

**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
Craig Bell Jr., Vice-President
Nat Raimondo, Director
Harold Fones, Director
Bill Gibeaut, Director

City of Morro Bay
City Council:

Janice Peters, Mayor
Thad Baxley, Vice-Mayor
Melody DeMeritt, Councilmember
William Peirce, Councilmember
Betty Winholtz, Councilmember

ACTION MINUTES

DATE: 6:00 p.m., Thursday, April 27, 2006
PLACE: Multi-Purpose Room
Morro Bay Community Center
1001 Kennedy Way
Morro Bay, CA 93442

CALL TO ORDER AND ROLL CALL

Mayor Peters called the meeting to order at 6:07 p.m. and asked City of Morro Bay Staff Member Kimberly Peeples to take roll.

City Council members present were Mayor Janice Peters, Vice-Mayor Betty Winholtz, Melody DeMeritt, William Peirce, and Thad Baxley. Morro Bay staff members present were Robert Hendrix, Bruce Ambo, City Attorney Robert Schultz, Bruce Keogh and Kimberly Peeples.

Cayucos Board members present were President Robert Enns, Vice-President Craig Bell, Jr., Hal Fones, and Bill Gibeaut. President Enns asked for the record to reflect that Board member Nat Raimondo was absent from the meeting, but would be available by phone for the vote on item number B2, if necessary. Cayucos staff members present were Bonnie Connelly, Bill Callahan and District Counsel Tim Carmel.

PUBLIC COMMENT PERIOD

DeMeritt questioned if the NRDC would be allowed a longer period of time for their presentation. Mayor Peters did not see that they should be allowed more time unless others were allowed the same amount of time.

MORRO BAY MOTION: DeMeritt, Winholtz 2nd to allow the NRDC to have 20 minutes to show their presentation. **VOTE:** 2-3 (Pierce, Baxley and Peters opposed)

Mayor Peters opened the Public Comment Period, noting that due to the large number of people present, everyone would be held to a 5-minute time limit.

Noah Smukler representing the Surf Rider Foundation spoke in favor of a shorter time frame and for the boards to reconsider the Chorro Creek Watershed Wastewater Treatment project.

Jason Hoar, President of Agro Fuel and Cayucos resident, would like the Council and the Board to reconsider the full tertiary option.

David Nelson, spoke in favor of a shorter time frame and for raising rates to start paying for the project now.

Mayor Peters called for a break at 6:27 p.m.; the meeting was called back to order at 6:31 p.m.

It was agreed, by consensus of the Council, that members of the public could give their 5-minute time allotment to the NRDC for their power-point presentation.

Anjali Jaiswali, representing the NRDC, made a power-point presentation recommending a shortened time line for the treatment plant upgrade. Also speaking in favor of a shortened time line were; Joey Racano (Ocean Outfall Group), Morro Bay resident Margaret Webb (also speaking on behalf of Lisa Harper-Webb), Pam Heatherington (Environmental Center of San Luis Obispo County), Steve Shimmick (Otter Project), and Andrew Christie (Sierra Club Santa Lucia Chapter) spoke in favor of recommending a shortened time line for the treatment plant upgrade.

A. CONSENT CALENDAR

1. Minutes of November 17, 2005 Meeting – Recommend approve.
2. Minutes of December 15, 2005 Meeting – Recommend approve.
3. Wastewater Treatment Plant Operations Report through February 2006 (Keogh)-recommend receive and file.
4. Financial Status Report as of December 31, 2005 (Koser) – recommend receive and file.

Winholtz asked for items A1 and A3 be pulled.

MORRO BAY MOTION: Baxley, Pierce 2nd to approve items A2 and A4 as presented. VOTE: 5-0.

CAYUCOS MOTION: Gibeaut, Bell 2nd to approve items A2 and A4 as presented. VOTE: 4-0.

Regarding item A1, Winholtz questioned page 2 paragraph 3 her reference to “Morro Bay” and if that was a reference to the City of or the Bay itself. Keogh clarified it is correct as stated.

MORRO BAY MOTION: Winholtz, DeMerrit 2nd to approve item A1 as presented. VOTE: 5-0.

CAYUCOS MOTION: Gibeaut, Bell 2nd to approve item A1 as presented. VOTE: 3-0 (Fones abstained).

Regarding item A3, Winholtz questioned if the vote that will be taking place in Kern County, regarding not taking biosolids any longer, would impact us. Keogh responded that this vote should not affect the San Joaquin

composting center, but it should raise awareness that the biosolids issue will continue to be unsettled in the near future.

Winholtz also questioned if the change of status, noted in the last paragraph on page 5, would affect us. Keogh responded that it would not affect us.

MORRO BAY MOTION: Winholtz, DeMerrit 2nd to approve item A3 as presented. VOTE: 5-0.

CAYUCOS MOTION: Gibeaut, Fones 2nd to approve item A3 as presented. VOTE: 4-0.

B. NEW BUSINESS

1. Approval of Lease Agreement With Hanson Aggregates For Lease Site 150 Extension Area (Algert) – recommend approve.

Rick Algert, Harbor Department Director, presented the staff report noting the 27-month length of the lease. Winholtz asked for clarification on items referenced in the staff report, which were clarified by Algert.

CAYUCOS MOTION: Fones, Gibeaut 2nd to approve item B1 as presented. VOTE: 4-0.

