

AGENDA ITEM: A-1

DATE: 2-11-15

ACTION: Approved

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

MINUTES - Synopsis

**CAYUCOS SANITARY DISTRICT
BOARD OF DIRECTORS:**

Robert Enns, President
Dan Chivens, Vice-President
Cary Maffioli, Director
Shirley Lyon, Director
Dan Lloyd, Director

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

Jamie Irons, Mayor
Christine Johnson, Mayor Pro Tem
Noah Smukler, Councilmember
Matt Makowetski, Councilmember
John Heading, Councilmember

MEETING DATE:

6:00 p.m. Thursday, January 8, 2015

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

Mayor Irons called the meeting to order at 6:06 p.m. and asked the record to show all Councilmembers were present.

Robert Enns stated all Cayucos Sanitary District Board Members were present.

Morro Bay staff members present were Rob Livick, Bruce Keogh, David Buckingham, and Kay Merrill. Morro Bay Consultant present was John Fox.

Cayucos staff member present was District Manager Rick Koon.

COUNCIL AND BOARD ANNOUNCEMENTS – NONE

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 Irons opened Public Comment period.

Betty Winholtz spoke on Agenda Item C-1, Proposed Next Steps, and stated these steps need to be prioritized. She questioned why the purchase of the land for the facility cannot be completed until after the environmental document is certified and if you do not know what the project description is, how can you do an environmental study?

Doug Claassen, Manager at Morro Dunes RV Park, presented signed petitions from guests requesting removal of the current waste water treatment plant when the new plant is built at a different location.

Mayor Irons closed Public Comment period.

A. CONSENT CALENDAR

A-1 MINUTES OF NOVEMBER 13, 2014 JPA MEETING

A-2 MINUTES OF DECEMBER 11, 2014 JPA MEETING

A-3 STATUS REPORT OF THE MAJOR REPAIR AND MAINTENANCE PLAN (MMRP) FOR THE WWTP

MORRO BAY MOTION: Christine Johnson moved to approve Consent Calendar, John Headding seconded and the motion passed unanimously (5-0).

CAYUCOS MOTION: Dan Lloyd moved to approve the Consent Calendar, Shirley Lyon seconded and the motion passed unanimously. (5-0).

B. OLD BUSINESS - None

C. NEW BUSINESS

C-1 WATER RECLAMATION FACILITY (WRF) PROJECT UPDATE; INCLUDING REVIEW OF PROPOSED NEXT STEPS

David Buckingham stated the purpose of this meeting is to provide an update and a review of the proposed next steps and does not require any motions or specific direction. Clear proposals and recommendations will be presented by staff at the next JPA meeting and staff is working towards developing a RFP (Request for Proposal) for a Facilities Plan and an EIR (Environmental Impact Report) and presenting them to the Board at the next meeting.

Rob Livick presented a PowerPoint slide show which included the following:

Recommendation

- Receive Update
- Provide Comments
- Questions About the Process
- Did we capture the essence of the “etc, etc, etc” from the December Joint meeting?

Preferred Site Selection

- “Rancho Colina” selected by City Council as its preferred site to begin the Facilities Master Planning and Environmental Review 12-9-2014
- Confirmed by both City and CSD at the 12-11-2014 Joint Meeting

- Decision based on work by JFR, MKN and Carollo Engineers

Proposed Next Steps

- Agreement between the City and the CSD for project development on the Rancho Colina Site for the Facilities Master Planning and Environmental Review phases including:
 - Roles of the City and CSD in the review of the work of technical consultants
 - Cost sharing formula for the future expenditures
 - Reimbursement due to both parties for work performed since January 2013 based upon the formula established in Item B
 - Ultimate relationship is between the two agencies including consideration of a customer/service provider relationship
 - Extend the contract with John F. Rickenbach Consulting for project management/facilitation, initial environmental and engineering work needed to fully develop the scope required for Facilities Master Planning and Environmental Review
 - Engage the expertise of geotechnical/hydrogeological consultant that can further define any geotechnical site constraints and explore the details of groundwater recharge in the Morro Valley
 - Coordinate with Coastal Commission, LAFCO and San Luis Obispo County regarding the annexation of the WRF site and permit coordination
 - Engage consultant(s) to review cultural, biological and other environmental issues in advance of the formal environmental process to identify and mitigate or eliminate any unknown potentially fatal flaws
- Work with the JFR and CSD team to develop Request for Proposals for:
 - Development of a Facilities Master Plan for the proposed New WRF
 - The Environmental Review (pursuant to CEQA and potentially NEPA) for the proposed New WRF

