

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

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

Jamie Irons, Mayor
George Leage, Vice-Mayor
Nancy Johnson, Councilmember
Christine Johnson, Councilmember
Noah Smukler, Councilmember

MEETING DATE:

6:00 p.m., Thursday, February 14, 2013

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 6:06 p.m.

Morro Bay City Council present were Mayor Irons, Vice-Mayor George Leage, Council members, Nancy Johnson, Noah Smukler and Christine Johnson.

Cayucos Sanitary District Board members present were President Robert Enns, Vice-President Dan Chivens, Directors Shirley Lyon, Michael Foster and Dan Lloyd

Morro Bay Staff members present were Bruce Keogh, and Rob Livick, Andrea Lueker, and Rob Schultz

Cayucos staff members present were District Council Tim Carmel, Rick Koon, and Danielle Crawford

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 introduced Cayucos newest BOD member, Dan Lloyd.

Mayor Irons and Mr. Livick introduced Morro Bay's new Capital Projects Manager, Rick Sauerwein.

President Enns then opened Public Comment.

- Richard Sadowski – Former employee of Cayucos Sanitary District, said while employed there, Wallace Engineering was doing a Flow Study in North Morro Bay & he had compiled flow data from 2003-2004 that showed Morro Bay WWTP was severely under capacity during certain severe wet weather conditions & high tourist times. Encouraged the Board to look into the matter regarding the way that the flows are calculated and charged by Cayucos & the agreement with Morro Bay / JPA.
- Betty Winholtz – Morro Bay. Said she has 3 disappointments regarding the agenda; First, that the staff report says 10 years to build plant, she does not agree with that time line; Second, sinking \$100k into the old plant to keep it going. She commented that the plant won't last that long according to comments made by Keogh 4 or 5 yrs ago that there was no way that the current plant could be made to last that long & she would like to move forward with something that is aggressive & can be done within 24 months. Third disappointment is that the agenda is not addressing whether or not Morro Bay & Cayucos are going to work together.
- Marla Jo Bruton – North Morro Bay. Said there is an article in local newspaper that came out today talking about lengthy law suits – she pleaded with Cayucos Sanitary District to put attention on collecting sewage & transporting it to a WWTP & not on their property values. Also upset that a discussion regarding partnership is not on agenda.
- Barbara Doerr – Morro Bay. Thanked the JPA & commended them for allowing public comment & following the Brown Act. Said she had been doing a survey regarding public comment, wants to change language regarding public comment.
- Bill Martony – former 30 year Cayucos resident; would like to see both sides work together toward a win/win situation. May need to rewrite JPA, feels it should be more of a “Senior/Junior” type partnership & weigh out who has the biggest burden, usage and costs associated with each.
- Linda Merrill – Morro Bay. Interesting in hearing how Cayucos & Morro Bay will work together to build us all a new WWTP. Read all staff reports and hopes all can work amicably together for a superior location and build a plant we can all be proud of. Our ocean's health depends on it.
- Kathleen Oliver – Cayucos. Wants the panel to address whether or not they are going to keep the agreement and continue working together.

Hearing no further comments President Enns closed Public Comment.

A. CONSENT CALENDAR

1. MINUTES OF NOVEMBER 8, 2012 JPA MEETING – Recommend approve as submitted.
2. WWTP OPERATIONS REPORT THROUGH DECEMBER, 2012 – Recommend received and file.

CAYUCOS MOTION: Director Lyon made a motion to approve Consent Calendar items. Director Foster seconded. Motion passed (5-0).

Mayor Irons thanked Cayucos for their hospitality & asked for a motion of the same.

Smukler wanted to note on record and have the minutes reflect that Mr. Leage is indeed the Vice-Mayor.

MORRO BAY MOTION: Councilmember Nancy Johnson made a motion to approve Consent Calendar items. Councilmember Smukler seconded. Motion passed (5-0).

