

MINUTES – WATER RECLAMATION FACILITY CITIZEN ADVISORY COMMITTEE (WRFCAC)
REGULAR MEETING – APRIL 4, 2017
VETERAN’S MEMORIAL BUILDING – 3:00 to 5:00 P.M.

PRESENT: Barbara Spagnola
Valerie Levulett
Richard Sadowski
Mary (Ginny) Garelick
John Diodati
Steve Shively
Paul Donnelly
Dale Guerra

STAFF:	Rob Livick	Public Works Director
	Mike Nunley	WRF Program Manager
	Eileen Shields	Technical Engineer
	Joe Mueller	Utilities Division Manager
	Gina Gregory	Office Assistant

ESTABLISH QUORUM AND CALL TO ORDER
The meeting was called to order at 3:04 p.m. and a quorum was present.

MOMENT OF SILENCE/PLEDGE OF ALLEGIENCE
ANNOUNCEMENTS – None

Mike Nunley stated there are a number of citizen’s groups meeting in the community and wanted to let them know that he, his staff, and City staff are available to meet with them to address questions and concerns about the project. He also mentioned the City’s website www.morrobaywrf.com and the Deputy Program Manager, John Rickenbach, for community outreach.

Ginny Garelick stated the California Finance Coordinating Committee (CFCC) is holding a funding fair on April 5. providing opportunities to get information on currently available financing infrastructure, grants, loans and bond financing programs and options. There is an opportunity to join the meeting by conference call by logging into www.cfcc.ca.gov. The handbook is available for download and she found at least 7 potential funding programs the City of Morro Bay may want to look at.

John Diodati concurred with staff that meeting with Nunley & Associates is a great resource that is available and should be taken advantage of and hear directly from them.

PUBLIC COMMENT
<https://youtu.be/itrHmmlqFkY?t=5m39s>

The public comment period was opened.

Meredith Bates, Morro Bay resident, is taking a renewed interest on the City’s water situation. She attended the last City Council meeting and was told that there were Executive Summaries available for the public and wanted to know where they could be found. She also voiced concern about an article in the newspaper regarding the 1 million gallons of treated sewage going back into the ocean and questioned how it impacts the environment. She asked for clarification on the Design, Bid, build process and would like to know more about the OneWater Policy.

The public comment period was closed.

Mike Nunley and Rob Livick responded to questions about the difference between design, bid, build and design, build, the Executive Summary, effluent discharge and the OneWater policy.

Richard Sadowski noted the 301H has been since the 1980’s. He stated the Cayucos Sanitary District and City invested in the plant and it’s operating better than it ever has since it began. He also mentioned the citizen created website www.morrobaywrf.info for more information.

A. CONSENT AGENDA

<https://youtu.be/itrHmmlgFkY?t=14m53s>

A-1 Approval of Minutes of March 15, 2017 Meeting

Ginny Garelick noted two corrections to the minutes: 1) it was Paul Donnelly that abstained from the vote on A-1, not Dale Guerra and 2) it was Paul Donnelly of the Environmental Sub-Committee had nothing to report, not Dale Guerra.

Richard Sadowski stated he wanted the minutes to include staff's response of forwarding his question to the City Manager of why the discussion of hiring a lobbyist at the City Council meeting did not come to the Committee. He also noted, in response to a public comment about where to find cost information, the website should make it clearer on where cost information is located.

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

MOTION: Steve Shively moved to approve Item A-1 with the corrections made by Ginny Garelick and Richard Sadowski. The motion was seconded by Ginny Garelick and carried 8-0-0 unanimously.

B. BUSINESS ITEMS

B-1 WRFCAC Sub-Committee Updates and Recommendations

<https://youtu.be/itrHmmlgFkY?t=18m8s>

The Engineering and Environmental Sub-Committees had no reports.

The Finance Sub-Committee met on March 24th to discuss the project and costs to date as well as potential future costs. The Sub-Committee feels it is time to have an independent third party review the costs to date and make recommendations if there is any way to significantly reduce these costs. The Sub-Committee drafted, for WRFCAC review, a recommendation to Council of the current WRF project costs as follows: approach hire an outside consultant with specific experience on large water infrastructure projects to complete the following activities:

- a. Review and audit total project costs to date
- b. Review the City's overall project approach to include specific alternatives for significantly lowering WRF project costs
- c. Develop new cost effective alternative options and articulate advantages and disadvantages of each option.
- d. Address whether the proposed costs are appropriate and reasonable for a water reclamation facility for a city the size of Morro Bay.
- e. Discuss whether all the studies being performed are required for the success of this project; and
- f. Include an executive summary and written conclusions in the final report.

