

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

**Cayucos Sanitary District Board of Directors:**

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

**City of Morro Bay City Council:**

William Yates, Mayor  
Noah Smukler, Vice-Mayor  
Carla Borchard, Councilmember  
Nancy Johnson, Councilmember  
George Leage, Councilmember

**AGENDA**

**MEETING DATE:**

6:00 p.m., Thursday, September 8, 2011

**MEETING PLACE:**

Multi-Purpose Room, Community  
Center  
1001 Kennedy Way  
Morro Bay, CA 93442

**HOSTED BY:**

City of Morro Bay

**CALL TO ORDER AND ROLL CALL**

**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.

**A. CONSENT CALENDAR**

Unless an item is pulled for separate action by the City Council or Cayucos Sanitary District Board, the following items are approved without discussion

A-1 MINUTES OF August 11, 2011 JPA MEETING

**Recommendation: Approve as submitted**

**B. OLD BUSINESS**

B-1 STATUS REPORT ON UPGRADE PROJECT AS OF SEPTEMBER 1, 2011

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

B-2 DISCUSSION AND CONSIDERATION OF A PROPOSAL FROM CENTRAL COAST WATER TREATMENT DBA: CCULLIGAN INDUSTRIAL (CCWT) FOR BRINE DISPOSAL

**Recommendation: Following consideration of this item, the Council and District Board direct staff to work with the Regional Water Quality Control Board (RWQCB) to develop a low threat discharge permit for brine disposal; and direct staff to continue discussions with CCWT and to develop a fee schedule for brine disposal.**

## **C. NEW BUSINESS**

### C-1 PRESENTATION AND DISCUSSION REGARDING STATUS OF DRAFT ROUGH SCREENING ALTERNATIVE SITES EVALUATION

**Recommendation: Receive presentation by consultant regarding status of Draft Rough Screening Alternative Sites Evaluation; Council and Board discussion regarding same.**

### C-2 SCHEDULE NEXT JOINT MEETING AND AGENDA ITEMS

#### **ADJOURNMENT** - (Next meeting will be hosted by the (Cayucos Sanitary District))

Copies of staff reports and other public documentation relating to each item of business for this meeting are available for inspection at Morro Bay City Hall at 595 Harbor Street and the Cayucos Sanitary District at 200 Ash Ave. A copy of this packet is available from the City of Morro Bay for copying at Mills Copy Center and from the Cayucos Sanitary District for a copy and duplication charge. Any person having questions regarding any agenda items may contact Bruce Keogh, Wastewater Division Manager (City of Morro Bay) at 772-6261 or Bill Callahan, District Manager (Cayucos Sanitary District) at 995-3290. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Public Services' Administrative Technician at (805) 772-6261, or the Cayucos Sanitary District at (805) 995-3290. Notification 24 hours prior to the meeting will enable the City and District to make reasonable arrangements to ensure accessibility to this meeting.

Materials related to an item on this Agenda submitted to the City of Morro Bay or the Cayucos Sanitary District after distribution of the agenda packet are available for public inspection at the scheduled meeting.

**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  
Harold Fones, Vice-President  
Shirley Lyon, Director  
Michael Foster, Director  
Dan Chivens, Director

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

William Yates, Mayor  
Noah Smukler, Vice-Mayor  
Carla Borchard, Councilmember  
George Leage, Councilmember  
Nancy Johnson, Councilmember

**MEETING DATE:**

6:00 p.m., Thursday, August 11, 2011

**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 Yates, Vice-Mayor Noah Smukler, Councilmembers Carla Borchard and Nancy Johnson. Councilmember George Leage was absent.

Cayucos Sanitary District Board members present were President Robert Enns, Vice-President Hal Fones, Directors Shirley Lyon and Michael Foster. Director Dan Chivens was absent.

Morro Bay Staff members present were Bruce Keogh, Rob Livick, Rob Schultz, and Andrea Lueker. Also present was JPA WWTP Project Manager Dennis Delzeit.

Cayucos staff present were District Manager Bill Callahan, Lewis Brookins, Anita Rebich and District Council David Hirsch.

**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 opened Public Comment.

- Richard Sadowski - Commented on the BBC International News Agency scientific consortium on discharge of wastewater into the ocean. He said we need to take notice of what's happening on a national and international level regarding these issues and this type of outfall and dumping into the ocean is not viable for the future. He requested that the Board and Council consider moving the WWTP.

Hearing no further comments President Enns closed Public Comment.

President Enns asked Rob Schultz to come to the microphone and apologized on behalf of Cayucos for asking him to respond to news that was published, of which Schultz did respond and explained he was misquoted on. Enns presented Schultz with a t-shirt that read "You Have the Right to Remain Silent, Anything You Say Will Be Misquoted and Used Against You"

## **A. CONSENT CALENDAR**

1. MINUTES OF MAY 12, 2011 JPA MEETING
2. WWTP OPERATIONS REPORT THROUGH JUNE 2011

**CAYUCOS MOTION:** Foster made a motion to approve the Consent Calendar as presented. Lyon 2<sup>nd</sup>. Motion passed (3-0), Fones abstained.

Smukler asked to pull A2 for clarification.

**MORRO BAY MOTION:** Smukler made a motion to approve Consent Calendar Item A1. Borchard 2<sup>nd</sup>. Motion passed (4-0).

