

CAYUCOS SANITARY DISTRICT
200 Ash Avenue
PO Box 333, Cayucos, CA 93430-0333
805-995-3290

GOVERNING BOARD
R. B. Enns, President
N. Raimondo, Vice-President
H. Fones, Director
R. H. McHale, Director
S. Lyon, Director

MINUTES
APRIL 18, 2007

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 6:09 p.m., Wednesday, April 18, 2007.

Board members present: President Robert Enns, and Directors Hal Fones and Shirley Lyon.
Director Bud McHale arrived at 6:56 p.m.

Board members absent: Vice-President Raimondo

Staff present: District Manager, Bill Callahan, Administrative Services Officer, Bonnie Connelly,
and Account Clerk, Nancy Martin

Visitors present: Dorothy Fones, Tom and Muriel Wright (Watsonia Homeowners' Association),
Mike Hargett and Connie Papousek, and District staff Susan Estes, Vince Novoa, Robert Tennent,
and Dave Zevely

2. PUBLIC COMMENTS

There were no comments.

**3. CONSIDERATION TO GRANT LICENSE AND AGREEMENT FOR ENCROACHMENT OF
SEWER EASEMENT TO JANE STARK AT 84 FIFTH STREET, APN 064-144-024
(CALLAHAN)**

MOTION: First by Fones with second by Lyon to approve Ms. Stark's application for an
Encroachment Permit and to direct staff to prepare the standard Grant of License and Agreement for
execution and recordation. VOTE: 3-0 (Raimondo and McHale absent)

**4. CONSIDERATION TO GRANT LICENSE AND AGREEMENT FOR ENCROACHMENT OF
SEWER EASEMENT TO MR. AND MRS. HEDIGER AT 524 S. OCEAN AVE., APN 064-
144-023 (CALLAHAN)**

MOTION: First by Fones with second by Lyon to approve Mr. and Mrs. Hediger's application for
an Encroachment Permit and to direct staff to prepare the standard Grant of License and Agreement
for execution and recordation. VOTE: 3-0 (Raimondo and McHale absent)

5. CONSIDERATION TO GRANT LICENSE AND AGREEMENT FOR ENCROACHMENT OF SEWER EASEMENT TO WATSONIA HOMEOWNERS ASSOCIATION RE: COMMON AREA AT 97 TENTH ST., APN 064-153-046 (CALLAHAN)

Supervisor Callahan's written report was received and Mr. and Mrs. Wright (Watsonia Homeowners Assoc.) were available to answer any questions. There were none.

MOTION: First by Fones with second by Lyon to approve the Watsonia Homeowners Association's application for an Encroachment Permit and to direct staff to prepare the standard Grant of License and Agreement Affecting Real Property for execution and recording. VOTE: 3-0 (Raimondo and McHale absent)

6. APPEAL FROM CONNIE PAPOUSEK AND MIKE HARGETT CONCERNING BILLING OF THE PIER VIEW PLAZA, AT 10, 12, 14 N. OCEAN AVE. IN CAYUCOS, AS IT RELATES TO TENANT BILLING AND CHARGING DESPITE VACANCY (CONNELLY)

Connie Papousek and Mike Hargett, owners of the Pier View Plaza, both expressed concern with the District's billing policy regarding commercial properties, in that several of their rental spaces are unoccupied and the couple is still being billed for them. Ms. Papousek also asked that each individual business entity receive a separate bill as opposed to District policy of one bill per parcel number. Director Lyon pointed out that it is generally the property owner's obligation to pay the utilities for a multi-business complex and have the cost of utilities included in tenants' rental agreement. Manager Connelly related District policy regarding commercial properties. President Enns recommended he meet with staff and Mr. Hargett and report back at the next Board meeting in May. Director Fones felt it is important that the full Board review Mr. Hargett's and Ms. Papousek's appeal before action is taken.

MOTION: First by Fones with second by Lyon to continue the item to the next regular Board meeting. VOTE: 3-0

At 6:35 p.m. President Enns called a brief recess to address the staffing reorganization that became effective April 16, 2007. District Manager, Bonnie Connelly, voluntarily requested to step down from her position but to continue working in a reduced capacity on a part-time basis, as Administrative Services Officer, and Supervisor Callahan has been promoted to District Manager. Ms. Connelly was presented a plaque honoring her and her achievements during the 17 years she has worked for the District. District staff members were in attendance and all shared refreshments and cake.

