

**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
Cary Maffioli, Director
Dan Lloyd, Director

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

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

MEETING DATE:

6:00 p.m., Thursday, April 30, 2015

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 6:07 p.m.

Morro Bay City Council members present were Mayor Irons, Mayor Pro Tem Noah Smukler, Council members Matt Makowetski, and Christine Johnson. Councilmember John Heading arrived at 6:18pm.

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

Morro Bay Staff members present were WWTP Manager Bruce Keogh, Public Works Director Rob Livick, City Manager David Buckingham and Engineering/Capital Projects Manager Rick Sauerwein. Also present was Assistant City Attorney John Fox.

Cayucos staff members present were District Manager Rick Koon, and Administrative Services Billing Manager Danielle Crawford. Also present was Tim Carmel, District Counsel.

Announcements: Smukler said he did not have a comment related to the project or the JPA but wanted to take advantage of the crowd in attendance and announce a local radio station called Estero Bay Community radio.

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 joint meetings is welcome and your courtesy is appreciated.

President Enns opened Public Comment.

Marla Jo Bruton Sadowski – North Morro Bay. Said Governor Brown issued an executive order today concerning the climate change adaptation strategy for the state of California and if anyone would like to read it, go online to postings at ocean public and look up Governor Brown's order 4/30/15.

Hearing no further comments President Enns closed Public Comment and moved onto the consent calendar.

A. CONSENT CALENDAR

1. MINUTES OF MARCH 12, 2015 JPA MEETING

Recommend approve as submitted.

2. STATUS REPORT OF THE MAJOR REPAIR AND MAINTENANCE (MMRP) FOR THE WWTP

Recommend receive and file.

Keogh gave an overview of the MMRP status report noting recent areas of accomplishments, and highlighting some of the projects that are ongoing at this time. He said they are currently working on the repair of the number one digester and have contracted with Fluid Resource Management for sandblasting and coating of that tank. He also talked about the chlorine contact and basin improvements they have been doing as well.

Irons thanked Keogh for the staff report and complimented him and his staff on work well done.

Smukler said it might be confusing for people to hear how much effort is going into the plant and the money that is being spent to keep it operational knowing it will be demolished within the next five years. He asked Keogh to elaborate on the "balancing act" with the investments.

Keogh said they have great support from the City of Morro Bay engineering staff, from Mr. Koon, District Manager for Cayucos Sanitary District, support from Mike Nunley and Associates and some of the engineering staff at Black and Veatch.

Makowetski asked Keogh if he would be starting a new MMRP with the new FY budget.

Keogh said yes, the MMRP is like a rolling budget. Next year will be much less expensive, as they won't be cleaning the digesters, or need to do a bunch of work on that system because most of it will be done.

Enns thanked Keogh for his presentation and spoke of the confidence Cayucos has in him and what a great job he has done for both communities.

Keogh made a public offer to answer any questions they might have regarding the current plant and or to schedule plant tours if anyone is interested in taking a tour.

MORRO BAY MOTION: Mayor Irons made a motion to approve Consent Calendar Items A-1 and A-2. Councilmember Johnson seconded.

Marla Jo Bruton Sadowski – North Morro Bay. Interrupted the motion to ask if there was any public comment on that.

Enns obliged.

Marla Jo Bruton Sadowski – North Morro Bay. Said she knows the public is probably confused as to why so much money is being put into a plant that they are planning to demolish. She said the reason for that is the Morro Bay, Cayucos Sanitary wastewater treatment plant is 43 years behind the minimum treatment capacity and is not even up to full secondary treatment, which was mandated in 1973.

Enns asked if there were any other comments. Hearing none, he asked Irons to continue the motion.

Mayor Irons continued his motion with a vote. Motion passed (5-0).

CAYUCOS MOTION: Director Lyon made a motion to approve Consent Calendar Items A-1 and A-2. Vice President Chivens seconded. Motion passed (5-0).

Enns commented that there is no item “B” on tonight’s agenda. Confirming that it was an oversight when the agenda was created by Morro Bay, he moved on to item C1.