Smukler asked Keogh about the composting operation permit termination and its relevance in the future should we decide to start up composting again. Keogh responded it was terminated due to fees related to quarterly inspections. Since there were never issues in the past with the program or permit, Keogh doesn't foresee any problems should we decide to restart the composting program.

**MORRO BAY MOTION:** Smukler made a motion to approve Consent Calendar Item A2. Borchard 2<sup>nd</sup>. Motion passed (4-0).

## **B. OLD BUSINESS**

1. STATUS REPORT ON UPGRADE PROJECT AS OF AUGUST 1 2011

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

Delzeit presented the status report.

Smukler asked Delzeit what he felt the comment period or process for the draft rough screening alternative sites evaluation would be.

Delzeit responded they are targeting releasing the report to the Board, Council and the public on September 1, 2011 which should allow sufficient time for reading. Comments can then be heard at the September 8, 2011 JPA meeting where the evaluation is scheduled to be on the agenda.

Smukler then asked what the next steps are.

Delzeit spelled out the steps following the presentation of the rough screening phase of the report.

Smukler asked if the comment period could be extended should the Board and Council feel it necessary.

Delzeit responded that the comment period can be extended as can further discussion or additional studies if deemed necessary.

Foster asked for clarification on footnotes regarding MWH billing and timing issues.

Delzeit responded that the timing of the billing submittal wasn't an issue as all items are researched and verified.

Borchard had questions regarding the McCabe fee prorating, what months we were billed for and that date the contract was suspended.

Delzeit clarified the prorating issue. The time frame that McCabe billed and the actual suspension date of the McCabe contract would be checked on and reported back to the Board & Council.

Keogh also had input on the billing and said they would triple check the dates and report back.

### **C. NEW BUSINESS**

#### **1. CONSIDERATION TO ADOPT FISCAL YEAR 2011/2012 WWTP BUDGET**

**Recommendation: that the Board of Directors of the Cayucos Sanitary District approve the FY 2011/2012 budget**

It was stated that Morro Bay had already adopted the WWTP budget in their entire annual budget adoption.

Lewis Brookins, Administrative Services Officer for Cayucos Sanitary District presented his overview and approval of the budget.

Lyon also questioned the suspension date of the McCabe contract, pointing out that it was in the budget notes as being terminated May 1, 2011 which was inconsistent with the May 31, 2011 dated stated by Delzeit.

**CAYUCOS MOTION:** Lyon made a motion to approve Adopting Fiscal Year 2011/2012 WWTP Budget. Fones 2<sup>nd</sup>. Motion passed (4-0).

Foster commented he was still in discussion on the relative merits of the flood and earthquake insurance costs. Once all the information has been gathered, Foster will notify the Board and Council for inclusion on a future agenda.

#### **2. DISCUSSION AND CONSIDERATION OF A PROPOSAL FROM CENTRAL COAST WATER TREATMENT DBA: CULLIGAN INDUSTRIAL (CCWT) FOR BRINE DISPOSAL**

**Recommendation: That the Council and District Board approve of the brine disposal concept; direct staff to notify the Regional Water Quality Control Board (RWQCB) of MBCSD's intent to discharge brine; and direct staff to develop a permit and agreement with CCWT for brine disposal.**

Keogh presented the request for brine discharge from CCWT and the mechanical issue at the South SLO Sanitation District (SSLOCSD) that prompted this request. He recapped the procedure involved with ocean discharge of salt brine and recommended that our permit be based on the SSLOCSD permit and use rates similar to what Monterey charges. Keogh conveyed his discussions with the RWQCB and their positive reaction to the ocean outfall brine disposal, and they stated if this was accepted by the Board and Council, they could most likely administratively modify our NPDES permit. Keogh further explained the requirements to modify the WWTP were fairly simple and could be performed in-house by staff in about 1 day. The issue of staff workload, time and cost would be minimal and the revenues would be split accordingly by ownership between Morro Bay and Cayucos.

President Enns asked Arby Kitzman of CCWT to speak on the request. Kitzman clarified the brine would be coming from the industrial side of Culligan that handles the regeneration of deionization cartridges that are used at commercial establishments such as factories and laboratories that require high quality water. Kitzman further explained that the issue with SSLOCSD is a temporary one, and in the meantime they are hauling to Santa Paula which is extremely expensive and they are looking for an alternative.

Smukler asked Keogh how this might impact the potential for reclamation in the future from our WWTP.

Keogh clarified the brine would not enter our treatment plant, it would enter after the chlorine contact tank and before the outfall pipe. He further explained the requirements of RWQCB that brine and effluent mix prior to entering the ocean. Any reclamation would come before this process.

Smukler commented that with salt removal being a factor in reclamation, if we do go forward with reclamation, how would this proposal effect the concentration of brine being discharged through our outfall and what effect would it have with the RWQCB permit.

Keogh replied he recommends the maximum monthly discharge be set at 50,000 gallons per month, whereas the SSLOCSD has their permit limit at 50,000 gallons per day thus the effect on future reclamation would be not be an issue.

Smukler asked if we could actually make this decision now, anticipate future needs and balance these with the future choices for the WWTP.

