

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

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

REGULAR MEETING
MINUTES
OCTOBER 20, 2010
6:00 P.M.

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 6:05 p.m.

Board members present: President Robert Enns and Directors Shirley Lyon and Michael Foster. Vice-President McHale arrived at 6:30 p.m.

Board members absent: Director Hal Fones

Staff present: District Manager Bill Callahan, Administrative Services Officer (ASO) Lewis Brookins and Administrative Services Tech Nancy Martin

Consultants present: Architect Jon McAlpin

Visitors present: Steve and Tammy Hendricks, RSH Construction

2. PUBLIC COMMENTS

President Enns opened the meeting to Public Comments. There were none.

3. CONSIDERATION TO AWARD A CONTRACT FOR THE CONSTRUCTION OF THE DISTRICT OPERATIONS AND MAINTENANCE GARAGE TO RSH CONSTRUCTION, INC IN THE AMOUNT OF \$674,000.00 AND DIRECT STAFF TO ISSUE A NOTICE TO PROCEED

Manager Callahan's written report was received, recommending the Board award a contract for the O&M Garage and Shop Project. He introduced Steve and Tammy Hendricks, RSH Construction, Inc., low bidder for the project, who answered questions from Board members. President Enns asked to go over the project schedule with Callahan when received. Morro Rock Mutual Water Co. discovered that there is no water main serving Ash Ave. Fire service/sprinklers are required for the shop and Morro Rock Water Company has proposed to install a 4-inch water main, at a District cost of approximately \$16,000.00. This figure was not included in projected project costs, and Callahan and Architect McAlpin are looking at potential cost savings in other areas (changing paving, window and roofing materials, and eliminating metal sun shades). Callahan discussed other additional costs associated with the project: special inspections for soils, masonry, welding, etc., estimated at \$18,000.00. A Pre-Construction Meeting is scheduled on October 28, at 3:30 p.m. Enns indicated he would like to attend.

MOTION: First by Lyon with second by Enns to award a contract for the construction of the District Operations and Maintenance Garage to RSH Construction, Inc., in the amount of \$674,000 and direct staff to issue a Notice to Proceed. VOTE: 3-0 (Fones and McHale absent)

Vice-President McHale arrived at 6:30 p.m.

4. CONSIDERATION TO ESTABLISH A CHANGE ORDER LIMIT FOR MANAGEMENT ON THE DISTRICT OPERATIONS AND MAINTENANCE GARAGE PROJECT

Manager Callahan's written report was received. District policy requires that a Change Order limit be established at the time of the award of contract for projects in excess of \$250,000. Callahan asked the Board to consider a \$6,500.00 per occurrence change order limit for the O&M Garage Project with a cumulative maximum of \$65,000.00. President Enns asked Callahan, project Architect Jon McAlpin and project contractor Steve Hendricks, to review every change order issued, prior to his (Enns) review and approval. Board members concurred, asking for four signature lines on all change orders, two for the District, one for McAlpin, and one for Hendricks. Board members did not establish a Change Order limit for management on the project.

5. CONSIDERATION TO ALLOCATE FUNDS FOR THE NEW MANHOLE COVERS ON THE MAIN STREET JPA SEWER LINE

Manager Callahan's written report was received. Morro Bay is resurfacing Main Street between Yerba Buena and Atascadero Road, which involves raising the 22 manholes to grade on both the jointly-owned sewer line and a District sewer line there. The only District cost will be \$4,415.00, 40% of the cost of materials (22 sealing manholes covers).

MOTION: First by Lyon with second by McHale to allocate funds from the District Operating Contingency Reserve in the amount of \$4,415.00, for 22 sealing manhole covers for the lines on Main Street. MOTION: 4-0

6. REVIEW OF CAYUCOS SANITARY DISTRICT AND WWTP GENERAL LIABILITY INSURANCE POLICIES

ASO Brookins written report was received. At the Board's direction, Brookins gathered information on general liability insurance for both the Sanitary District and the Wastewater Treatment Plant (WWTP). Board members discussed mainly coverage for the WWTP, especially earthquake and flood insurance. That policy is for catastrophic coverage, which has a high cost and deductible. Brookins reported the insurance rate is based on the value of the property and covers the WWTP and outfall, the lift stations, and the desal, and that coverage includes costs associated with emergency operations of the plant after a catastrophic event. The District's portion of the cost of insurance for the WWTP is based on average flow.

7. STAFF COMMUNICATIONS AND INFORMATION ITEMS (no action required):

A. District Manager's Report (Callahan) – September 2010

Manager Callahan provided a handout of a letter from SDRMA congratulating "the Governing Body, management and staff of Cayucos Sanitary District for their commitment to proactive loss prevention and safety in the workplace and for having no reported claims in program year 2009-10." He reported on a proposed rehabilitation of the pipeline running under the highway, between Studio Drive and Chaney Avenue, and will have a cost estimate for the next Board meeting. He reported much interest was shown in the recent Wastewater Collection Worker Trainee recruitment and that the position has been filled; Daniel Oglesgby will start November 1. Callahan's request to administratively extend the employee probation period from six months to one year effective for future recruitments was discussed, with a determination that policy revisions must be made in writing. Director Foster suggested Board members review District employees' compensation package and asked for the item to be agendaized.

B. Administrative Service Officer's Report (Brookins) – September 2010

ASO Brookins written report was received. He reported staff is considering the feasibility of digital imaging of District files for permanent and temporary documents storage, which will provide easy access to records from employees' workstations and eliminate the necessity of a rental storage unit. Brookins will be meeting with Susan Slayton, Morro Bay Administrative Services Director, to discuss funding options for the WWTP Upgrade. President Enns asked staff to explore the feasibility of generating monthly, rather than bi-monthly, sewer bills for discussion at a later date.

8. CONSENT CALENDAR

- A. Approval of Minutes of the September 15, 2010 Regular Board of Directors Meeting
- B. Approval to pay outstanding bills as of October 20, 2010

MOTION: First by McHale with second by Lyon to approve the Consent Calendar in its entirety.
VOTE: 4-0

9. BOARD MEMBER COMMENTS

President Enns suggested that the Board hold a short meeting prior to the next JPA meeting to discuss and clarify concerns and questions of any agenda items.

Enns reported that the Ocean Protection Council will be holding a meeting in November in Morro Bay and suggested Board members attend.

All Board members felt the October 14 JPA meeting went well and agreed that having a Public Comment period for each agenda item will benefit all.

- A. Morro Bay/Cayucos Wastewater Treatment Plant (JPA) TAC Meeting, *Date:* October 21, 2010, *Hosted By:* Cayucos Sanitary District, *Location:* District Office, *Time:* 1:00 p.m.
- B. Morro Bay/Cayucos Wastewater Treatment Plant (JPA) Meeting, *Date:* November TBD, 2010, *Hosted By:* Morro Bay, *Location:* TBD, *Time:* 6:00 p.m.

10. SCHEDULE AGENDA ITEMS FOR THE NOVEMBER 17, 2010 BOARD MEETING

- Discuss water conservation measures to decrease wastewater flow in Cayucos
- Discuss changing District monthly meeting date
- Studio Drive Crossover Sewer Line Rehabilitation Project

11. ADJOURNMENT

The meeting adjourned at 8:25 p.m.

Minutes recorded by: *Nancy Martin*
Nancy Martin, Administrative Services Tech.