B. OLD BUSINESS

None

C. NEW BUSINESS

1. DISCUSSION AND CONSIDERATION TO APPROVE FUNDING FOR IMPLEMENTATION OF ARC FLASH MITIGATION MEASURES – Recommend approve additional funding to implement Arc Flash mitigation measures

Keogh commented on his staff report summarizing that it covers a request for additional funding for the WWTP budget in the amount of \$28,500 to implement Arc Flash mitigation measures. Bruce went on to say that in July of this past year, they contracted with an electrical engineer, Dittman Associates, to perform an Incident Energy & Arc Flash study at the WWTP. He noted that it is an OSHA requirement to perform such a study and implement certain safety measures to protect workers at the treatment plant. The estimated cost for purchase and installation of an ARMS device on the main utility breaker cubicle is \$6,500 and the estimated cost for the parts, labor and shipping for the required retrofitting of the two main utility breakers is \$11,000 each breaker, \$22,000 for both.

Enns opened to the panel for questions and discussion

Christine Johnson asked why this was not previously budgeted for

Keogh stated that Arc Flash is a fairly recent program that's been instituted by OSHA and the National Fire Protection Association (NFPA). The study was performed at the WWTP early last year and there was enough funding in the budget for that study, however they wouldn't know the fiscal impact until the study was completed. He reiterated that implementation of the Arc Flash and making these changes as soon as possible is necessary for the safety of the WWTP employees.

Smukler questioned if this is an example of an expenditure (particularly the ARMS device) of a transferrable item to the new plant.

Keogh said that it may or may not be compatible.

Livick added that the new WWTP will have to be operational prior to demolishing the current location. Therefore, it would be very difficult to remove the breakers and transfer them over to the new plant while the old plant is still in operation.

Irons stated that he does have experience in Arc Flash. He said of all the new equipment will come with the appropriate Arc Flash components so it probably wouldn't be transferrable but agreed that it is something that needs to be done for safety.

Foster pointed out that it is hard to put a value on human life and anytime you can identify something to mitigate risk like that, he's for it.

Enns spoke of a safety video on YouTube that Keogh had described seeing that was frightening to him and may be a motivation in this case.

Keogh acknowledged saying he watched a YouTube video where a guy vaporizes while racking out breakers.

President Enns opened for Public Comment.

Hearing no comments, President Enns closed Public Comment.

MORRO BAY MOTION: Irons made a motion to approve Arc Flash study and funding as recommended in the staff report, agenda item **C1**. Councilmember Christine Johnson seconded. Motion passed (5-0).

CAYUCOS MOTION: Chivens made a motion to approve Arc Flash study and funding as recommended in the staff report, agenda item **C1**. Director Lyon seconded. Motion passed (5-0).

President Enns then moved on to next agenda item C2

2. DISCUSSION AND CONSIDERATION OF THE PERMIT RENEWAL PROCESS FOR THE WASTEWATER TREATMENT PLANT NPDES PER NO CA0047881 – Recommendation: Receive staff report and direct staff accordingly

Livick discussed the particulars of the current permit and application process. He said that the permit at the existing site expires March of 2014, and permit renewal requires submission of application 6 months prior to expiration date.

Keogh said that this (item C-2) is really just an informational item that needs no action. It's intended to highlight the issue and remind everyone that the permit application is due September 1st 2013, and needs to be submitted to the Regional Board in a timely manner. Currently, the plant operates under a 301(h) Modified Discharge Permit which was/is issued for 5 years (as are all NPDES permits). Moving forward, we will have to come to a decision as to what type of permit to apply for in the future. There are two options available at this time; apply for another 301(h) Modified Discharge Permit, or apply for a full secondary permit with interim effluent limits. Bruce then went on to discuss the particulars, differences, regulations, and limitations of both options. Keogh mentioned that they are meeting at a staff level with the Regional Board on March 7th at 3pm. He says the permit issues, and assumes that the settlement agreement signed back in 2008, will be discussed at this meeting. He added that they may need to renegotiate that settlement agreement because of situation we are in now.