C. NEW BUSINESS

C-1 PRESENTATION OF COMMUNITY INPUT RECEIVED AT THE CAYUCOS TOWN HALL MEETING

Recommendation: Following discussion and consideration of this item, the Council and District Board direct staff accordingly

Enns began by thanking the number of people who came out to the Town Hall meeting saying it was nice to see the great response from the Cayucos community. He also thanked a number of clubs such as the Rotary, Cayucos Advisory Council, Cayucos Lions, Cayucos Lioness’ clubs, and Friends of the Library who all hosted discussion and feedback sessions prior to the Town Hall meeting. He commented that they had some very good, intelligent questions, and he felt that the outcome and feedback was overwhelmingly positive. He said there were consistent themes from all the groups and that the most important message that they received from the community was the ability for the community to retain the use of their treated, reclaimed water. The second message that was loud and clear was about ownership. Paying twenty eight percent of another project and having absolutely no ownership was unacceptable to our constituents. Our ratepayers want to own what they pay for. Lastly, they wanted their community to have local governance to have the ability to control all costs related to the project. Enns stated, “Once it became clear that these were the concerns of our community, I felt it was important for our Board to be fully informed of all the facts before us as well as the feedback from the community. As a result of that, I scheduled a meeting, a special meeting for 4:30 this afternoon, just preceding this meeting so that our Board could be fully informed. Based on the community feedback, I asked our Counsel, Tim Carmel (at the end of the table here), to prepare a resolution that would document the facts before us and allow our Board to make an informed decision. Our Board considered all of the facts and voted to support independently pursuing alternatives for wastewater treatment and water reclamation” (audience applause). Enns said “thank you,

and by the way, that vote was unanimous”. “I think it is important now to read the material provisions of the Resolution, I’m going to ask our Counsel, Tim Carmel to do that”.

Carmel read aloud items from resolution number 2015-1.

Enns said that he felt that for both communities, it was critical to have clarity regarding this issue and not impede the progress of Morro Bay as they pursue a Morro Bay water reclamation facility. He also said that in the interest of both communities, Cayucos has prepared copies of the resolution, which documents events leading up to the provisions of the resolution as recited by Carmel.

Irons thanked the Cayucos Board for the Town Hall Meeting. He said he thinks it’s great to get a definitive answer on what they need to do as two bodies.

Smukler congratulated the Cayucos Board and the community for taking a step in what he thinks is a really important direction. He challenged and encouraged the community to stay involved.

Headding congratulated the Board on embarking upon a significant adventure that will reach decades into the future. He congratulated the Board a couple more times stating no harm, no foul.

Makowetski congratulated the Board saying, “with that said, we will be moving in these directions but we still a number of years working together and I look forward to working with you”.

Johnson said it is terrific to have a direct response from the Cayucos community that is backed up by their Board. She commented that since her time on the Board, she has never seen as big of a turn out in participation than she is seeing this evening.

Enns thanked Morro Bay for their support of the Cayucos community and their decision to move in a new direction.

Lloyd appreciated the collegial comments from Morro Bay agreeing the two Boards have at least another five years of working together. He is hopeful of working together harmoniously regarding the beneficial use of the land, options, opportunity, equity and interest in property after use of the plant is discontinued.

Chivens thanked Morro Bay for supporting Cayucos’ decision and commented on the two communities going their separate ways by saying, “it’s not you, it’s us”.

President Enns opened Public Comment.

Garth Kornreich – Cayucos. Attended the Town Hall meeting, and said he heard the comment that the “door is still open”. He asked if there had been any discussions between Morro Bay and Cayucos since then because it sounds like a happy divorce.

Hearing no further comments, President Enns closed Public Comment.

Koon said the door is still open in looking at all sorts of alternatives for us.

Smukler said economy of scale brings mostly financial benefits and working together is going to be important.

Headding said to add more detail to public comment, there was discussion at the City Council meeting last Tuesday, which can be viewed, on channel 20.

Johnson clarified the public comment and then said, no, these two groups have not discussed anything outside of a public meeting.

Enns moved on to item C-2 (majority of audience left at this time)

C-2 REVIEW OF PREVIOUS MORRO BAY EFFORTS AND DISCUSSION OF FIVE YEAR PLAN FOR WORKING COOPERATIVELY TOWARDS PLANNING, DESIGN, AND CONSTRUCTION OF A NEW REGIONAL WRF AT THE PREFERRED IDENTIFIED LOCATION AT RANCHO COLINA

Recommendation: Following discussion and consideration of this item, the Council and District Board direct staffs to develop and publish notice of Requests for Proposals for Project Management and the Environmental Review Process; and agree to split the costs on a pro rata basis from January 2015 to completion of the Facility Master Plan, the Environmental Review Process, and Project Management

Enns stated as a result of the decision that was made by the Cayucos Board earlier, and announced this evening, item C-2 is no longer relevant.

Irons disagreed, claiming it was very important. He asked Buckingham to begin his presentation.

