

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

GOVERNING BOARD
R. B. Enns, President
D. Chivens, Vice-President
S. Lyon, Director
M. Foster, Director
D. Lloyd, Director

**REGULAR MEETING
MINUTES
Tuesday, April 18, 2013
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, Director Shirley Lyon, Director Dan Chivens, Director Michael Foster and Director Dan Lloyd.

Staff present: District Manager Rick Koon and Administrative Services Accounting Manager Anita Rebich

2. PUBLIC COMMENTS

President Enns opened the meeting to Public Comments. Hearing none President Enns closed Public Comments.

**3. DISCUSSION OF DISTRICT INVESTMENTS WITH KAREN SHANLEY- INVESTMENT ADVISOR,
WITH CONSIDERATION TO REINVEST**

Karen Shanley, President of Shanley & Assoc. our District Investment Advisor handed out an overview of both the District's Reserve Investment and the Capital Facilities accounts. She reviewed the investments in the accounts and gave further insight into the cash and money market accounts and the federal government investment yields. Shanley also reviewed the current trends for the US Treasury 10YR Index, iShares Barclays 7-10 Year Treasury Bond Fund and the iShares Barclays US Treasury Inflation Protected Securities. Shanley and the Board discussed what we can and cannot invest in and our investment limits as per the Investment Policy Statement under the California Municipal Code. Shanley reviewed a few investment options she ran earlier in the day that showed the potential for higher returns and gave her recommendations on them. Foster commented that Shanley has always had sound advice for the District and recommended that we continue with her strategy. A motion was made by Foster and discussed amongst the Board. The Board would like to have Shanley back for monthly for updates. **MOTION:** 1st by Foster, 2nd by Lloyd to Invest up to \$1.5 million in Investment Grade Securities for a maximum term of 5 Years with a maximum of \$1 million in any 1 instrument. This authorization is good through July 31, 2013. **VOTE: 5-0** Motion passed

**4. ELECTION OF SAN LUIS OBISPO LOCAL AREA FORMATION COMMISSION (LAFCO) SPECIAL
DISTRICT MEMBER**

MOTION: 1st by Lloyd, 2nd by Lyon to elect Marshall Ochylski of the Los Osos CSD as a Special District LAFCO Commissioner. **VOTE: 4-1** (Foster-no) Motion passed.

5. UPDATE FROM THE AD-HOC COMMITTEE ON CONCEPTUAL ALTERNATIVES ANALYSIS

Lloyd and Koon reported that the meetings with WSC are going well and they have defined the parameters for the system, design costs, aquifer regeneration, purple water etc. These parameters range from oxidation ditches with spray irrigation to de-chlorination and sending to the outfall pipe. All options are being considered and sending the effluent to the CMC WWTP along with expansion of this facility to accommodate increased flow, is a very viable option.

6. STAFF COMMUNICATIONS AND INFORMATION ITEMS (NO ACTION REQUIRED):

A. Manager Koon's report was presented. He elaborated that the CUSI billing system was up and running and the April bills were generated from that system. There was a delay in getting the bills out, but they are out and the hiccups in the system are being worked through. Koon reported the draft budget is ongoing and the Budget Committee needs to meet in the earlier part of May to review and approve a draft to go before Board at the May meeting, the Board will then need to vote on the final budget at the June meeting. Koon further reported the new Master Control Center is in at LS#5 along with slab improvements and a lean-to has been constructed over the MCC. LS#3 plans are expected to be completed by Above Grade Engineering soon, one pending item is the depth of our 8" main in that area which will establish the necessary depth of the wet well. Koon updated the Board on green waste limitations for Cayucos due to the ongoing quarantine we are under from the Brown Apple Moth. An additional clean-up week, a green waste drop-off site and green waste curbside containers costs were quoted by Tom Martin and read to the Board by Koon. Foster questioned a couple items on the check register in regard to the approved spending limit and asked to see the Board packets from the August and September 2012 meetings. Foster then stated we were working outside our own policy and these types of expenditures, over \$15,000.00 on emergency expenditures and \$20,000.00 on approved budget items, need to come to the Board for approval.

7. CONSENT CALENDAR

- A. Approval of Minutes for the March 21, 2013 Board of Directors Meeting
- B. Approval of Minutes for the March 21, 2013 Special Board of Directors Meeting

MOTION: 1st by Lloyd, 2nd by Lyon to Approve the Consent Calendar as presented.

VOTE: 5-0 Motion passed.

8. BOARD MEMBER COMMENTS

Lloyd announced he is unable to attend the June 9, 2013 JPA meeting. Lyon announced she will not be available for the May 16, 2013 Board of Directors meeting due to a scheduling conflict.

9. SCHEDULED MEETINGS

- A. **Ad-Hoc Committee Meeting on Conceptual Alternative Analysis**, *Date:* May 2, 2013, *Location:* TBA, *Time:* 2:00pm
- B. **CSD Budget Committee Meeting**, *Date:* May 7, 2013, *Location:* 200 Ash Ave., Cayucos, *Time:* 10:00am
- C. **Morro Bay-Cayucos Wastewater Treatment Plant (JPA) Meeting**: *Date:* May 9, 2013, Hosted by City of Morro Bay, *Location:* Community Center, 1001 Kennedy Way, *Time:* 6:00pm
- D. **Regular Board of Directors Meeting**, *Date:* May 16, 2013, *Location:* Cayucos Sanitary District Office, 200 Ash Ave., *Time:* 6:00pm

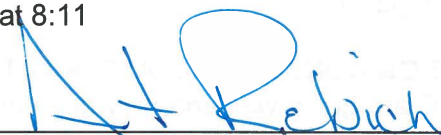
10. SCHEDULE AGENDA ITEMS FOR THE MAY 16, 2013 BOARD MEETING

Karen Shanley update on investment strategy. Presentation of Draft Budgets (Fiscal and Capital Improvements) for FY 2013-14

11. ADJOURNMENT

The meeting adjourned at 8:11

Minutes recorded by:



 Anita Rebich, Clerk to the Board