

AGENDA ITEM: A-2

DATE: November 8, 2012

ACTION: APPROVED

**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
vacant, 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, September 13, 2012

HOSTED BY:

City of Morro Bay

MEETING PLACE:

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

CALL TO ORDER AND ROLL CALL

Mayor Yates called the meeting to order at 6:00 p.m. and asked the record to show all Council members are present. President Enns asked the record to show all Cayucos Sanitary District Board members present with the exception of Vice-President Hal Fones who has moved out of the district and is no longer on the Board. He stated a new Director will be seated in December.

Morro Bay staff members present were Andrea Lueker, Rob Livick, Rob Schultz, Bruce Keogh, Dylan Wade and Cindy Jacinth.

Cayucos Staff members present were Lewis Brookins, Rick Coon, and District Counsel Tim Carmel.

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.

Mayor Yates opened Public Comment period:

- Suzanne Moyer, resident of Cayucos, expressed concern about the Wastewater Treatment Plant (WWTP). She questioned how the Righetti land purchase became a feasible alternative and expressed concern about purchasing a new site and the high cost.

- Jim Hayes, resident of Morro Bay and former Collections Supervisor for the City, spoke against moving the WWTP. He offered suggestions based on his past experience to bring the current plant into compliance. He spoke against the idea of a lift station and spoke against purchasing a new site. He also questioned what makes moving the plant a good idea. He stated money made from selling the site is not good economy based on the surrounding existing uses. He expressed concern about increased costs if the plant were moved and stated he is willing to listen to logic but all he has heard so far is emotional nonsense and stated that the JPA should take a tour of the plant before gambling with ratepayer's money.
- Sandi Tannler, resident of Morro Bay referenced a recent Youtube video in which three of the newly elected City Council members were taped talking about the WWTP which she stated violates the Brown Act and expressed concern that these new Council members have already made a decision about the WWTP. She asked what is the real agenda here and spoke against moving the plant and selling the current site.
- Joan Solu, resident of Morro Bay, spoke about information for the WWTP. She stated comments have not been made on fact. She said with staff working on sewer rates for two possible plant locations, she is requesting these rates be released to the public in the form of a sewer rate notice inserted into residents' water/sewer bill. She said this should be done for both residential and commercial sites in the City and in Cayucos and that placing this info in the hands of the consumers will help to educate and involve the citizens and prepare for the possibility of a rate increase.
- Homer Alexander, resident of Morro Bay, agreed with putting sewer rate information in a water sewer bill. He also stated the water portion will be increasing next spring and suggested this should also be mentioned.

Mayor Yates closed Public Comment period.

Smukler asked to respond to some of the comments made. He disputed any violation of the Brown Act and takes it very seriously. He stated because there was an interview done, it does not mean there was a violation of the Brown Act. He is disappointed in the evaluations done of alternative sites and agrees it is important to have open dialogue to be honest and understand the numbers in terms of affordability as well as the ability to all express ourselves and present concerns to Coastal Commissioners.

Foster presented his comments in written form and requested it be added to the WWTP website. He stated this is an important decision and requested that everyone make their comments known. He discussed costs and stated sometimes the cheapest item is not always the best value in reference to the ratepayers.

Foster asked how long it has been since there has been any debt on the WWTP project because he stated part of the reason why rates will be going up is because no money has not been set aside.

Board President Enns asked Tim Carmel for the procedure to get Foster's comments on the website. Carmel clarified the written comments can be submitted to the clerk for public record. Yates disagreed with putting opinion papers on the website.

Boardmember Foster submitted a letter to the clerk for the record.

A. CONSENT CALENDAR

A-1 MINUTES OF JUNE 14, 2012 JPA MEETING

Recommendation: Approve as submitted

MOTION: Councilmember Borchard moved to approve the minutes. Councilmember Smukler seconded and the motion passed unanimously. (5-0).

MOTION: Director Chivens moved to approve the minutes. Director Lyon seconded and the motion passed unanimously. (4-0).

