



CAYUCOS SANITARY DISTRICT

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

AGENDA ITEM: 3.A.1

DATE: September 16, 2021

ACTION: Approved

GOVERNING BOARD

R. B. Enns, President
D. Chivens, Vice-President
S. Lyon, Director
H. Miller, Director
R. Frank, Director

REGULAR MEETING MINUTES

Thursday, August 19, 2021
5:00 p.m.

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 5:00 p.m.

Board members present via GoToMeeting: President Robert Enns, Vice-President Dan Chivens, Director Robert Frank, Director Shirley Lyon, and Director Hannah Miller

Staff present via GoToMeeting: District Manager Rick Koon and Admin. Services Manager Amy Lessi

Guests present via GoToMeeting: Joe Clark & John Macdonald (regarding 3526 Gilbert Avenue), Daniel Phillips of National Demographics Corporation (regarding District-Based Election System)

2. PUBLIC COMMENT

President Enns opened the meeting to Public Comment.

Hearing no comment, President Enns closed Public Comment.

3. CONSENT CALENDAR: Recommended to Approve

Consent Calendar items are considered routine and therefore do not require separate discussion, however, any item may be removed from the Consent Calendar by a member of the Board of Directors for separate consideration. Individual items on the Consent Calendar are approved by the same vote that approves the Consent Calendar, unless an item is pulled for separate consideration.

A. Regular Meeting Minutes

1. Approval of minutes for the June 17, 2021 Board of Directors Regular Meeting

B. Financial Reports: June 2021

1. Check Register – Mechanics Bank (General Checking Account)
 - a. Check Register – Wells Fargo (CIP/CSWP Checking Account)
 - b. Check Register – Wells Fargo (CSWP Construction Account)
2. Cash, Savings, and Investment Report
3. Budget vs. Actual Status Report FY 2020-2021
4. Capital Improvement Projects Report

C. Financial Reports: July 2021

1. Check Register – Mechanics Bank (General Checking Account)
 - a. Check Register – Wells Fargo (CIP/CSWP Checking Account)
 - b. Check Register – Wells Fargo (CSWP Construction Account)
2. Cash, Savings, and Investment Report
3. Budget vs. Actual Status Report FY 2021-2022
4. Capital Improvement Projects Report
5. Annual Disclosure and Employee Reimbursement Report

President Enns opened the meeting to Public Comment.
Hearing no comment, President Enns closed Public Comment.

MOTION: 1st by Frank, to approve items on the consent calendar as prepared. Motion was seconded by Lyon.

ROLLCALL VOTE: Frank-yes, Lyon-yes, Miller-yes, Chivens-yes, Enns-yes

VOTE 5-0 Motion passed

4. STAFF COMMUNICATIONS AND INFORMATION ITEMS: No Action Required

A. District Manager's Report: June & July 2021

B. Monthly Customer Satisfaction Survey Submissions:

None

C. New Will Serves: June & July 2021

Hyacinth Group, APN 064-413-020, 3158 Ocean Blvd. – SFR Addition

Extended Will-Serves: June & July 2021

Sanchez, APN 064-155-021, 91 11th St. – SFR New

Malmen, APN 064-263-009, 2892 Orville Ave. – SFR Addition

Corral MH LLC, APN 064-042-032, 23 Bakersfield Ave. – SFR New

Coastal Hospitality Holdings, APN 064-131-022, 399 S Ocean Ave. – CMMCL Remodel

Britz, APN 064-274-011, 2806 Studio Dr. – SFR Remodel

WWW Properties LLC, APN 064-126-010, 199 H St. – SFR New

Purchase, APN 064-372-014, 210 Cerro Gordo Ave. – SFR New

Finald Will-Serves: June & July 2021

Stafford, APN 064-081-053, 915 Park Ave. – SFR New

Baldonado, APN 064-153-041, 80 9th St. – SFR Addition

Continue to Serves (No Will-Serve Required): June & July 2021

None

Grants of License: June & July 2021

None

Manager Koon gave a summary of the previous month's activities.

President Enns opened the meeting to Public Comment.
Hearing no comment, President Enns closed Public Comment.

Items 4 A through C were received and accepted.

5. DISCUSSION AND CONSIDERATION TO ISSUE A GRANT OF LICENSE FOR 3526 GILBERT AVENUE (064-407-008)

Director Miller recused herself from participating in this agenda item due to a conflict of interest.

John Macdonald informed the Board that he and Joe Clark were hired by the owner of 3526 Gilbert Ave. after the unpermitted encroachments were under construction, and they would like a recommendation from the District on how to proceed.

Manager Koon responded that in the past the District has allowed similar encroachments, contingent upon the property owner replacing the line in that area. However, this particular part of town is an area of concern because several structures have slowly expanded and encroached into District easements "under the radar" over time. What transpires at this property will set an example for the several other unpermitted encroachments in this neighborhood, so the District must exercise caution. Manager Koon

suggested that staff should perform research, coordinate with the County, find out exactly how many unpermitted encroachments exist, etc. before making a decision about 3526 Gilbert Ave.

President Enns affirmed the importance of maintaining the integrity of District easements.

Vice-President Chivens expressed understanding in a property owner's desire to maximize their small lot, and was open to the idea of allowing the encroachment if the owner agrees to replace that section of the line.

Director Lyon indicated interest in gathering more information before making a decision and recommended tabling the discussion.

John Macdonald and Joe Clark expressed awareness that the new additions will have to be removed, but in the meantime requested some kind of letter from the District that might help buy them some time with Code Enforcement.

President Enns asked Vice-President Chivens to take a closer look at the structure and report back to the Board, and Manager Koon to compose the requested letter.

