State Revolving Fund (SRF) support was used for two applications and additional research for funding sources that Kestrel provided.

Ginny Garelick stated the EPA’s Water Infrastructure and Resilience Finance Center has developed regional environmental finance centers to help communities across the country to help meet environmental goals. Ginny announced there was a press release that stated EPA Region 9 announced more than 182 million dollars in additional funding to California for investment in statewide water quality projects and another press release states the EPA’s recent survey indicates 271 billion dollars are needed for the nations waste water infrastructure.

Bill Woodson concurs with Barbara Spagnola that a percent complete column should be added to the budget report. He questioned the difference between year-to-date and fiscal year and there are several contracts that will be longer than a year and there needs to be a roll-up column for multi-year contracts.

Barbara replied columns will be added and explained the difference between year-to-date and fiscal year.

Rob Livick suggested combine fiscal and year year-to-date and create a life-to-date section.

John Diodati agrees with full life-cycle costs for the multi-year contracts.

Steve Shively stated the Engineering Sub-Committee met with John Rickenbach and Mike Nunley and discussed Item B-4 Report.

The public comment period was opened, seeing none, the public comment period was closed.

B-3 UPDATE OF SITE EVALUATION AND FATAL FLAW ANALYSIS
<https://youtu.be/X30iYmW36vc?t=29m32s>

John Rickenbach presented the staff report.

The public comment period was opened.

Bill Martony stated many site locations were studied and Toro Creek was discussed but was not for sale at the time of discussion. It is currently for sale and it is a preferred site for Cayucos and they will make their site decision on February 18. The Righetti site may be available for re-partnering with Cayucos. The Tri-W site was never studied, is in the City limits and is for sale, so there are other options to look at.

The public comment period was closed.

B-4 MORRO VALLEY GROUNDWATER RECONNAISSANCE STUDY
<https://youtu.be/X30iYmW36vc?t=1h3m46s>

Paul Sorenson with Fugro presented the study and findings of this report.

Richard Sadowski stated he disagrees with staff, and stated the nitrates identified in the Morro Basin are coming from dilapidated sewer mains.

The public comment period was opened.

Bill Woodson moved the meeting go past 5:00 p.m. The motion was seconded by Barbara Spagnola and carried unanimously, 9-0.

Bill Martony stated the study did not go any further up Hwy 41 than MacElvaine's property and there are 600 acres of avocado trees upstream that is pulling water out of the upper aquifer. If the water was run and recharged upstream that would double the size of the aquifer. In regards to offsite retention, the concept is to grab water and put the water in an offsite pond or lake and release the water in the spring and summer as needed. The Tri-W property has the potential for offsite retention.

The public comment period was closed.

In response to Richard Sadowski's comments made during Sorenson's presentation, Rob Livick clarified what was characterized as staff's opinion regarding the Morro Valley nitrates. Staff's opinion, which is supported by the Regional Board staff, is that the nitrate contamination in the Morro Valley is mainly coming from agricultural runoff. There was a sucralose and caffeine study done which showed there is sucralose and caffeine in the Morro Valley. While working with the Regional Board staff, it was determined that nitrate was tied to irrigation return water for those concentrations. Staff is not of the opinion that nitrate contamination in the Morro Valley is primarily due to sewage, it is primarily due to agricultural runoff.

Richard Sadowski stated, first of all, no sucralose was found in the Morro Valley, it was found downstream of the sewer lines and secondly, the nitrate contaminations that occurred in the tests, and it was stated in a 2007 letter to the Regional Board, stating the City had ruled out any sewage as contributing to nitrate contamination. Then later, the City changed its position. What I'm saying is not all of the nitrates come from City sewage, but it's contributing to the nitrates in the Morro Basin.

Rob Livick stated he stands by his comments.

C. COMMITTEE MEMBER CLOSING COMMENTS

<https://youtu.be/X30iYmW36vc?t=1h56m13s>

Dale Guerra thanked Paul Sorenson for his report.

Valerie Levulett asked if there are any plans to do further testing up the valley.

Mike Nunley replied the direction from City Council is to focus on enhancing City water supply. The focus is on the lower end of the valley because the hydraulic direct connectivity is there.

John Diodati stated he sees that as part of a menu of reuse options if the beneficiaries upstream are willing to fund infrastructure and pay for the benefits received than that is an option.

Mike Nunley stated part of the master reclamation plan, which will be funded by 50% of the State Water Board Grant, is to look at a variety of recycled water opportunities including direct delivery to folks up the valley.

Bill Woodson questioned if you could find out where sewage comes from through DNA.

Rob Livick replied isotope testing was performed and the conclusion of the Regional Board is to not expend anymore effort in researching this.

Bill Woodson asked if desal is in this equation.

Rob Livick replied, yes, it is in the equation in order to make highest and best use for direct or indirect use of the water. The water will have to be desal either on the way up or the way down, or possibly both.

Paul Donnelly thanked Paul Sorenson for his report, it was very educational.

AJOURNMENT

The meeting adjourned at 5:08 p.m.