Keogh replied he looks at this as a pilot project, we'll have the agreement with this Culligan dealer alone to see how it all works out. He pointed out the permit is revocable at any time.

Smukler expressed a concern that contaminates from outside our area could be introduced into our waters and out of our control due to testing by various outside sources. He clarified he's not saying that it would be intentional, just our lack of resources for testing contaminants we aren't used to could be problematic.

Keogh explained the testing process for metals and that the deionization that Culligan performs is basically from potable water, compared it to taking the salts out of a bottle of drinking water.

Foster asked if this request was a backup plan or if we would be the primary discharge source.

Kitzman responded this would be a temporary measure awaiting permit renewal with Oceano, which would be their primary source and Morro Bay would be a backup. He concurred with, and elaborated on Keogh's explanation of the testing process.

Foster suggested a fixed stand-by fee for setting up and maintaining the facility for brine discharge by outside

sources.

President Enns opened Public Comment.

- Richard Sadowski – Put the Board and Council on notice that their permit does not cover this type of discharge and stated the RWQCB cannot administratively modify our permit. He stated a CCC development permit was necessary for this.

President Enns asked Rob Schultz to comment on the above

Rob Schultz stated that we will follow whatever rules are necessary for this permit based on the decisions made by the Board and Council. Whatever agencies we need to involve we will but he doesn't agree this is a coastal commission matter.

- Betty Winholtz – Would like to see a deadline put on this since it is a pilot program and to limit to this discharger. As other applicants come forth, it should come back to the Board and Council for further review. Stated her concern with discharging into waters right next to a national estuary.
- Marla Jo Bruton – Read from a NPDES permit writing book on who is required to have an NPDES permit and the various constituents involved. She doesn't understand why we would want to do this brine discharge.

Hearing no further comments President Enns closed Public Comment.

Smukler would like to see EPA comments and make sure we cover our bases.

Mayor Yates stated he has no problem with this and we have to depend on staff and legal counsel to see us through the necessary agencies and address all the issues.

**CAYUCOS MOTION:** Fones made a motion to explore the concept for brine disposal; Permitting and an Agreement with CCWT. Lyon 2<sup>nd</sup>. Motion passed (4-0).

Discussion took place between Keogh, Board and Council regarding revenues, time and expenses put forth and permit amendment. Keogh stated he will bring updated information back to the Board and Council for review and discussion possibly at the September meeting.

**MORRO BAY MOTION:** Borchard made a motion to explore the concept for brine disposal; Permitting and an Agreement with CCWT. Johnson 2<sup>nd</sup>. Motion passed (4-0).

### 3. SCHEDULE NEXT JOINT MEETING AND AGENDA ITEMS

Delzeit said the next meeting with Dudek should be at the next regularly scheduled JPA meeting which is on September 8, 2011 in Morro Bay.

### **ADJOURNMENT**

Fones made the motion to adjourn the meeting. Foster 2<sup>nd</sup>.

President Enns adjourned the meeting at 7:12 p.m.

## STAFF REPORT

### MORRO BAY-CAYUCOS J.P.A. WASTEWATER TREATMENT PLANT

**To:** Honorable Mayor and City Council, City of Morro Bay  
Honorable President and Board of Directors, Cayucos Sanitary District

**From:** Dennis Delzeit, P.E., Project Manager

**Date:** September 1, 2011

**Subject:** Status Report on Upgrade Project as of September 1, 2011

**Recommendation:** Receive the status report and direct staff accordingly.

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#### ***Activity During the Past Month:***

The following is a condensed summary of the activity that has occurred since the August 1, 2011 monthly status report:

- Submitted the monthly *force majeure* status report to the Regional Water Quality Control Board;
- Received the draft Rough Screening Alternative Sites Evaluation from Dudek;
- Reviewed and commented on the draft evaluation;
- Met with the California Coastal Commission staff in Santa Cruz and reviewed the administrative draft evaluation. The meeting was attended by Dudek, Cayucos and Morro Bay representatives and the project manager;
- Dudek completed the draft evaluation and the City is posting it on the web site on September 1;
- The public input workshop will be on September 19 at 6:00 PM at the Cayucos Vet's Hall;
- The deadline for public comments is September 30. Comments may be made in writing or on the City's WWTP Upgrade web site.

#### ***Looking Ahead:***

Upcoming activities will be involved with the preparation of the substantial issues studies. The following activities are anticipated:

- The public input workshop is set up for September 19 at 6:00 PM at the Cayucos Vet's Hall;
- The deadline for public comments is September 30.

***Fiscal Impact:***

- No new expenditures are requested at this time.