Irons opened to the panel for questions

Smukler commented that he is looking forward to sitting down with the Regional Board and asking them questions regarding this issue. He will be looking for some detail from them about their preference and would like to make sure that we are developing a trust and a good working relationship to ensure we are avoiding fines, and keeping them and our community in the loop.

Irons asked Keogh; the 1st 301(h) permit is something that we cannot apply for again, and if we do a secondary permit with the interim effluence, that has no timeline?

Keogh responded that it would have a 5 year window as well. All NPDES permits are issued for 5 years

Lloyd thanked Mr Keogh for a very good staff report and wanted to address Ms. Winholtz question regarding the 2 year completion timeline she suggested earlier. He asked Keogh if he thought it was rational and reasonable to expect that we could fast track a new project and have a new WWTP up & running, or approved in 2 years.

Keogh replied based on his professional experience, "at this point, with the project that we've had and the WWTP we've had, I think it's going to be, it is an extremely ambitious timeline. Not to say that it can't get done, but it is an extremely ambitious timeline".

Keogh & Lloyd went on to discuss this topic in relation to the secondary permit.

Foster commented that he watched the Coastal Commission meeting and recalled that there was testimony from the Regional Water Quality Control Board and the EPA that they understood that we were behind and they were not going to press us to meet that deadline if that meant having a bad project. He then suggested/proposed that Mayor Irons appoint 1 councilmember and 1 alternate from the City Council and the President Enns appoint 1 Board member and 1 alternate to represent the JPA and accompany the staff in any meeting with the RWQCB or the EPA or these regulatory authorities. Foster feels it's important to establish dialogue and get this information directly.

Enns added that he is not at all interested in ever talking about 301(h) again, stating that any other alternative sounds better to him than that. He then directed a question to District Council, Tim Carmel asking him the significance of having 2 City Council members and 2 Board members as representation at the Regional meeting.

Carmel pointed out that the item is not on the agenda and suggested appointing an Ad Hoc committee, but said there is nothing unusual about having 2 representatives from each agency participate in significant discussions like that.

Foster clarified that he was suggesting just 1 person, plus an alternative or back up person in case the designated person couldn't attend.

Enns then read a portion from Keogh's report (Agenda Item C-2 staff report, page 2, paragraph 4). ***"The Discharger agrees not to apply for a permit that includes modifications to full secondary discharge requirements"***. Enns further explained his interpretation of this to mean that we have agreed and signed an agreement to not ask for another 301(h) and he would like to hold this to what was signed and agreed to

Keogh says he needs at least 2.5 months to prepare a permit application and would like this agendized within the next month or two.

Enns asked Carmel if this was just a discussion item and wanted to clarify that no action need be taken tonight.

Carmel answered yes, the nature of the item is a discussion item.

President Enns opened Public Comment

- David Nelson – Morro Bay. Following up on Lloyd and Keogh's earlier comments feels like we are right back to where we were before and asked if we could come up with a different plan and do it in 2 years or in a shorter timeframe. Said if we are locked into the same plant and have the same problems, how are we going to move ahead. Urged the panel to look into the other options and move ahead fast.
- Marla Jo Bruton – North Morro Bay. Attended Regional Board meeting when the JPA agreed to move in the direction to build a new plant. She said that community had asked and both Boards at that time voted and agreed that we would go to full tertiary if possible, however the MOU was not put in writing. Final point is alternatives should have been looked at and they weren't.
- Linda Merrill – asked President Enns to clarify what he read earlier, does this mean we can't go to tertiary.

Enns reread excerpt from Keogh's staff report item C-2, adding that it was a backwards way of saying that we will meet full secondary.

- Don Boatman – Morro Bay. He would like to see a new plant and wants clarification of timeline of when we would have a new plant.

Hearing no further comments President Enns closed Public Comment.
Irons opened to the panel for questions

Christine Johnson asked Mr. Keogh to discuss the letter that was sent to the chair of the Coastal Commission on December 21st from the Water Board.