The meeting reconvened at 6:52 and Director McHale arrived shortly thereafter.

7. STAFF REPORT ON INFLOW AND INFILTRATION STUDY FINDINGS (CALLAHAN/HANLON)

Supervisor Callahan's written report was received. He stated Jon Hanlon, of Boyle Engineers, had anticipated attending this meeting had been called away unexpectedly and would not be in attendance. Callahan reported that an Inflow/Infiltration (I&I) Study had been completed with assistance from Quad Knopf Engineers who determined the feasibility of the study, Fluid Resource Management who provided rental equipment, setup and collection of data, and Boyle Engineers who then analyzed the data. Although "inconclusive data" was collected at some sites, Callahan stated the study will illustrate trends, and that future flow monitoring will concentrate on areas of high I&I to isolate those problem areas. He anticipates smoke testing to further locate I&I problems

and continuing sewer line replacements, as determined. President Enns commended Callahan on the progress he has made with I&I problems.

8. STAFF REPORT ON MEETING WITH ASSEMBLYMAN BLAKESLEE (AND HIS STAFF)
RE: WWTP UPGRADE FINANCING/FUNDING (CONNELLY)

Manager Connelly's written report was received. She reported that the meeting went well and that Paavo Ogren, Deputy Director of County Public Works, who is involved with the Los Osos Sewer Project, attended, providing "a wealth of information" on funding possibilities. It still appears that the majority of financing for the Wastewater Treatment Plant Upgrade will be secured through the State Revolving Loan Fund at a low (2.25-2.50%) interest rate. Connelly stated the District and Morro Bay will need to work together to pursue and secure funding for the upgrade. Board members commended Connelly on her recent WWTP Upgrade presentation at the Cayucos Advisory Committee meeting.

The Budget and Finance Committee (President Enns and Vice-President Raimondo) scheduled a meeting for May 2, 9:00 a.m., to discuss revenue, financing and rate setting for District CIP and the Wastewater Treatment Plant Upgrade.

9. STAFF COMMUNICATIONS AND INFORMATION ITEMS (NO ACTION REQUIRED)

a. O&M Supervisor's Report (Callahan) – March 2007

Supervisor Callahan's written report was received. He recounted his meeting with staff from the SLO County Environmental Health Department to discuss biosolids handling in SLO County, the emergency sewer main replacement on 9th Street, and problems with a storm drain on Park Avenue that directs water from Park Avenue and the hillside behind over a District sewer easement.

b. District Manager's Report (Connelly) – March/April 2007

Manager Connelly's written report was received. She recommended holding a Town Hall meeting May 16, 2007, at 7:00 p.m. at the Vet's Hall, to address the upcoming WWTP upgrade decision, and additionally, for the Board and staff to meet with John Johnson, Carollo Engineers, at the District office at 5:30 p.m. that same day to discuss the Draft Revenue Program he has been preparing for the District's portion of the WWTP Upgrade.

Callahan gave tentative dates (May 2, 9, 16) for Board members to tour the San Luis Obispo Wastewater Treatment Plant that is operating at full tertiary.

10. CONSENT CALENDAR

a. Minutes of:

1. Special Meeting of March 14, 2007
2. Regular Meeting of March 21, 2007

b. Approval to Pay Outstanding Bills at April 18, 2007

MOTION: First by McHale with second by Lyon to approve the Consent Calendar in its entirety.

VOTE: 4-0

11. BOARD MEMBER COMMENTS

Directors Fones and McHale both commended President Enns on keeping abreast of Wastewater Treatment Plant (JPA) issues.

12. SCHEDULE AGENDA ITEMS FOR THE MAY 16, 2007 BOARD MEETING

- Papousek/Hargett Billing Appeal (The Pier View Plaza, 10, 12, 14 N. Ocean Ave.)
- Budget & Finance Update

13. MEETINGS AND CONFERENCE REMINDERS

- a. SLO County Chapter California Special District Association (CSDA) Annual Meeting, Friday, April 27, 2007 at 6:00 p.m. at Templeton Community Center, 601 S. Main St. in Templeton. Note: a quorum of special districts is needed.

President Enns indicated his willingness to attend.

14. ADJOURNMENT

MOTION: First by Lyon with second by Fones for the meeting to adjourn at 8:05 p.m. VOTE: 4-0

Minutes recorded by: _____
Nancy Martin