President Enns opened the meeting to Public Comment.

Hearing no comment, President Enns closed Public Comment.

MOTION: 1st by Lyon, to take no action on the Singh-Kaler Grant of License and direct staff and Legal Counsel to report back at a later date with recommendations. Motion was seconded by Frank.

ROLLCALL VOTE: Lyon-yes, Frank-yes, Chivens-yes, Enns-yes, (Miller-recused)

VOTE 4-0 Motion passed

6. PUBLIC HEARING #1 TO RECEIVE COMMUNITY INPUT REGARDING THE CREATION OF A DISTRICT-BASED ELECTION SYSTEM

Daniel Phillips of NDC gave a PowerPoint presentation outlining the preliminary steps required for transitioning into District-based elections.

Director Robert Frank questioned how there could be more Hispanics registered to vote in Cayucos than there are in the total population of Cayucos. Daniel Phillips explained that demographical information about the number of registered voters in Cayucos and information about the various ethnic groups in Cayucos are collected by different means and are not an exact calculation, but rather an estimation.

When asked which of the traditional districting principles should be prioritized when drawing the divisions, President Enns answered that significant growth is not anticipated and voter preferences are preferred. Manager Koon suggested that the Board wait to see if any input from the community is received at the next meeting before making any final requests about how the districts are drawn up.

President Enns opened the meeting to Public Comment.

Hearing no comment, President Enns closed Public Comment.

Item 6 was received, no action required.

7. DISCUSSION AND CONSIDERATION OF NOMINATION FOR AN ALTERNATIVE REPRESENTATIVE ON THE IWMA BOARD OF DIRECTORS

President Enns recounted the recent history of the polystyrene ban and how it's related to this item. He advised against nominating another member from the District's Board to serve as the alternate on the

IWMA Board, considering he is already on IWMA Board. He suggested it would be appropriate for a representative from a different district to have a seat on the IWMA Board.

Director Lyon agreed that having two representatives from Cayucos Sanitary District on the IWMA Board would be injudicious.

President Enns opened the meeting to Public Comment.

Hearing no comment, President Enns closed Public Comment.

Item 7 was discussed, no action required.

8. REVIEW AND DISCUSSION OF THE DISTRICT-OFFERED HMO HEALTH PLAN COST AND PLAN CHANGES FOR 2022

Manager Koon presented the prospective health insurance rates for the upcoming year and was pleased to share that the current health plan rate decreased. The Board expressed approval.

President Enns opened the meeting to Public Comment.

Hearing no comment, President Enns closed Public Comment.

MOTION: 1st by Miller, to approve the HMO Health Plan cost for 2022. Motion was seconded by Frank.

ROLLCALL VOTE: Miller-yes, Frank-yes, Lyon-yes, Chivens-yes, Enns-yes

VOTE 5-0 Motion passed

9. DISCUSSION AND CONSIDERATION TO REALLOCATE THE CAPITAL PROJECTS BUDGET

Manager Koon explained the proposed reallocation of the CIP Budget to the Board and elaborated on the need for a new piece of equipment for the treatment plant.

Director Frank asked how the membranes will be removed when they need to be replaced. Manager Koon answered that they will need to be lifted out with a small crane when required.

President Enns supported buying a new Caterpillar Compact Track Loader, pointing out that when you buy a used piece of machinery you never know why it's been sold.

President Enns opened the meeting to Public Comment.

Hearing no comment, President Enns closed Public Comment.

MOTION: 1st by Chivens, to reallocate the Capital Projects Budget and purchase a new Caterpillar Compact Track Loader. Motion was seconded by Lyon.

ROLLCALL VOTE: Chivens-yes, Lyon-yes, Miller-yes, Frank-yes, Enns-yes

VOTE 5-0 Motion passed

10. CAYUCOS SUSTAINABLE WATER PROJECT STATUS UPDATE

Manager Koon informed the Board that the plant is operating well. He will be meeting with Souza next week to work out the details with the outfall tie in. Evoqua will need to come back out to work on a pump and tweak the programming, which doesn't quite fit the needs of our small town, but they will modify what they can to make it work. Staff is noticing less I&I and the water level has dropped, which means staff is learning to adjust. Soon Manager Koon will start working with Dylan Wade of WSC on the Recycled Water Program. He is working on insuring the plant for \$20 million and Lift Station 5 for \$1.5 million.

Director Frank asked if the District will be able to spray the weeds at the plant, as opposed to having to mow. Manager Koon answered that he would in fact prefer to mow, as the agriculture present in the area might be sensitive to chemicals. Director Frank next asked for an update on the cemetery, to which Manager Koon answered they are still performing their feasibility study, which will require changing the zoning.

Manager Koon went on to share that the District is on LAFCO's agenda next month for rezoning of the Treatment Plant property. The District received a \$4.5 million grant from the USDA, which will be turned over to Western Alliance Bank and will leave only the Series B loan left to pay off (\$5 million). The District can begin to pay off that loan with the \$380,000.00 and \$2 million coming from selling property to the City of Morro Bay and the Cayucos Land Conservancy.

President Enns opened the meeting to Public Comment.
Hearing no comment, President Enns closed Public Comment.

11. BOARD MEMBER COMMENTS

This item provides the opportunity for Board members to make brief announcements and/or briefly report on their own activities related to District business.

None.

12. FUTURE SCHEDULED MEETINGS

- September 16, 2021 – Regular Board Meeting
- October 21, 2021 – Regular Board Meeting
- November 18, 2021 – Regular Board Meeting

13. ADJOURNMENT

The meeting adjourned at 6:23 p.m.

Minutes Respectfully Submitted By:

X Amy Lessi

Amy Lessi
Administrative Services Manager