MORRO BAY MOTION: Baxley, Pierce 2nd to approve item B1 as presented. VOTE: 5-0.

Mayor Peters called for a break to get Director Raimondo on the phone; the meeting was called to order at 7:30 p.m.

2. Discussion and Consideration of a Modification to the Conversion Schedule in the Settlement Agreement with California Regional Water Quality Control Board, Central Coast Region; for Issuance of Permits to and Upgrade of the Morro Bay-Cayucos Wastewater Treatment Plant. (Keogh/Schultz/Carmel) – recommend do not approve modifications to the conversion schedule and/or provide further direction.

Tim Carmel, District Counsel, asked the two boards to consider adding an item to the agenda citing the process by which this is allowed under the Brown Act. The item he asked them to consider adding would be number B2-A and would be called “Discussion and consideration of research funding regarding and subsequent monitoring of toxoplasma gondii oocysts.”

MORRO BAY MOTION: Pierce, Winholtz 2nd to add item B2-A to the agenda. VOTE: 5-0.

CAYUCOS MOTION: Fones, Gibeaut 2nd to add item B2-A to the agenda. VOTE: 4-0.

Keogh presented the staff report for item number B2, opening discussion and questions from the Board and the Council. During discussion, David Stringfield of Carollo Engineers satisfactorily addressed numerous questions posed by the City Council. The Cayucos Board spoke in favor of a shorter timeline and felt the two boards could be successful in working together to meet the deadlines. The general consensuses of the Council Members, with the exception of Mayor Peters, were in favor of the shorter timeline.

CAYUCOS MOTION: Gibeaut, Bell 2nd to accept the Modification to the Eight-Year Conversion Schedule and the Settlement Agreement with California Regional Water Quality Control Board, Central Coast Region; for Issuance of

Permits to and Upgrade of the Morro Bay-Cayucos Wastewater Treatment Plant. VOTE: 4-0

MORRO BAY MOTION: Baxley, DeMeritt 2nd to accept the Modification to the Eight-Year Conversion Schedule and the Settlement Agreement with California Regional Water Quality Control Board, Central Coast Region; for Issuance of Permits to and Upgrade of the Morro Bay-Cayucos Wastewater Treatment Plant. VOTE: 4-1 (Mayor Peters opposed)

Mayor Peters called for a break at 8:36 p.m. to review the materials that will be presented for Item #B2A. The meeting resumed at 8:45 p.m.

2A. Discussion and consideration of research funding regarding and subsequent monitoring of toxoplasma gondii oocysts.

Tim Carmel, District Counsel, made the presentation encouraging the two Boards to approve the funding for unrestricted “Seed Money” for research by Pat Conrad at UC Davis of toxoplasma gondii oocysts. The amount suggested was \$20,000 a year for four years, with the hope that it would encourage grant funding from other sources.

Cayucos Board President Enns spoke in favor of the funding and feels it would benefit both Communities. DeMeritt felt it was a good idea, but was not comfortable approving the funding tonight without more financial information. Keogh spoke positively of Dr. Conrad and felt it would be a good gesture, but felt the amount suggested was steep.

MORRO BAY MOTION: Baxley, DeMeritt 2nd to move to take this item up at the next regularly scheduled City Council Meeting. VOTE: 5-0.

CAYUCOS MOTION: Gibeaut, Fones 2nd to adopt item #B2-A as presented. VOTE: 4-0.

Schultz brought to the attention of the Boards that due to this being an emergency agenda item, a Public Comment Period would be in order. Mayor Peters opened the Public Comment Period.

Steve Shimmick, Otter Project, stated he believes there are tests for T. Gondii, but not for the Oocysts.

Peter Risley said that he was informed that Dr. Conrad already has a grant for \$1.2 - \$1.5 million dollars for doing the exact same research that the Boards are discussing. Feels the decision to do this should be put off.

3. Invoice for Second Quarter, 2005 – 2006 – recommend approve.

CAYUCOS MOTION: Gibeaut, Bell 2nd to approve item as presented. VOTE: 4-0.

4. Award of Contract for Engineering Services for a Facility Master Plan (Keogh) – recommend approve.

Keogh presented the staff report highlighting why the Review Committee felt Carollo’s proposal was best suited for this project.

MORRO BAY MOTION: Baxley, Pierce 2nd to Award the Project Contract to Carollo Engineers. VOTE: 5-0.

CAYUCOS MOTION: Gibeaut, Fones 2nd to Award the Project Contract to Carollo Engineers. VOTE: 4-0.

5. Budget Augmentation for line item 6104 – Consulting Services (Keogh) – recommend approve.

Keogh presented the staff report highlighting some of the items that the additional funds will be used towards. Winholtz asked if this amount will get us through this fiscal year and if the money would be coming out of reserves.

Hendrix, City Manager, clarified the funds would come from the Collections fund. Keogh also clarified that once Carollo is on board, Marine Research Specialists would remain on as well to do the regular offshore monitoring.

CAYUCOS MOTION: Gibeaut, Fones 2nd to approve this item as presented. VOTE: 4-0.

MORRO BAY MOTION: Baxley, Pierce 2nd to approve this item as presented. VOTE: 5-0.

6. Schedule Next Joint Meeting and Agenda Items.

The next joint meeting will be held Thursday, June 15, 2006 in Cayucos.

ADJOURNMENT

Mayor Peters adjourned the meeting at 9:44 p.m.

Minutes prepared by: _____
Kimberly Peeples