

MINUTES - MORRO BAY CITY COUNCIL  
SPECIAL MEETING – JANUARY 3, 2013  
VETERAN’S MEMORIAL HALL – 6:00P.M.

Mayor Irons called the meeting to order at 6:00 p.m.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Jamie Boucher	City Clerk
	Rob Livick	Public Services Director
	Amy Christey	Police Chief
	Steve Knuckles	Fire Captain

- I. ESTABLISH QUORUM AND CALL TO ORDER
- II. MOMENT OF SILENCE
- III. PLEDGE OF ALLEGIANCE
- IV. PUBLIC COMMENT

The following speakers spoke in support of approving Resolution 07-13, supporting the California Coastal Commission staff’s recommendation for denial of Application Number A-3-MRB-11-001: Betty Winholtz, Dorothy Cutter, David Weisman, Richard Sadowski, Julie Tacker, Marla Jo Bruton, Matt Makowetski, Walter Heath, Glenn Siloway, Marlys McPherson, Abby Diodati, Michael Lucas, Brad Snook, Jen and Travis Ford, Barry Brannon, Karen Croley, Don Boatman, David Nelson, Barbara Doerr, Bob Tefft, Amy Burton, Steve Griffith, Nancy Bast, Nicole Dorfman, Jane Heath, Bill Martony, Mandy Davis, Bill Weatherford, Steve Hennigh, Alex Beattie, Bob Swain and John Diodati. Reasons for the support of the denial included the following: sea-level rise, located in a flood plain, located in a tsunami zone, improper zoning for facility, seismic considerations, the drinking water aquifer is being polluted, need to look to the future, shouldn’t be built on prime ocean-front land, need to consider 21<sup>st</sup> century technology, the smell is ridiculous, erosion impacts, project doesn’t include recycled water, project needs to recharge our groundwater, project needs to provide the ability to reclaim the water, we need to care for our ocean environment and possible depreciation of property values.

The following speakers spoke in support of terminating the Agreements with Dudek, McCabe and/or Delzeit for Wastewater Treatment Plant Project Consultant Services: Betty Winholtz, Dorothy Cutter, David Weisman, Julie Tacker, Marla Jo Bruton, Michael Lucas, Karen Croley, Barbara Doerr, Bob Tefft, Steve Griffith, Mandy Davis, Steve Hennigh, and Alex Beattie.

The following speakers spoke in support of requesting the California Coastal Commission’s approval of Application Number A-3-MRB-11-001: Rob Kitzman, John Galarde, Garry Johnson

and Sandy Tannler. Reasons for the support of approval included: the outfall line needs to be protected at all costs, gravity issue of pumping the waste to an uphill site, costs, and Righetti property is too far away. The question also arose that if the area poses such a threat, what about the high school and cloisters areas?

Mayor Irons closed the public comment period.

Items VII and VIII were moved to the beginning of the agenda at this time.

VII. APPROVAL OR DENIAL OF RESOLUTION NO. 07-13 OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA REQUESTING CALIFORNIA COASTAL COMMISSION DENIAL OF APPLICATION NUMBER A-3-MRB-11-001

Mayor Irons presented an amended redlined version of Resolution No. 07-13 largely based on comments received.

Councilmember Nancy Johnson requested additional language be added to the “Now Therefore be it Resolved” language and change it to read “Now, Therefore, be it Resolved, that the City Council of Morro Bay supports the Coast Commission staff report on application and formally requests additional time to develop the most appropriate project.” She also felt that the word “declined” was too strong in the 15<sup>th</sup> “Whereas”; “...Cayucos Sanitary District **declined** to attend said meeting...” and hoped that we could soften the statement by taking out that word. She finished by stating that if we read the Coastal Commission staff summary then we need to realize that nothing can ever be built on the current property.

Councilmember Leage agreed with Councilmember Nancy Johnson comments about the lack of need for this meeting. He doesn't feel this fosters a good relationship with Cayucos. He also feels that no matter what decisions are made tonight, it won't change the Coastal Commission's mind.

Councilmember Smukler feels it's important for us on behalf of the citizens of Morro Bay as well as staff to come up with a formal statement affirming a clear message and action plan as the direction of the project has changed. He proposed the word “unable” to replace the word “declined”. He is in support of Resolution 07-13 as presented in its amended form.

Councilmember Christine Johnson is comfortable with the way that Resolution 07-13 is written and is willing to accept an amendment to the word “decline”.

Mayor Irons stands by his original statement in the “Now, Therefore Be It Resolved...” section of the Resolution.

MOTION: Councilmember Smukler moved approval of Resolution 07-13 with the amended language as found in the redlined version as well as replace the word “...the Cayucos Sanitary District **declined**...” with “the Cayucos Sanitary District **was unable to** ...”. The motion was seconded by Councilmember Christine Johnson and carried 3-2 with Councilmembers Nancy Johnson and Leage voting no.