Buckingham said Morro Bay remains committed to working collaboratively to keep the project moving forward. He then presented and read through, verbatim in its entirety, a PowerPoint presentation created by Morro Bay.

Johnson thanked Buckingham for his report and asked couple of questions regarding how they will handle the items in his presentation, which call for joined District Board and City Council efforts.

Buckingham said if both Boards adopt his motion tonight, the current RFP that is written for a three party contract would be signed by all parties and an MOU really is not needed to do that. If Cayucos does not adopt the motion, the RFP will be rewritten into a two party contract between the City of Morro Bay and the consultant.

President Enns opened Public Comment.

Maria Jaqua – Cayucos. Attended the Town Hall meeting and asked why none of the reports from WSC were shared.

Bob Geller – Morro Bay. Urged City of Morro Bay to go their way and have a two party contract with Morro Bay and the consultant.

Marla Jo Bruton Sadowski – North Morro Bay. Said this is a surprise and thanked Buckingham for his presentation.

Nancy Vost – Morro Bay. Said she doesn't have cable, and is grateful she can watch the meetings on her iPad. She stated that she felt the CSD Board had a contentious and hostile attitude in the last meeting she watched and said she feels that Cayucos has wasted millions of resident's dollars in the recent past therefore wants Cayucos to be a rate payer like everyone else.

Hearing no further comments President Enns closed Public Comment.

Enns asked Irons if he had a motion he was going to make.

Irons requested a recess and said will come back with a motion.

Enns called a ten-minute recess at 7:24pm.

Meeting reconvened at 7:33pm.

Enns said he was quite surprised, after such an agreeable nature from Morro Bay Council and wishing Cayucos good luck that Buckingham chose to try to admonish Cayucos for their participation with Morro Bay in the past. He spoke directly to Morro Bay community saying that if it wasn't absolutely clear before why Cayucos might want to separate from Morro Bay, he thinks Buckingham has certainly demonstrated condescending and accusatory nature in his remarks on behalf of Morro Bay, keeping in mind his remarks don't resemble Morro Bay Council, he thanked the Council for their comments.

Irons interrupted Enns asking him not to address his staff directly or individually and to refrain from those types of remarks.

Enns said he will conclude with "while much of what was presented by Morro Bay we felt we could easily challenge, we see no point in doing so". He reminded everyone about the resolution that Cayucos presented in opening this meeting "Cayucos hereby declares its intension to suspend consideration of participation in the Morro Bay Reclamation Facility".

MORRO BAY MOTION: Mayor Irons made a motion to approve Items C-2. Councilmember Smukler seconded.

Headding addressed Enns and asked him to clarify the resolution that was presented.

Irons said he wanted to keep discussion to the motion.

Smukler said the way he read the motion, it was not prepared with the thought of the resolution Cayucos presented but felt the motion still applies to the concept of at some point within the FMP process, until they really need to scale the plant, the door will still be open.

Johnson agreed with Smukler saying she believes it is the spirit of the motion, and she feels they should make the motion in spite of the change they've heard.

Motion passed (5-0).

Enns said in keeping with the agreement and the JPA, he asked the Cayucos Board if they would like to make the same motion.

Lloyd said he sees no need to vote on the same motion.

Enns said seeing no motion coming forward from Cayucos, the answer is no.

Irons asked for any closing comments, asking Headding if he still had comments.

Headding directed a question to Enns asking if Resolution 2015-1 was penned after the second Cayucos public meeting this evening.

Irons said to Enns, your opening statement was “this resolution was crafted and written following your special meeting today at 4:30”.

Enns stated the resolution was passed at their special meeting and that their full board had not seen the resolution until 4:30 this afternoon.

Carmel said that perhaps he could clarify this by letting everyone know that he started drafting it yesterday but essentially, he drafted it this morning.

D. SCHEDULE NEXT JOINT MEETING AND AGENDA ITEMS

Smukler asked for input from Morro Bay staff but said he would like to see some efficiency with future JPA meetings, which will just focus on the old plant.

Keogh said it is his understanding that budget hearings and deliberations will occur in May for the Morro Bay City Council and generally, they’ve brought the budget back at the first JPA meeting in June. He doesn’t feel a May JPA meeting is necessary in two weeks and suggested the second Thursday in June.

Enns said let’s put that on the schedule, tentatively.

ADJOURNMENT

President Enns adjourned the meeting at 7:46 p.m.

Irons attempted to reopen the meeting asking if anyone would like to make additional closing comments.

Meeting remained adjourned.

Minutes Recorded and Respectfully Submitted By:


X _____
Danielle Crawford
Administrative Services Billing Manager