***Discussion/Project Overview:***

Major Milestone Schedule

- Council certified the EIR and approval of the Conditional Use Permit and Coastal Development Permit January 11, 2011
- Deadline for Coastal Commission Appeals January 31, 2011
- Coastal Commission *substantial issue* hearing March 11, 2011
- Coastal Commission *de novo* hearing Not scheduled
- Public Outreach/Workshops June 27 & 28, 2011
- Deadline for the rough screening public comments July 15, 2011
- Coastal Commission staff level meeting in Santa Cruz August 25, 2011
- Public release of the Rough Screening analysis September 1, 2011
- **Rough Screening Analysis Presentation to the JPA** **September 8, 2011**
- **Public Outreach/ Workshops** **September 19, 2011**
- Deadline for public comments on the Rough Screening analysis September 30, 2011
- **Fine Screening Analysis Presentation to the JPA** **November 10, 2011**
- Coastal Commission staff level meeting #3, Santa Cruz (review de novo materials) November 21-30, '11
- **Coastal Commission Hearing (Central Coast location)<sup>1</sup>** **March 7-9, 2011**  
**or**
- **Coastal Commission Hearing (Central Coast location)** **April 11-13, 2011**
- Submit SRF loan application to the State Board On hold
- Issuance of SRF Financing Agreement On hold
- Submit first SRF disbursement request to State Board On hold
- Completion of the Design On hold
- Advertise for Construction Bids On hold
- Receive Construction Bids On hold
- Award Construction Contract, after receiving State Revolving Fund Loan Approval On hold
- Start Construction On hold
- Completion of Construction On hold
- Achieve full compliance with federal secondary treatment Requirements Extended per *force majeure* action

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<sup>1</sup> The location has not been determined. In the past, the meetings have been held either in Santa Cruz or Santa Barbara.

Substantial Issues Study:

Dudek contract Fee Status:

- Contract Amount: \$345,485.00
- Amount invoiced to date, 7/22/11: \$ 17,807.35
- Amount remaining in contract \$327,677.65
- Percent of contract billed: 5%

Design:

No design work has been done the past month. Final design of the project will resume after completion of the Coastal Commission Appeal Process.

MWH Contract Fee Status:

- Contract Amount: \$2,700,000.00
- Addendum #1, updated flows and loadings: \$ 9,000.00
- Addendum #2, advanced treatment options: \$ 9,600.00
- Addendum #3, updated cost estimate \$ 18,700.00
- Revised MWH Contract Amount: \$2,737,300.00
- Amount Billed to Date: \$ 469,858.82
- Amount Remaining: \$2,230,141.18
- Most Recent Billing Amount (5/20/11)<sup>2</sup> \$ 29,849.74
- Percent of Contract Billed: 17%

California Coastal Commission Coastal Land Use and Advocacy Consultant Services:

The McCabe & Company contract is currently suspended.

- Invoice 4/11/11: \$12,500 + \$857.47<sup>3</sup> = \$13,347.57
- Invoice 5/3/11: \$12,500 + \$98.28<sup>4</sup> = \$12,598.28
- Invoice 6/3/11: \$12,500 + \$4,032<sup>5</sup> = \$16,532.00
- Total billings from start of contract to suspension: \$42,477.85<sup>6</sup>

State Revolving Fund Loan:

- The State Revolving Fund loan process is on hold for due to the *force majeure* time extension.

Project Manager Activities:

- Prepared staff reports for the August 11 JPA meeting;
- Participated in the JPA meeting of August 11;
- Prepared and submitted the monthly report to the RWQCB;

<sup>2</sup> The 5/2/11 invoice is for services rendered 1/1/11 through 1/28/11. MWH work was suspended on 11/19/10 except for completion of surveying, geotechnical report, floor plan layout and support at the PC and CC meetings in support of the permits.

<sup>3</sup> Travel expenses to Morro Bay and the Santa Cruz Coastal Commission hearing on 3/11/11. The contract fee is \$12,500 per month plus outside expenses.

<sup>4</sup> Conference calls outside expenses.

<sup>5</sup> This is the prorated fee from March 22 through 31 that was not previously billed.

<sup>6</sup> This is the total fee for services from the beginning to the suspension of the contract: Feb 22 through May 31, 2011

- Updated the project schedule;
- Updated the web site information;
- Coordinated with MBCSD staff and Dudek on drafts of the rough screening evaluation;
- Prepared a memo clarifying the McCabe invoices;
- Participated in the Coastal Commission staff meeting on August 25;
- Coordinated the public workshop date and notice;
- Coordinated the setting of the cutoff date for public comments;
- Assisted with posting the report on the web site.
  
- Dennis Delzeit's Contract Fee Status:
  - Original Contract amount: \$250,000.00
  - Contract Amendment (PERC) \$ 3,000.00
  - Revised Contract Amount: \$253,000.00
  - Amount billed to date: \$105,169.30
  - Amount remaining: \$147,830.70
  - Most Recent Billing Amount (8/5/11) \$ 1,818.00
  - Percentage of contract billed: 42%

It is estimated that the \$253,000 project limit will be reached around August 2012.

***Attachment:***

None

## STAFF REPORT

### **MORRO BAY-CAYUCOS J.P.A. WASTEWATER TREATMENT PLANT**

*To:* Honorable Mayor and City Council, City of Morro Bay  
Honorable President and Board of Directors, Cayucos Sanitary District

*From:* Bruce Keogh, Wastewater Division Manager

*Date:* September 1, 2011

*Subject:*

Consideration and Discussion of a Proposal from Central Coast Water Treatment DBA: Culligan Industrial (CCWT) for Brine Disposal

*Recommendation:*

This Department recommends that following consideration and discussion of this item that the Council and District Board direct staff to work with the Regional Water Quality Control Board (RWQCB) to develop a low threat discharge permit for brine disposal; and direct staff to continue discussions with CCWT and to develop a fee schedule for brine disposal.