A-2 WWTP OPERATIONS REPORT THROUGH JULY 2012

Recommendation: Receive and file

Smukler asked Bruce Keogh for clarification on the operations report including the influent data and potentially added costs from MWH as well the primary digester. Keogh confirmed MWH is not billing the plant for this and also Keogh explained staff had difficulty with the digester for unknown reasons and it was repaired.

MOTION: Councilmember Smukler moved to approve A-2. Mayor Yates seconded and the motion passed unanimously. (5-0).

MOTION: Director Lyon moved to approve A-2. Director Foster seconded and the motion passed unanimously. (4-0).

B. OLD BUSINESS

B-1 STATUS REPORT ON UPGRADE PROJECT AS OF SEPTEMBER 1, 2012

Recommendation: Receive the Status Report and direct staff accordingly

Rob Livick presented the status report and noted that Dennis Delzeit was unable to make the meeting due to his attendance at the Coastal Commission urging Commission approval of the project.

Foster questioned whether we get written reports from Susan McCabe. Livick stated her duties are being performed according the specifications of her contract. On average, staff has contact with McCabe on a weekly basis.

Yates opened Public Comment and hearing none, closed Public Comment period.

MOTION: Councilmember Borchard moved to approve the Status Report. Councilmember Smukler seconded and the motion passed unanimously. (5-0).

MOTION: Director Lyon moved to approve the Status Report. Director Chivens seconded and the motion passed unanimously. (4-0).

C. NEW BUSINESS

C-1 PRESENTATION OF THE FY 2010/11 WWTP AUDIT

Recommendation: That the Board of Directors of the Cayucos Sanitary District and the City Council accept the WWTP audit report.

Susan Slayton introduced the auditor Bob Crosby who reviewed the 2010/2011 WWTP Audit with Boardmembers.

Smukler asked Keogh about the 30 year life span. Keogh replied this is engineering speak and refers to useful life.

Foster asked if the plant includes the lift station or the lines. Dylan Wade clarified there are 3 assets that we jointly own, the plant, the trunk sewer on Main Street, and the outfall.

Foster discussed calculations of the audit with Bob Crosby.

Mayor Yates opened Public Comment period and hearing none, closed Public Comment period.

MORRO BAY MOTION: Councilmember Borchard moved to accept the WWTP audit report. Councilmember Smukler seconded and the motion carried unanimously. (5-0)

CAYUCOS MOTION: Director Foster moved to accept the WWTP audit report. Director Chivens seconded and the motion carried unanimously. (4-0)

C-4 SCHEDULE NEXT JOINT MEETING AND AGENDA ITEMS

Smukler asked for a clear outline of costs of the different sites including future needs and rates. Borchard stated support for this agenda item.

Can take existing cost information and convert that to rates. We have info to do Morro Bay rates, but we do not have Cayucos data. Cayucos staff would need to use Morro Bay data to project Cayucos rates.

Livick clarified to project Cayucos rates would be highly speculative.

Smukler requested the capital improvement schedule be agendized. Borchard stated support.

Smukler requested discussion of Cayucos operating the WWTP plant. No Councilmembers were in support.

Enns requested information for renewal of their discharge permit.

Chivens requested staff send out information on costs to ratepayers stating he agreed with Joan Solu's public comments.

Foster requested additional information be brought back on the City of San Diego and other communities that are operating under the same discharge exemption. He questioned whether there are other communities in the same position as Morro Bay / Cayucos. He also requested a closed session to discuss options relating to land purchase.

Carmel stated the Brown Act does not allow a closed session between two public bodies to discuss land unless land negotiations were very far along. Foster then requested to agendize the hiring of a representative to negotiate various details of getting the Righetti property. Carmel stated it is early to enter land negotiations when we do not yet have a Coastal Development Permit from the Coastal Commission, but it is within the JPA's scope.

Livick asked for clarification to combine the 301H waiver into the other agenda item. Boardmembers agreed.

Rob Schultz clarified the Cayucos Board cannot direct Morro Bay staff, instead that both Morro Bay and Cayucos would need to direct staff. Yates stated Morro Bay was not in support of this item.

ADJOURNMENT

Mayor Yates adjourned the meeting at 7:19p.m.

Minutes Recorded by:

Cindy Jacinth, Morro Bay Public Services Dept.