WRFCAC QUARTERLY BUDGET REPORT

City of Morro Bay																
Water Reclamation Facility Advisory Committee (WRFCAC) Quarterly Budget Review Summary																
EXPENDITURES																
Key Definitions																
Existing Department Data From City Manager's Report		Quarter Projected Budget		Portion of Fiscal Year Budget Management Expects Necessary to Meet Quarter Expenditures				YTD Projected Budget		Sum of Current Quarter Projected Budget and All Prior Quarter Projected Budgets				FY Encumbrance Balance		Sum Of All Fiscal Year Contracts Less Actual Expenditures Against Contracts
New Departmental Data For WRFCAC Budget Review																
No Data Entry																
Accounts				Quarter X				Year To Date (YTD)				Fiscal Year (FY)				
Fund	Organization	Object Range	Object Name	Projected Budget	Expenditures	Percent Expended	Variance	Projected Budget	YTD Expenditures	Percent Expended	Variance	Amended Budget	YTD Expenditures	Encumbrance Balance	Percent Expended	Variance
Fund and Organization Level																
Account Level																
xxx	xxxx	XXXX - XXXX	Contractual Services	\$12,835	\$9,395	73.20%	\$3,440	\$12,835	\$9,395	73.20%	\$3,440	\$12,835	\$9,395	\$0	73.20%	\$3,440
			KMA	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Fugro	\$3,000	\$3,725	124.17%	(\$725)	\$3,000	\$3,725	124.17%	(\$725)	\$12,000	\$3,725	\$0	31.04%	\$8,275
			Far Western	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			LWA	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Kestrel	\$177,531	\$116,384	65.56%	\$61,147	\$177,531	\$116,384	65.56%	\$61,147	\$710,123	\$116,384	\$0	16.39%	\$593,739
			Black & Veatch	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			ESA	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			MKN	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Subtotal	\$193,371	\$129,504	66.97%	\$63,867	\$193,371	\$129,504	66.97%	\$63,867	\$734,963	\$129,504	\$0	17.62%	\$605,459
Account Level																
xxx	xxxx	4110 - 4999	Pay and Benefits	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Regular	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Overtime	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Part-time	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Benefits	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Subtotal	\$4	\$0	0.00%	\$4	\$4	\$0	0.00%	\$4	\$4	\$0	\$0	0.00%	\$4
xxx	xxxx	5109 - 5503	Operational	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Misc Operating Supplies	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Meetings and Conferences	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Notices and Publications	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Subtotal	\$3	\$0	0.00%	\$3	\$3	\$0	0.00%	\$3	\$3	\$0	\$0	0.00%	\$3
Variance Reporting																
TOTALS				\$193,378	\$129,504	66.97%	\$63,874	\$193,378	\$129,504	66.97%	\$63,874	\$734,970	\$129,504	\$0	17.62%	\$605,466

REVENUE																
Key Definitions																
Existing Department Data From City Manager's Report		Quarter Projected Budget		Portion of Fiscal Year Budget Management Expects To Be Recognized During Quarter				YTD Projected Budget		Sum of Current Quarter Projected Budget and All Prior Quarter Projected Budgets						
New Departmental Data For WRFCAC Budget Review																
No Data Entry																
Accounts				Quarter X				Year To Date (YTD)				Fiscal Year (FY)				
Fund	Organization	Revenue Range	Revenue Name	Projected Budget	Recognized Revenue	Percent Recognized	Variance	Projected Budget	YTD Recognized Revenue	Percent Recognized	Variance	Amended Budget	YTD Recognized Revenue		Percent Recognized	Variance
Fund and Organization Level																
Account Level																
xxx	xxxx	XXXX-XXXX	Revenue A	\$1	\$0	0.00%	(\$1)	\$1	\$0	0.00%	(\$1)	\$1	\$0		0.00%	(\$1)
				\$1	\$0	0.00%	(\$1)	\$1	\$0	0.00%	(\$1)	\$1	\$0		0.00%	(\$1)
				\$1	\$0	0.00%	(\$1)	\$1	\$0	0.00%	(\$1)	\$1	\$0		0.00%	(\$1)
			Subtotal	\$3	\$0	0.00%	(\$3)	\$3	\$0	0.00%	(\$3)	\$3	\$0		0.00%	(\$3)
xxx	xxxx	XXXX-XXXX	Revenue B	\$1	\$0	0.00%	(\$1)	\$1	\$0	0.00%	(\$1)	\$1	\$0		0.00%	(\$1)
				\$1	\$0	0.00%	(\$1)	\$1	\$0	0.00%	(\$1)	\$1	\$0		0.00%	(\$1)
				\$1	\$0	0.00%	(\$1)	\$1	\$0	0.00%	(\$1)	\$1	\$0		0.00%	(\$1)
			Subtotal	\$3	\$0	0.00%	(\$3)	\$3	\$0	0.00%	(\$3)	\$3	\$0		0.00%	(\$3)
Variance Reporting																
TOTALS				\$6	\$0	0.00%	(\$6)	\$6	\$0	0.00%	(\$6)	\$6	\$0		0.00%	(\$6)