*Fiscal Impact:*

At this time there is no fiscal impact. There will be some staff time involved in applying for a low threat discharge permit and developing the program which will allow us to issue a permit to CCWT. If the Board and Council agree to move forward with brine disposal then there is the potential for revenues beyond costs to be generated, the amount of revenue would depend on the quantity of brine discharged and the associated fee schedule. There will be some operational expense associated with this proposal, but those expenses are expected to be minimal. It is anticipated that the mature brine disposal program will be a revenue source.

*Summary:*

At the August 11, JPA meeting, the concept of accepting brine from CCWT for disposal in the outfall was presented by City staff. Numerous questions were raised concerning this proposal. This staff report is intended to bring back additional information on this matter for Council and Board consideration.

If the Council and District Board approve of this concept, the next step would be to continue discussions with the Regional Water Quality Control Board (RWQCB) concerning a low threat discharge permit for the discharge of brine. City staff would also continue to develop a fee schedule for brine disposal.

*Background:*

City staff was approached by CCWT to discuss the feasibility of disposing of brine generated by CCWT in the ocean outfall for the treatment plant. The brine comes from the regeneration of CCWT's DI (deionized) tanks that produce pure water for labs, wineries, car lots, etc. Prior to December 2010, CCWT had been transporting their brine to the South County WWTP for disposal in the Districts ocean outfall. Due to mechanical issues at South County they are not currently accepting brine, but do intend to allow this discharge in the future once the mechanical issues have been resolved.

The brine generated by CCWT has a total dissolved solids (TDS) concentration of between 30,000 and 60,000 parts per million (ppm). For comparative purposes, sea water has a TDS of approximately 35,000 ppm. They pay a tipping fee of \$11.25 per 1000 gallons (\$.01125 per gallon) of brine delivered. For the period July 2009 to December 2010, they averaged 32,818 gallons of brine per month with an average monthly fee of \$369. Due to the temporary mechanical problems noted above, CCWT is currently trucking brine to the Santa Paula area for disposal via an outfall in that area. They are paying \$150 per 1000 gallons (\$.15 per gallon) at the Santa Paula facility.

CCWT has a permit with the South County that limits the quantity of brine that can be discharged (50,000 gallons per day, but they are well below that limit), the manner of introduction into the outfall, and any testing requirements prior to disposal. A copy of the CCWT permit and associated monitoring results were included with the last staff report. They are currently required to test for pH, conductivity (measure of total dissolved salts), selected salts, and metals.

Staff from CCWT has indicated that even if they are allowed to continue to dispose of brine at South County they would like to have a backup plan in the event that their normal disposal option is unavailable for any reason.

*Discussion:*

Based on the questions and concerns raised at the August 11 JPA meeting, staff has had continuing discussions with RWQCB staff concerning brine disposal through the ocean outfall. RWQCB staff continues to be supportive of using the ocean outfall for disposal of brine solutions provided adequate monitoring and reporting requirements are in place. RWQCB staff also discussed the concept of brine disposal with staff at US EPA and the correct method for permitting and regulating such a discharge.

RWQCB staff initially indicated they felt the NPDES permit could either be administratively amended by RWQCB staff or that the permit would need to be reopened to amend the permit which would require a hearing before the RWQCB Board. After discussions with staff at USEPA and RWQCB management, they now recommend that the appropriate method to regulate a limited volume brine discharge would be to enroll the City and District under Order NO R3-2006-0063, Waste Discharge Requirements General Permit for Discharges with Low Threat to Water Quality (General Permit).

The General Permit is issued by the RWQCB for many types of waste discharges with very low pollutant content and with no likely adverse effect on water quality. Brine from small desalination facilities to marine waters is one of the types of discharges cited in the fact sheet by the RWQCB for the General Permit. The Morro Bay desalination facility is currently regulated by a General Permit.

By applying for and receiving a General Permit, MBCSD would become responsible for ensuring that the brine discharge does not cause an exceedance of the plant's individual NPDES permit. One advantage to MBCSD of a General Permit is that we could, if we so desired accept brine from more than just CCWT provided that the quantity of brine discharged not exceed the limits designated in the General permit.

To ensure compliance with the California Ocean Plan and the Clean Water Act, RWQCB would require that if MBCSD does accept brine that the comingled brine and effluent be subject to the monitoring and reporting program contained within the individual NPDES permit for the treatment plant. This would be more protective of the marine environment than the more generic monitoring and reporting program contained in the General Permit. General Permit compliance would be demonstrated through the existing individual permit monitoring and reporting program

that includes daily, monthly, semiannual and annual monitoring requirements contained within the plants NPDES discharge permit. While more onerous than the requirements of the General Permit, these analyses would be used to demonstrate that the comingled effluent would meet the requirements contained within the California Ocean Plan and the Clean Water Act. Staff is currently discussing with RWQCB staff the specifics of how to adapt the individual permit monitoring and reporting program for compliance with the General Permit.