Keogh did not have the letter in front of him but paraphrases; Central Coast Water Board staff is willing to discuss the timing of plant upgrades and agrees not to recommend enforcement of the settlement agreement schedule for delays due to such a discussion. Keogh went on to say that “in the settlement agreement, the Regional Board, their mandate is full secondary treatment for ocean discharges” and it is his understanding that they cannot legally impose higher standards on ocean discharges. Also noted in terms of the effluent discharge, if people want to know more about quality and quantity of what we discharge, all of those monitoring reports are on the City of Morro Bay website.

Smukler talked about what he’s observed with the Regional Board stating that at times where a community is in violation but is working very closely with them, and showing the diligence/trust that the Board is giving them that they are moving to address the problem and the Board will occasionally assign a fine but allow that fine to be mitigated by the construction of our new plant. He then asked Keogh to describe his experience with that.

Keogh’s past experience with Regional Board after ’99 - ’00 when the laws changed if you violate a constituent of the permit, there is a minimum/mandatory penalty which is \$3k per violation. Prior to that time, Regional Board staff had the discretion when a plant was in violation whether or not to penalize the discharger. We are fortunate the plant has been operating well, we’ve had very limited number of penalties over that time and in the past, we’ve been able to do supplemental/environmental projects with the penalty money that we’ve incurred and most of the time our penalties probably varied between \$3k - \$10k.

Smukler pointed out to Cayucos that Morro Bay does have their JPA subcommittee assigned, (himself and Mayor Irons) and they have been attending these meetings and would like Cayucos to have representation there as well.

Irons as for timeline, and in an effort of expediting an application process, can Morro Bay & Cayucos put on their own agenda at their respective BOD and Council meetings and vote so as to expedite the process or do we want to wait until the next JPA.

Enns replied that they have done that in the past when things needed to be done in an efficient manner. Motions must remain exactly the same and if they are amended, (by either party) and then needs to go back and forth, it can slow the process and negate the intended purpose.

Nancy Johnson stated that she does not see the point in doing the two separate motions because there is a week between the meeting on 3/7/13 and the JPA on 3/14/13 and feels that should be enough time.

Keogh agreed it would be plenty of time, noting that the reports may come out a day or two later than normal

Enns also agreed with Nancy that it can be done within the timeframe next month. Enns then thanked Bruce for his schedule of the project that we’ve been on since 2005 and pointed out that regardless of the site he doesn’t feel we have dragged our feet in the process and it took us that long to get to where we are.

Lloyd questioned Keogh regarding the RWQCB and whether or not they would terminate ocean outfall.

Keogh doesn't believe we've ever asked that question directly.

Some discussion continued between Lloyd and Keogh.

Chivens commended Keogh on the information he has provided tonight so far, is in favor of moving forward to expedite the timeline, and would like a synopsis of the 3/7/13 meeting as soon as feasibly possible.

Carmel made a brief comment noting a critical distinction that the Council and Board should be aware of regarding the NPDES Permit (that's required) but the Regional Board is equally insisting that we adopt a conversion schedule which won't be a part of the permit itself that will either require an amendment to the settlement agreement, or through a time schedule order, or by cease and desist order.

Irons clarified Carmel's comments reiterating that he's bringing to their attention the NPDES permit as well as the Regional Quality Control Board permit.

Carmel said the NPDES Permit is separate which has to do with operating the current plant, but both issues will have to be discussed when sitting down with Regional. He emphasized a time schedule needed for new project as soon as possible.

Enns concluded item C-2 and requested 10 minute break

Meeting reconvened, President Enns called the meeting back to order at 7:33pm and moved on to item C-3

3. DISCUSSION AND CONSIDERATION OF A MAJOR MAINTENANCE & REPAIR PLAN (MMRP) FOR THE WWTP – Recommendation: Receive staff report and direct staff accordingly

Enns asked Keogh to discuss his staff report.

