

CITY OF MORRO BAY  
WATER RECLAMATION FACILITY CITIZEN ADVISORY COMMITTEE (WRFCAC)

SYNOPSIS MINUTES

Regular Meeting – January 14, 2015

- PRESENT: Bill Woodson Mary (Ginny) Garelick  
Barbara Spagnola Dale Guerra  
Paul Donnelly Richard Sadowski  
Steven Shively
- ABSENT: John Diodati  
Valerie Levulett
- STAFF: Rob Livick Public Services Director  
Bruce Keogh Wastewater Treatment Manager  
Kay Merrill Administrative Utilities Technician
- CONSULTANT: John Rickenbach

ESTABLISH QUORUM AND CALL TO ORDER

Bill Woodson called the meeting to order at 3:05pm., stating all Committee Members were present with the exception of John Diodati and Valerie Levulett and there is a quorum. He asked for a moment of silence then led the Pledge of Allegiance.

ANNOUNCEMENTS

Rob Livick announced there is a downtown public parklet which will be evaluated for the next six months to see if it stays or goes and the City has a new Facebook page which will provide current news, events and breaking news for the Public to access.

PUBLIC COMMENT

Bill Woodson opened Public Comment period.

Betty Winholtz stated the parklet hurts businesses because it takes away parking spaces and encourages the public to provide feedback on the parklet quickly so a decision can be made if the parklet stays or goes. On the WRF appendices, there is \$75 million figure for the WRF, and she would like to know where is the justification for this amount of money?

Bob Keller stated there is a time line for Morro Bay to get the facility running and time is money. No more delays, Cayucos can be a customer and Morro Bay can be the lead agency and operator of the facility. Once the new facility is running, the old facility will be demolished.

Bill Woodson closed Public Comment period.

## A. CONSENT CALENDAR

### A-1 Approval of minutes from the WRFCAC meeting of December 3, 2014

MOTION: Steven Shively moved to approve the minutes with clarification brought forward by Richard Sadowski, Dale Guerra seconded and the motion passed unanimously. (7-0).

The *clarification* is on page 3 where Marla Jo Bruton Sadowski spoke. The following is amended for the minutes of December 3, 2014 to read as follows:

Marla Jo Bruton Sadowski stated water is very valuable to Morro Bay *and the Cayucos Sanitary District (CSD) might have to create a CSD if they are to be involved with the reclamation of water.*

## B. OLD BUSINESS

### B-1 WRFCAC Sub-Committee Updates and Recommendations

Finance, Environmental and Engineering Sub-Committees to present their analyses and findings to the entire committee.

Mary Garelick (Finance Sub-Committee) stated the committee has provided a presentation with questions regarding the cost of the project and are satisfied with the answers provided by John Rickenbach and Rob Livick. She suggested the Finance Sub-Committee could assist with grant research and community outreach.

Environmental and Engineering have no new analyses at this time.

## C. NEW BUSINESS

### C-1 Water Reclamation Facility (WRF) Project Update; Including Review of Proposed Next Steps

Rob Livick presented an update on the WRF:

#### Recommendation

- Receive Update
- Questions About the Process
- Provide any recommendations that will be forwarded on to City Council

#### 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

- Request a proposal from 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 project 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

The outcomes from the January 8, 2015 Joint Meeting are as follows:

1. “MOU for Now”: CMB and CSD Staffs will work cooperatively to develop a draft MOU (Agreement) that describes how CMB and CSD will work together and share costs through the Facilities Master Plan and Environmental Review phases.
2. Project Goals: Staffs will work cooperatively to bring to the Council and CSD Board a set of Joint 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 Council and CSD Board a framework describing the process for negotiating with the land owner.

At the January 13, 2015 City Council Meeting, Council directed the following:

- Direction to move forward with “fatal flaw” technical studies
- Direction for WRFCAC to provide Council with an evaluation of JFR/MKN work products
- Schedule a JPA Technical Sub-Committee meeting to discuss governance
- WRFCAC Sub-Committees to meet and weigh in
- Council consensus is to develop a Service Provider/Customer relationship with the CSD

#### Conclusions

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

Rob Livick asked the Committee if there were any questions or comments for John Rickenbach or himself.

The members of the committee stated John Rickenbach and Mike Nunley have done an excellent job in presenting the technical and planning side for this project.

Discussion amongst the committee, staff and the consultant included the need for a realistic budget for planning and technical services, to provide a fatal flaw analysis including cultural resources, biological

issues and geotechnical. If the WRF needs to be built at a different site, there are seventeen other sites that are ranked, however, Rancho Colina is the most likely site. The need to start meeting with various regulatory agencies, to have more complete RFP's, retain current consultants or hire new ones, the existing and future agreement between the City and Cayucos, Cayucos becoming a customer of the City, the need to have measuring devices for discharges into this facility, work on solving nitrate issues, applying for grants, develop a rough grading plan, contact the County to see if a land use permit is required, annexation and the City's "sphere of influence".

Bill Woodson summarized the comments and concerns from the discussion as follows:

- The need to define the relationship and roles of the City and the CSD
- Address the project – is it turnkey or should the design and construction have separate RFP's for engineering and construction
- Develop a community outreach plan
- Examine potential grants and financing, especially Prop 1
- Does the City have a right to sell a portion of the allocated State water
- Obtain a rate payer study

Bill Woodson would like to develop an outlined schedule displaying how the activities of the sub-committees are interrelated.

#### D. COMMITTEE MEMBER CLOSING COMMENTS

Paul Donnelly would like the sub-committees to convene prior to the next WRFCAC meeting and present a report at the next meeting.

Steven Shively asked if the committee is supposed to be giving a recommendation to have John Rickenbach prepare a scope of work for the facilities master plan. He stated he has no opinion at this time about the relationship between the City and the CSD, but does see a potential for lawsuits.

Rob Livick clarified he is looking for a soft recommendation and what the Committee's general opinion is and City Council wants to hear from the Committee what their first initial thoughts are, more information will be presented to the committee in the near future.

Mary Garelick stated she has no preconceived notions about Cayucos joining the City as she does not know the history between the two communities. She would like to see a partnership and a sharing of the costs.

Barbara Spagnola stated she would like to keep an open mind about a partnership with the CSD and has concerns about sharing costs and liability. At this time, there is not enough information to give a recommendation.

Richard Sadowski asked about the facilities master plan, depending on the technology you could be looking at five acres or looking at one acre. When staff is looking at the next step, how will this be approached?

Rob Livick responded there will be a basic footprint for the treatment facilities and surrounding facilities. If the treatment facility moves out to Rancho Colina the corp yard will be moved, so there will be a fairly good size footprint and will probably err to the side of a little bit larger than what it will actually be.

Richard Sadowski reiterated the need to have measuring devices for discharges into this facility and developing and promoting a community outreach plan.

Rob Livick stated rate consultant, Bartle Wells, will present an initial rate analysis for water and sewer at the Public Works Advisory meeting on January 29, 2015 and then it will be presented to City Council on February 24, 2015 with anticipated new rates to be in place on July 1, 2015.

John Rickenbach stated he will be working with staff, Council and the Committee to provide a program including cultural resources, biological, geotechnical, financing and reclamation for short and long term issues.

E. ADJOURNMENT

The meeting adjourned at 4:25 p.m. to the next regular WRFCAC meeting at the Community Center, Multi-Purpose Room, 1001 Kennedy Way, on Wednesday, February 11, 2015 at 3:00pm.

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Bill Woodson, Vice-Chairperson

ATTEST:

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Rob Livick, Secretary