#### Staff Time:

Questions were raised at the August JPA meeting concerning staff time associated with brine disposal. Plant staff has expended more time in researching this item than originally anticipated. However the process has been a valuable learning experience and will provide staff with a better perspective of our Regional Water Quality Control Board and an improved understanding of brine disposal issues as we move forward. From a broader perspective, the disposal of brine and or high TDS discharges is becoming an important issue within our region. RWQCB is encouraging salt management programs to be developed to facilitate basin-wide management of salts and nutrients from all sources in a manner that optimizes recycled water use while ensuring protection of groundwater supply and beneficial uses, agricultural beneficial uses, and human health. RWQCB currently has salt management programs in the Monterey region as well as the area around Hollister California. The City and District will likely be more impacted by the TDS and salts issue as they move toward reclamation of their wastewater. This process helps facilitate the use of the existing ocean outfall for brine disposal in the future and will likely be the most practical solution for this issue. As stated earlier, RWQCB is very supportive of this concept, sees a need for brine disposal options in the future, and is encouraging facilities with ocean outfalls to consider options for brine disposal.

It is important to note that the current proposal from CCWT is for a limited volume of brine disposal. If successful, other brine generators may be interested in a similar concept, especially as salt management programs develop within the watershed. By having a General Permit, the City and District would be able to accept brine from more than one source provided the total volume did not exceed the General Permit limits. As such, we see the current proposal as an opportunity to develop a more expansive program.

As indicated in the August 11, staff report, expenses associated with this proposal should be minimal. There will be some costs associated with installing the piping system for introducing the brine into the outfall. There will also be some nominal staffing costs associated with checking in and monitoring of the trucks bringing brine to the plant and limited laboratory testing. Staff estimates staff time at no more than one hour per delivery. Those costs would be tracked and the tipping fee should be adjusted as required to cover expenses. Currently the plant receives regular shipments of chemicals for disinfection and dechlorination. All the drivers are required to check in with plant personnel and provide load slips, etc upon completion. Staff believes the brine deliveries would be handled similarly to those shipments, the driver would check in, sign the necessary form documenting date, quantity, and a sample of the product would be tested for pH and conductivity (similar to the South County Permit for brine disposal). Both pH and TDS are measurements recorded on the effluent daily, and are quick tests to perform.

#### Fees

Staff would recommend that there would be two fees established for anyone interested in brine disposal. An administrative fee as well as a tipping fee based on the volume of the brine transported to the plant for disposal. Staff has not had a chance to establish a fee schedule or discuss a proposed fee schedule with CCWT at the time this report was completed.

Staff would recommend that a one-time administrative fee be established to cover the annual cost of the General Permit and associated staff time for administration of the General Permit. This way

the costs of the program can be borne by the dischargers. If more than one entity wishes to discharge brine, than the administrative fees could be split so each entity is responsible for their fair share of those costs. At this time, the annual fee for the General Permit is \$1472 per year.

As noted above, there are widely varying fees for brine disposal depending on the facility accepting the brine. Staff would recommend that the tipping fees be modeled on MRWPCA's disposal fee of \$.07 per gallon (\$70 per 1000 gallons), as CCWT is not in the MBCSD service area. As stated earlier, staff has not had an opportunity to discuss tipping fee rates with CCWT. Based on historical average volumes (32,000 gallons per month) revenue could range from \$360 (at \$.01125 per gallon) to \$2240 (at \$.07 per gallon) per month. In addition, staff would recommend that revenues be cost apportioned between the City and District on the basis of ownership rather than pro rata share of flow. This would result in a cost split of 65% to the City and 35% to the District.

*Conclusion:*

This Department recommends that following consideration and discussion of this item that the Council and District Board direct staff to work with the Regional Water Quality Control Board (RWQCB) to develop a low threat discharge permit for brine disposal; and direct staff to continue discussions with CCWT and to develop a fee schedule for brine disposal.

## STAFF REPORT

### MORRO BAY-CAYUCOS J.P.A. WASTEWATER TREATMENT PLANT

**To:** Honorable Mayor and City Council, City of Morro Bay  
Honorable President and Board of Directors, Cayucos Sanitary District

**From:** Dennis Delzeit, P.E., Project Manager

**Date:** September 1, 2011

**Subject:** Presentation and Discussion regarding Status of the Draft "Rough Screening Alternative Sites Evaluation".

**Recommendation:** Receive the presentation from the consultant, Dudek, regarding the status of the Draft Rough Screening Alternative Sites Evaluation; Council and Board discussion regarding same.

**Fiscal Impact:** No new expenditures are requested

#### **Background and Discussion:**

On March 11, 2011 the California Coastal Commission (CCC) determined that substantial issues exist with respect to the City's Coastal Development permit for the upgrade to the wastewater treatment plant.

Dudek has prepared a draft "Rough Screening Alternative Sites Evaluation" to address the issues raised by the California Coastal Commission.

On August 25, 2011, MBCSD staff representatives along with Dudek and the project manager met with CCC staff to review and obtain feedback on the administrative draft report. The meeting was positive and productive and the draft report is progressing consistent with the expectations of the CCC staff.

This evaluation is available on the City's wastewater treatment plant upgrade website and copies are available for review at the District office, at City Hall and at the library.

A public input workshop is scheduled for September 19th at the Cayucos Vet's Building from 6:00 to 8:00 PM. The public is invited to provide comments at the meeting or in writing or on the City's web site. The deadline for public comments is September 30.

The Dudek project manager, April Winecki, and her staff will present an overview of the status of the Draft Rough Screening Alternative Sites Evaluation to the JPA.

***Conclusion:***

Following the Dudek presentation the City Council and District Board are invited to discuss and comment on the draft report.