Keogh said in essence, this item is the development of a capital improvements program for the current treatment plant but gave it a slightly different title for auditor purposes in an effort to avoid the word "capital". This will be a list of major projects that they will pursue which will help the District and the City develop budgets as we come into each fiscal year. He then went over his staff report with detail.

Mayor Irons opened to the panel for questions.

Nancy Johnson had a question regarding the in house vs. the outsourced option. She understands that the in house option would be less expensive, but wanted to know which of the two choices would be done more rapidly.

Keogh said the in house option may take slightly longer. Will get a quicker response from outside consultant because that's their sole focus, they wouldn't be trying to fit it into their regular work schedule as MB staff would be, but feels either option would come out to be about the same (timeframe) in the end.

Foster doesn't feel that the Dudek report should be the basis for determining a 10 year study because that report and it's 10 year development window was intended for moving the plant to the Righetti property and the costs associated with that. He then commented on item C-3 (Staff Report pg 4, number 6) asking for an example of a significant financial liability on the MBCSD due to failure of any WWTP processes.

Livick gave an example if a bearing going out on a secondary clarifier and the arm stopped turning. He says they wouldn't be able to completely treat the effluent which may present a violation of the discharge permit requirements and there would be certain liabilities due to that failure.

Discussions went on between Foster, Livick and Keogh regarding WWTP equipment failure, and the liabilities and financial penalties that would be associated with such.

Enns asked Keogh when he started with the plant.

Keogh replied since '95

Enns is very confident in Keogh, Koon and Livick to at least layout a plan and bring in a consultant as needed to at least do the preliminary work and assist us in doing our budget for next year

President Enns opened Public Comment

- Don Boatman – Morro Bay. Experienced PG&E maintenance foreman wants to know if this is a maintenance conversation, or modification and rebuilding conversation.
- Marla Jo Bruton – North Morro Bay. Wants elected officials on the panel to look into what Cannon's task is and if it's to rebuild this plant to secondary in 10 years. Public deserves to know exactly what Cannon is working on at this point and since 2009.
- Barbara Doerr – Morro Bay. Supports in house recommendation. Was appalled when she saw the MMRP for 8 to 10 years. Said need to build a new plant, move expeditiously, work together cooperatively and set a realistic 6 year plan.
- Barry Branin – Morro Bay. Said Keogh does a fantastic job maintaining the plant. Wants to see an annual or 2 year budget for maintenance.
- Bill Martony – Morro Bay. Confused about whether they are talking about upgrading the existing plant to a higher water quality or not.
- Nancy Bast – Morro Bay. Thinks phasing the maintenance makes sense so that we don't have to look at 8 to 10 years. Says has a bad taste for consultants and we have the talent in house.

Hearing no further comments President Enns closed Public Comment

Irons opened to the panel for questions

Christine Johnson asked Keogh to respond to "phasing" and what that calendar would look like.

Keogh elaborated on his staff report saying that the MMRP is basically a list of major maintenance projects and that they changed the terminology per auditor's request due to the nature of the work (miscategorized under Capital Improvement Projects) vs. maintenance.

Discussion on this topic continued between Livick, Christine Johnson, Keogh, Smukler and Irons

Lloyd, Lyon and Chivens all concurred that they are in favor of utilizing in house staff vs. a consultant.

CAYUCOS MOTION: Lloyd made a three-part motion to Item C3; Direct staff to prepare a time sensitive and prioritized MMRP for the WWTP with an anticipated rolling 2 year budget; That the JPA solicit proposals from a qualified firm, or firms, to provide technical advice and analysis on an as needed basis as determined by the Morro Bay WWTP Division Manager and the Cayucos Sanitary District Manager; and that the Morro Bay WWTP Division Manager and Cayucos Sanitary District Manager report back to the JPA on a semi-annual basis on the progress and costs associated with the MMRP

Lyon seconded. Motion passed (5-0).