Conclusions

- City's Goal is to have the new WRF operational within the time frame established in Morro Bay City Council Resolution 17-14
- Its critical the project team stays engaged in the process and continues to move forward with the items listed above as next steps
- Should continue to work with its existing consultant management team JFR Consulting and MKN & Associates on project development and coordination

Wrap Up

- Comments
- Questions
- Did we capture the essence of "etc, etc, etc" from the December Joint meeting?
- Council Meeting on January 13, 2015 for additional direction to City Staff

Discussion amongst City Council and City staff included the need to prioritize the proposed steps, establish the relationship between the City and the CSD, confirm goals of the project, to work on a parallel path on many items, purchase of the property, environmental review and the water quality goals and the reuse of the water will direct what the plant process will be.

David Buckingham stated three items will be presented to City Council at the next JPA meeting:

1. A draft MOU allowing the City of Morro Bay and the CSD to work together up to the point of releasing a RFP for the facilities master plan and the environmental review.

2. An initial framework of what a future relationship with the CSD is comprised of.
3. Framework on how negotiations with the property owner will be processed.

Rob Livick clarified the next steps will be presented in a scheduled format by priority and sequence. He also clarified the current plant will be abandoned.

Mayor Irons turned the question period over to the CSD.

The CSD thanked City Council for clarifying expectations and liked the three items that will be presented at the next JPA meeting and the need for City staff and CSD staff to work closely together. Prior to the EIR being completed, annexation and preliminary property purchase prices should be addressed.

Mayor Irons opened Public Comment.

Bill Martony stated it is important for Morro Bay and Cayucos to work together. There is a need to know the footprint of a plant before an EIR can be addressed and there are other options such as an ox ditch or a MBR plant. Extra water can be stored at Whale Rock Reservoir.

Barry Branin questioned if the plant could be operated by Morro Bay and offer Cayucos use of the plant as a customer. He questioned if Morro Bay should proceed alone on the project until there is an agreement with Cayucos in order to move the project forward.

Mayor Irons closed Public Comment.

Mayor Irons opened discussion for Cayucos.

Dan Lloyd thanked Bill Martony for his comments and contribution for looking at other options for the plant.

Robert Enns turned the discussion over to Mayor Irons.

Mayor Irons clarified the MBR is a higher power consumption facility and Rob Livick concurred. The water quality goals and the reuse of the water will direct what the plant process will be.

Rob Livick stated John Rickenbach is preparing a RFP for project facilitation and project management for the City and the CSD to review and make a decision.

Discussion amongst City Council and staff included David Buckingham's three item list, the need to address and define what the relationship is between the City and the CSD, the extension and cost of a contract with Rickenbach Consulting for project management facilitation versus creating a new City position for a Project Manager, the need to move this project forward, working with the technical sub-committee, a strategic approach with the fatal flaws and issues with conveyance, parallel structure and different technologies for the WRF.

David Buckingham reiterated the now four items (he added an item) to be presented to City Council at the next JPA meeting are:

1. MOU - Staffs will work cooperatively to develop a draft MOU that describes how the City and the CSD will work together and share costs to jointly release a RFP for a facilities master plan and environmental review.
2. Project Goals - Staffs will work cooperatively to bring to the JPA a set of proposed project goals.

3. Future Governance - Staffs will work cooperatively to develop a proposed framework that will help determine the governance structure of the future WRF at Rancho Colina.
4. Property Negotiations - Staffs will work cooperatively to bring to the JPA Board a framework describing the process for negotiating with the land owner.

John Headding requested clarification on Item 1C and would like to incorporate all the past costs.

C-2 SCHEDULE NEXT JOINT MEETING AND FUTURE AGENDA ITEMS

The next JPA meeting is scheduled for February 11, 2015 and will be hosted by Cayucos.

ADJOURNMENT

Mayor Irons adjourned the meeting at 7:29 p.m.

Minutes Recorded by:
Kay Merrill
Morro Bay Public Services Department