***Attachment:***

None. Printed copies of the evaluation are provided to the JPA under separate cover.

## STAFF REPORT

### MORRO BAY-CAYUCOS J.P.A. WASTEWATER TREATMENT PLANT

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***Attachment:***

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# City of Morro Bay and Cayucos Sanitary District Wastewater Treatment Plant Upgrade Project



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## DRAFT

# Rough Screening Alternative Sites Evaluation

Prepared by:  
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September 2011



# Executive Summary

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The City of Morro Bay and Cayucos Sanitary District (MBCSD) Waste Water Treatment Plant (WWTP) is located in the northwest portion of the City of Morro Bay and serves a population of approximately 13,300 within the City of Morro Bay (City) and the community of Cayucos located in unincorporated San Luis Obispo County (County).

The Environmental Protection Agency and Regional Water Quality Control Boards (RWQCB) regulate municipal wastewater outfalls discharging into the Pacific Ocean under National Pollutant Discharge Elimination System (NPDES) Permits in accordance with Section 402 of the federal Clean Water Act (CWA). The MBCSD WWTP currently operates under a 301(h) modified NPDES permit, which waives full secondary treatment requirements for biochemical oxygen demand and total suspended solids. Between 2001 and 2006, MBCSD and the RWQCB engaged in discussions regarding upgrading the existing facility to full secondary treatment in place of continued requests for a 301(h) modified discharge permit.

On January 11, 2011, the Morro Bay City Council conditionally approved a coastal development permit for MBCSD's request to upgrade the existing WWTP and certified the environmental impact report (EIR) for the proposed project. The proposed system upgrade provides full secondary treatment for all effluent discharged through the facility's existing ocean outfall, consistent with the regulatory requirements enumerated in the 2008 Settlement Agreement with the RWQCB. In addition, the proposed upgrade implements the MBCSD's commitment to pursue tertiary treatment providing for tertiary filtration capacity equivalent to a peak seasonal dry weather flow of 1.5 mgd. The proposed facility upgrade involves changes to onsite facilities only; no change to offsite distribution infrastructure for the existing system is proposed.

The City's approval of the coastal development permit for the upgrade project was appealed to the California Coastal Commission (CCC). At the CCC hearing on March 11, 2011, the CCC found the City's action to approve the proposed project raised substantial issue with respect to the project's consistency with various policies of the City's certified Local Coastal Program (LCP) and the public access and recreation policies of the California Coastal Act (CCA). As a result, the CCC has asserted jurisdiction over the project's coastal development permit, which is now subject to the CCC's de novo hearing requirements.

The following report provides an initial assessment and fatal flaws analysis of 17 potential project sites identified during the public environmental and CCC appeals processes, and through input received at public workshops commencing the preliminary analysis (or rough screening). See Appendix A for a record of public comments received during the public comment period held from June 14 to July 15, 2011, and topical responses to major themes identified.

As part of the preliminary evaluation of the 17 sites, if a site was shown to demonstrate a fatal flaw, defined as an underlying site condition or restrictions, such as policy or regulatory prohibitions for new

development, presence of unmitigable environmentally sensitive resources, or other such circumstance that would reasonably inhibit the City and/or MBCSD's ability to develop a site (or sites) with a WWTP, that site was not carried forward for further evaluation in the rough screening analysis contained in Sections 2 through 4. For this analysis, three (3) fatal flaws were determined to be prohibitive of new public facility development within the City, or on unincorporated lands within the County, in accordance with the City and County's Local Coastal Programs (LCP), California Coastal Act, and other applicable regulations, as follows:

- Site consists entirely of prime agricultural land;
- Site contains environmentally sensitive habitat area (ESHA) such that development outside of the habitat and buffer areas would not be feasible; and/or
- Site is located entirely within the 100-year flood hazard zone.

As a result of the fatal flaws analysis, 6 sites were determined to exhibit a fatal flaw and were not carried forward for further rough screening analysis.

A total of 11 potential alternative sites were further assessed in the rough screening analysis. The following rough screening evaluation criteria were determined in coordination with public and stakeholder input received during two public workshops held on June 27 and June 28, 2011, and the related public comment period from June 14 to July 15, 2011, as well as from MBCSD and CCC staff. The analysis addresses potential constraints at the alternative sites, as well as constraints associated with any additional facilities that may be required to construct and operate the new WWTP (e.g., conveyance pipelines, lift stations, access roads, etc.) on an alternative site.

#### **Environmental Considerations/Local Coastal Program (LCP) Policies**

- ESHA (Environmentally Sensitive Habitat Areas)/Biological Resources
- Water Quality
- Coastal Priority Land Uses
- Coastal Dependent Development
- Floodplain
- Shoreline Development/ Coastal Hazards
- Public Access/Recreation
- Visual Resources
- Agriculture
- Cultural Resources
- Sustainable Use of Public Resources
- Land Use Compatibility (Air/Noise/Traffic)
- Energy Consumption/Greenhouse Gas (GHG) Emissions

#### **Logistics/Site Constraints**

- Land Use (Existing Designation/Changes)

- Zoning (Existing Designation/Changes)
- Regulatory Restrictions
- Site Accessibility (Changes/ Site Access)
- Site Availability (Land Owner Rights)
- Implementation (Timing)
- Additional Site Requirements (Site Cleanup Requirements/ Topography)

### **Engineering and Economic Constraints**

- Treatment/ Disposal Options
- Recycled Water Opportunities/ Demands
- Proximity to Existing Wastewater Conveyance Facilities
- Comparative Economic Feasibility

The Rough Screening Alternative Sites Evaluation applies an equal weighting to considerations associated with the above evaluation criteria. Basically, an alternative site was either shown to be consistent with, or unconstrained by the criterion (indicated by a “+”) or potentially inconsistent, or constrained (indicated by a “-”) by the criterion.