MORRO BAY MOTION: Smukler made a motion to Item **C3**; Direct staff to prepare a time sensitive and prioritized MMRP for the WWTP with an anticipated rolling 2 year budget; That the JPA solicit proposals from a qualified firm, or firms, to provide technical advice and analysis on an as needed basis as determined by the Morro Bay WWTP Division Manager and the Cayucos Sanitary District Manager; and that the Morro Bay WWTP Division Manager and Cayucos Sanitary District Manager report back to the JPA on a semi-annual basis on the progress and costs associated with the MMRP
Irons seconded. Motion passed (5-0).

MORRO BAY AMENDED MOTION: Smukler made an amended motion to Item **C3**; Direct staff to prepare a time sensitive and prioritized MMRP for the WWTP with an anticipated rolling 2 year budget; That the JPA solicit proposals from a qualified firm, or firms, to provide technical advice and analysis on an as needed basis as determined by the **Morro Bay Public Services Director** and the Cayucos Sanitary District Manager; and that the **Morro Bay Public Services Director** and Cayucos Sanitary District Manager report back to the JPA on a semi-annual basis on the progress and costs associated with the MMRP
Christine Johnson seconded. Motion passed (5-0).

CAYUCOS AMENDED MOTION: Lloyd made an amended motion to Item **C3**; Direct staff to prepare a time sensitive and prioritized MMRP for the WWTP with an anticipated rolling 2 year budget; That the JPA solicit proposals from a qualified firm, or firms, to provide technical advice and analysis on an as needed basis as determined by the **Morro Bay Public Services Director** and the Cayucos Sanitary District Manager; and that the **Morro Bay Public Services Director** and Cayucos Sanitary District Manager report back to the JPA on a semi-annual basis on the progress and costs associated with the MMRP
Foster seconded. Motion passed (5-0).

President Enns moved to next agenda item **C-4**

4. DISCUSSION AND CONSIDERATION REGARDING NEXT STEPS FOR THE WWTP UPGRADE PROJECT – Recommendation: Receive staff report and direct staff accordingly

Enns stated that Cayucos recognizes Morro Bay as the host City in the new WWTP and asked to know what their vision is moving forward.

Irons opened discussion among Morro Bay panel

Leage said he would like to wait until later to make his comment.

Nancy Johnson said “no comment”.

Smukler says would be beneficial for both sides to discuss goals moving forward as there are obviously things they want to address. He mentioned hearing rumors of Cayucos exercising their option to move separate from operating a plant together and he would like to address that as soon as possible and would like Cayucos to move quickly. Additionally, he wanted to let Cayucos know that Morro Bay is already in the process of evaluating and getting an appraisal for the Righetti site. Noted that they would need to re-open JPA agreement and discuss how to break up costs moving forward.

Christine Johnson said they have JPA audit but it’s not current and asked when they should expect to see the

JPA audit for FY 11/12.

Irons said glad to move forward. Puts question of partnership back to Cayucos. He would like to move forward as partners and wants to proceed with Cayucos.

Lloyd commented that exercising the option of going separate ways should be expected and shows due diligence to our Cayucos rate payers. However, it's imperative to him that the objective is to move forward jointly.

Foster agreed with Ms. Winholtz comment and thinks it's an opportune time to take a look at the JPA agreement, has read the JPA agreement several times and still cannot discern whether it takes the consensus of both parties or either party to withdraw from and develop an alternative plant.

Lyon said the Board has a responsibility to the rate payers to do this at the least possible cost for the best possible product. She thinks identification of location and the acquisition costs associated with the property needs to come first, before all of this other discussion.

Chivens is pleased with the diverse backgrounds on both sides and feels this will be an asset moving forward. He agrees with Lloyd in the need to consider financing. His main message is that the slate is clean so let's work together and do something that's achievable.