Discussion, comments and questions continued amongst Committee members and staff. Committee members discussed providing staff an opportunity to provide information related to the items in question before hiring an outside consultant and requested a staff report to provide the following items. After review of the report, the Committee could then determine whether they felt an audit by an outside consultant is warranted.

- a. Historical project costs to date
- b. Explanation of the overall project approach
- c. Summary of the project alternatives that were reviewed, including with and without recycled water
- d. Comparison to similar projects/communities
- e. List of the WRF project studies and their purpose

MOTION: Dale Guerra moved to bring back at next month's meeting items A-F that was discussed and modified, to discuss, deliberate and provide direction to City Council on how to proceed if necessary. The motion was seconded by Steve Shively and carried 8-0-0 unanimously.

MOTION: Richard Sadowski moved to have the Finance Sub-Committee meet with the representatives from Cayucos Sanitary District (CSD) to discuss cost alternatives for a joint venture with Cayucos at the CSD proposed location to build their Waste Water Treatment Facility. The motion was seconded by Ginny Garelick. A Roll-Call vote was requested by Chairman Diodati. Rob Livick conducted the Roll-Call vote. The motion failed 2-6-0. (Commissioners Sadowski & Garelick voted yes, Commissioners Spagnola, Levulett, Donnelly, Shively, Guerra and Chairman Diodati voted no).

B-2 Program Status Update

<https://youtu.be/itrHmmlgFkY?t=47m23s>

Mike Nunley presented the staff report.

Discussion, comments and questions continued amongst committee members, staff, and consultants.

The public comment period was opened.

Robert Walker, Morro Bay resident, stated he has heard so much here-say on the project, and cautions people to be aware of that. He noted focus seems to be on Alternatives 3 & 4 and is concerned the additional \$166 per month per residence, would take out of the local economy about $\frac{3}{4}$ of a million dollars a month. He feels the administrative costs of 12% seems high when compared to the Los Osos project at 6%. Mr. Walker suggested consideration of a hybrid system. With reduced demand at the existing plant, consider treating at the existing plant and upgrade later for groundwater injection. He feels this would be less objectionable to those not wanting it in their neighborhoods.

Chairman Diodati asked clarifying questions on Mr. Walker's comments.

Colby Crotzer, Morro Bay resident, thanked the Committee for giving their time to the City to contemplate this difficult and complex issue. His desire would be for Morro Bay to be a model like Arcata's reclamation with a ponding system. He also has a concern on the burdensome cost of the project on lower income and fixed income residents. He would like to see a quality reclamation system that would make the maximum use of our water to go towards being able to live here sustainably with the resources available to us. He would like to see a well thought out, comprehensive way that we treat our water and see that the needs of the economically challenged citizens and those on a fixed income as another component of that, to support them so it's not onerous to where they have to move away.

The public comment period was closed.

B-3 Master Water Reclamation Plan

<https://youtu.be/itrHmmlgFkY?t=1h5m15s>

Mike Nunley and Eileen Shields presented the staff report.

Discussion, comments and questions continued amongst committee members, staff, and consultants.

Chairman Diodati had to left the meeting at 3:49 PM, Vice Chair Spagnola took over for the remainder of the meeting.

MOTION: Steve Shively moved to continue the meeting beyond 5:00 PM. Ginny Garelick seconded and the motion carried 7-0-0 unanimously.

The public comment period was opened.

Larry Trudeaus, north Morro Bay resident, stated concern about the nitrates in the Chorro Creek and wanted to know if the new facility would be able to remove nitrates and if the water from the creek become useful for the City.

Rob Livick, Vice Chair Spagnola and Mike Nunley responded to the comments.

Discussion, comments and questions continued amongst committee members, staff, and consultants.

C. COMMITTEE MEMBER CLOSING COMMENTS

<https://youtu.be/itrHmmlgFkY?t=2h48m44s>

Richard Sadowski stated this project started in 2013 and is slated for completion in 2020. Taking the reclamation plant out of it, were looking at a \$120 million-dollar plant versus a \$20 million-dollar plant for Cayucos. They started in 2015 and are looking at completing it in 2018. He thinks it behooves us to look at this.

Barbara Spagnola responded that at the next meeting staff will be responding to some of those concerns as they are also part of the Finance Sub-Committee's recommendations on the comparison of the two plants.

Ginny Garelick gave a shout out to Rob Livick, saying he provided an excellent overview of the history of the plant, site selection process and the budget at the Council meeting. She liked the question and answer session with Councilmember McPherson who was concerned with misstatements and rumors. She suggested that those questions and answers be turned into a fact sheet to include as an insert in the City's water bills and make them available at various public locations.

ADJOURNMENT

The meeting adjourned at 5:54 p.m. The next Regular Meeting will be held on May 2, 2017 at 3:00p.m. at the Veteran's Memorial Building located at 209 Surf Street, Morro Bay, CA.