Accordingly, because each alternative site is shown to have some degree of development or land use constraint associated with it, potential alternatives sites with a higher degree of “consistency” are preferred to alternatives with a lower degree of “consistency” to avoid the need for additional study, design limitations, nonstandard mitigation and/or special permit conditions. It should be noted that the presence of an inconsistency or constraint on a site does not necessarily render it infeasible for purposes of developing a WWTP, as most constraints or potential conflicts can be addressed through appropriate mitigation and/or permit conditions.

It is also generally understood that any site can potentially be engineered to develop a WWTP project. As such, the ranking associated with engineering constraints is closely related to the economic considerations associated with construction efforts needed to develop that site. Specifically, because changes to the MBCSD’s conveyance and/or disposal facilities are not currently proposed or envisioned (the current proposed WWTP project is an upgrade to the treatment facilities only), development of a WWTP on a new site could require facility extensions and/or new development (i.e., pump stations) to convey wastewater flows to the new plant site prior to treatment and disposal.

Each alternative site was ranked according to its consistency with the identified Rough Screening criteria, as summarized below in Table ES-1 listing the highest ranked site to the lowest ranked site. Because the economic feasibility of constructing a WWTP on an alternative site can render a WWTP project infeasible, the sites presented below were finally ranked according to their rough order of magnitude construction cost to determine the top alternative sites to carry forward for further detailed analysis as part of Fine Screening.

**Table ES-1. Preliminary Alternative Sites Analysis – Ranking Summary**

<b>Proposed Alternative Site Number</b>	<b>Site Name</b>	<b>Environmental/LCP Policy Criteria Ranking</b>	<b>Logistics/ Site Constraints Ranking</b>	<b>Total Consistent Criteria (out of 23)</b>
1	Current WWTP	5	10	15
12	CMC Wastewater Facility Site	4	8	12
13	Power Plant Hillside Tank Farm	6	5	11
2	Chorro Valley Site	4	7	11
15	Chevron Hillside Tank Farm, ½ Mile Up Toro Creek Road	4	6	10
5	Chevron Oil Facility	3	6	9
16	Righetti Property, 1 Mile Up Atascadero Road	2	7	9
7	Power Plant Site	2	6	8
9	Panorama Street Site	3	5	8
17	Additional Giannini Site	3	4	7
10	Rancho Colina Site	2	2	4

Based on the summary analysis above, the alternative sites that were determined to display the greatest environmental and LCP policy consistencies, and result in the fewest land use, logistical and site constraints, in addition to ensuring economic feasibility associated with construction of a WWTP that will be carried forward for further and more detailed evaluation in the Fine Screening are:

- Site 1 – Current WWTP
- Site 15 – Chevron Facility Hillside Site
- Site 16 – Righetti Property

Although Site 12 – CMC Wastewater Facility, Site 13 – Power Plant Hillside Tank Farm, and Site 2 – Chorro Valley Site were ranked higher than Sites 15 and 16 in accordance with the evaluation of environmental, LCP policy, land use, logistical and site constraints, because the cost of constructing a WWTP on any of those sites would be prohibitive due to the amount of piping required to convey flows to the new WWTP and energy requirements due to pumping needs, they are not recommended to be carried forward for further analysis (see Section 4 for details). In addition, although Site 5 – Chevron Oil Facility was ranked similar to Site 16 – Righetti Property, because construction of a WWTP at Site 5

would also require greater capital and operating costs, Site 16 is considered more feasible for development of a WWTP and is therefore recommended to be carried forward for further analysis in place of Site 5.

The Current WWTP (Site 1), Chevron Facility Hillside Site (Site 15), and/or Righetti Property (Site 16) have been determined to represent a reasonable range of alternative site locations for development of a WWTP that maintains relative economic feasibility. In accordance with the proposed Work Plan, and as part of the Fine Screening analysis, these three sites will be assessed at a greater and co-equal level of analysis and additional technical study completed to respond to Coastal staff comments raised during the CCC's Substantial Issue Determination.

A follow-up public workshop is currently scheduled for September 19, 2011, at the Cayucos Veterans Hall, to provide interested parties with another opportunity to weigh in on the results of this Draft Rough Screening evaluation, as well as to help refine and identify the appropriate criterion for conduct of the Fine Screening analysis. The anticipated schedule would bring the results of the Draft Fine Screening analysis back to the JPA and the public for final consideration in November 2011, with the ultimate goal of presenting the project materials at the next local Coastal Commission hearing (identified for March/April 2012) for final De Novo decision.

To view the full report go to the following link on the City's website:  
<http://ca-morrobay.civicplus.com/DocumentCenterii.aspx?FID=134>