President Enns opened Public Comment

- Bob Doerr – Morro Bay. Wants to know if moving plant or not.
- David Nelson – Morro Bay. Agrees with Bob. Forget all the old ideas and plans. State Water Board holding workshops, and grant money is out there. Need a place to put the plant, where's the land.
- Barry Branin – Morro Bay. Let's not start from scratch. Design of plant is critical but simple. Land is crucial, where are we going to put it? Why can't it be a 5 year plan, 3 years to figure out location and obtain permit, 2 years to build it.
- Bill Martony – Morro Bay. Location is number one, keep location as number one item, and choose a location that will work for both parties.
- Barbara Doerr – Morro Bay. Asked City of Morro Bay to get out there, get an option to purchase the Righetti site before it's gone and give Cayucos an ultimatum regarding JPA "are you in, or are you out"? Also suggested looking into and obtaining grants.
- Richard Margetson – Cayucos. Strong proponent of one plant, not two. Keep in mind the Coastal Commission will insist on recycled water component.
- Kathy Oliver – Cayucos. Would like Morro Bay to come to Cayucos with an identified site, and a reclaimed water plan.
- Marla Jo Bruton – North Morro Bay. Consensus is working together and not dividing our communities. Wants her community to move forward regardless of working together or not and would like to know from each (Cayucos especially), what their intensions are.

Hearing no further comments President Enns closed Public Comment

Lloyd made a comment stating "we're together until we are not together" and as far as he's concerned we're moving straight ahead with a joint JPA and we're looking for those sites.

Foster would like to identify 10 of the most recent state of the art WWTP plants and for staff to explain why they are state of the art plants. Would like to have a global search for what's out there.

Lyon says in the interest of all rate payers it's our job to move forward as quickly as possible, identify a project and not waste anymore time.

Chivens concurred with Lyon and wants to see Cayucos represented in whatever is happening right now working together and moving forward.

Enns expressed that we do know that we're not building a new plant where the existing one is and Cayucos is very curious as to where we will move the WWTP. Cayucos is trying to respect Morro Bay's feelings about their community and where they would like this plant, and what are the particulars of plant they are looking to develop. Would like to know if alternative sites are being looked into, questioning whether Righetti is the only site being assessed, and if so, why it is the only site being evaluated after out of 16 previously recommended sites in the Dudek report.

Leage commented that that was exactly what he wanted to hear from Cayucos. Praised Enns' comments and noted that he too thought Cayucos should have been engaged in the discussions regarding the Righetti site and was also disappointed they weren't involved.

Nancy Johnson echoed Leage's comments concluding that we need to work together to move this forward.

Smukler thinks progress has been made tonight. He spoke about the Righetti assessment and location evaluation. Asked Cayucos for clarity on moving forward, said he is getting mixed messages regarding Morro Bay taking the lead and Cayucos being upset at the direction they took.

Christine Johnson feels based on the diverse population in Morro Bay she recognizes that the rates are or will be the number one concern to the rate payers and emphasized the need to get communication out to the rate payers each step of the way as things progress.

Irons concluded item **C-4** and requested 10 minute break

Meeting reconvened, Mayor Irons called the meeting back to order at 9:54pm

Irons again thanked Cayucos for the hospitality and gesture via the Valentine's Day treats and took responsibility for discussing the Righetti site at their Council meeting and said he will ensure that communication is conveyed a little bit better in the future.

Irons then moved on to item **C-5**

5. SCHEDULE NEXT JOINT MEETING AND AGENDA ITEMS

Lloyd suggested Morro Bay and Cayucos each create work plans to identify priorities and how to proceed, then get together and merge those lists.

Smukler suggests an update on meetings with the Regional Water Board leading to a rough project timeline based on those discussions, an overview of the current JPA agreement, review the fine screening analysis information, wants Cayucos to have their representatives selected for the subcommittee, and lastly, goals and criteria.

Nancy Johnson requested delay of 2 or 3 of Smukler's item submissions due to the length of time it would take to address each item in a JPA meeting and said she likes the proposal from Cayucos coming back to the next JPA with some work plans from each side.

ADJOURNMENT

President Enns adjourned the meeting at 10:09 p.m.

Minutes Recorded by:

Danielle Crawford, Cayucos Sanitary District

3/6/2013

X