VIII. APPROVAL OR DENIAL OF RESOLUTION NO. 08-13 OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA REQUESTING CALIFORNIA

MOTION: Councilmember Nancy Johnson moved approval of Resolution 08-13. The motion was seconded by Councilmember Leage and failed 2-3 with Councilmembers Christine Johnson, Smukler and Mayor Irons voting no.

V. DISCUSSION AND DIRECTION RELATING TO CONTINUING OR TERMINATING THE AGREEMENT WITH DUDEK, MCCABE, AND/ OR DELZEIT FOR WASTEWATER TREATMENT PLANT PROJECT CONSULTANT SERVICES

Councilmember Christine Johnson feels that we should tell McCabe that she no longer should be pursuing the project for Morro Bay. As far as Dudek and Delzeit, if we take the denial forward then we would very likely terminate those contracts but it would first be good to vet their information/knowledge that they have gained to date.

Councilmember Nancy Johnson stated that it takes a 10 day notice to terminate, the Coastal Commission meets within that 10 day period – she feels this is a subject for a JPA meeting and she isn't sure that we have the ability/right to terminate a contract held with the JPA. She also felt that since most of the money had already been paid out, why terminate them now as they may prove to be important to us in the future.

Councilmember Smukler feels there is existing value to the work that both Delzeit and Dudek have generated for the City. That work can be used as a launching pad for work towards alternative sites. As it stands now though, and with the approval of the Resolution tonight, he feels we are ready to sever our relationship with all three consultants now as we move forward.

City Attorney Rob Schultz stated that the City does have the ability to terminate the Morro Bay portion of the consultant contracts as the contracts are 3 party contracts; not a single contract between the consultants and the JPA.

Mayor Irons brought up the concept of suspension of contracts versus termination of contracts to which City Attorney Rob Schultz responded that the City could do either; however, it would be important to give clear direction to said consultants if the intent was to suspend the contracts.

As to the question of suspension versus termination, Councilmember Smukler supported termination; Councilmember Christine Johnson supported termination; Councilmember Leage feels that by terminating, we are driving a wedge between us and Cayucos, none of these decisions should be made without having Cayucos involved.

MOTION: Councilmember Smukler moved to terminate the contracts with Dudek, McCabe and Delzeit for Wastewater Treatment Plant project consultant services. The motion was seconded by Councilmember Christine Johnson and failed 2-3 with Mayor Irons, and Councilmembers Nancy Johnson and Leage voting no.

Mayor Irons preferred suspension of the contracts as he would prefer being able to have a discussion with the entire JPA board level before taking action.

Councilmember Smukler felt it very important that we do take some kind of formal action or the consultants may very likely continue on with their efforts on behalf of the project.

MOTION: Mayor Irons moved to suspend the contracts with the current consultants, Dudek, Delzeit and McCabe with the direction that no work can be performed on behalf of the City of Morro Bay until the two boards can convene and discuss these contracts. The motion was seconded by Councilmember Christine Johnson and carried 3-2 with Councilmembers Nancy Johnson and Leage voting no.

VI. DISCUSSION AND DIRECTION RELATING TO THE CITY'S ROLE, POSITION AND PARTICIPATION AT THE JANUARY 10, 2013 COASTAL COMMISSION HEARING ON THE WASTEWATER TREATMENT PLANT PROJECT

Councilmember Christine Johnson hoped to have a joint comment period/presentation where a Councilmember and the City Manager express the change that's happened in Morro Bay. She would like to move forward in a way that has staff and Mayor or Councilmember working together on any kind of presentation that is made at the meeting.

Councilmember Smukler agrees completely with Councilmember Christine Johnson.

Mayor Irons would like to take the message forward along with the City Manager in presenting the City's Resolution during the applicant presentation portion of the meeting.

ACTION: Mayor Irons and City Manager Andrea Lueker would attend the California Coastal Commission hearing and present the City's new position on the Wastewater Treatment Plant Project during the applicant portion of the agenda.

Councilmember Nancy Johnson requested her final comment be read into the record: "Since it would appear that we will be starting over again with a new plant at a new location, it is impossible to really know how this project will eventually end up. There is a chance that we could be involved in protracted litigation with the Cayucos Sanitary District, the permitting process could bog down and take years and costs could skyrocket. For the sake of our citizens I truly hope that this does not happen. In your perfect world, maybe you will be able to get the folks in Cayucos to come around to your way of thinking, you will find a good location, all the permits will be fast tracked and you will build a state of the art water reclamation plant quickly and for a reasonable cost. Only time will tell. However, after tonight's vote, there is one thing that I am certain about. At the conclusion of this meeting, for better or worse the three of you will own this project. Thank You"

VII. ADJOURNMENT

The meeting adjourned at 8:43 p.m.

Recorded by:

Jamie Boucher  
City Clerk