

CAYUCOS SANITARY DISTRICT
200 Ash Avenue
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GOVERNING BOARD
R. B. Enns, President
H. Fones, Vice-President
S. Lyon, Director
M. Foster, Director
D. Chivens, Director

SPECIAL MEETING MINUTES
Tuesday, June 12, 2012
12:00 p.m.

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 12:08 p.m.

Board members present: President Robert Enns, Vice-President Hal Fones, Directors Shirley Lyon, Michael Foster and Dan Chivens.

Staff present: Interim District Manager Rick Koon, ASO Lewis Brookins, AST Anita Rebich and Morro Bay-Cayucos WWTP Division Manager

Visitors present: Dorothy Fones

2. PUBLIC COMMENTS

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

3. REVIEW AND DISCUSSION OF FY 2012-2013 WWTP BUDGET

Bruce Keogh clarified for the Board that his roll is still that of WWTP Manager. His split roll between WWTP and collections is awaiting City Council vote. The budget presented is for the WWTP only and contains no collections budget items. Keogh referred to his budget notes at the back of the budget and stated the maintenance and operation items are just to keep the plant running, there are no big capital projects in this budget.

Director Foster asked who is responsible for putting the budget together, Keogh responded himself and his staff put together the budget with the exception of the wages which come from Personnel/HR and insurance which comes from Risk Management. Director Foster asked Keogh several more questions and then stated he still wasn't happy with the Earthquake and Flood insurance cost. Director Foster asked if this EQ/Flood insurance had ever gone out for bid or if the insurance was even necessary. Director Foster then asked if we could get a component valuation for the WWTP to see what we are paying for or if this \$38 million value is anywhere close.

Director Lyon stated she wasn't sure if the plant was allowed to operate without EQ/Flood insurance. President Enns asked why the income/revenue is down. ASO Brookins explained we pay on expenses only so the revenue portion listed is based on the expense required and they zero out.

Discussion continued among the Board and Keogh on various budget items. Keogh stated he would relay Director Foster's concerns on the EQ/Flood insurance to the appropriate people.

4. UPDATE ON THE CALIFORNIA COASTAL COMMISSION STAFF MEETING OF JUNE 11, 2012

Interim District Manager Koon reported the June 11, 2012 CCC Staff meeting is delayed until June 22, 2012. Manager Koon stated the CCC staff has not provided any additional requirements of what they want to see. The June 22 meeting goal will be to get them (CCC staff) to schedule the project for the August agenda and to respond to our consultants with additional questions. Director Foster asked if the CCC gave a reason for

changing the meeting date. Keogh responded that an email he read stated they were "unprepared to meet at this time".

Director Foster commented that we hired Dudek to prepare an Alternative Site Analysis and now we are using them as a lobbyist for the current site. This looks very one-sided to the public and undermines Dudek's credibility. President Enns responded that we hired them to perform a job, now they are backing their findings; he (Enns) sees no problem with that.

5. DISCUSSION OF STRATEGIC PLANNING FOR THE DISTRICT

President Enns asked Manager Koon about the expected outcome of the June 22, 2012 CCC staff meeting. Manager Koon replied the CCC staff may very well recommend denial, we won't receive their report until August, the CCC meets August 8, 2012 in Santa Cruz and they will either deny or ask for more input.. President Enns asked if the CCC does deny the project, what course do we take. Manager Koon responded that we need to wait until the CCC does make a decision because the RWQCB will not look favorably on a plan change until the CCC shoots down the current plan. Manager Koon stated that Susan McCabe is attempting to find out if the CCC staff will provide us with any recommendations.

President Enns suggested we make a list of who will attend the CCC staff meeting on 22 June 2012 and the rest can listen in via telephone. It was recommended that we (Cayucos Sanitary District) come up with alternative strategies should this project be denied, we need to explore all alternatives.

6. ADJOURNMENT

The meeting adjourned at 1:34 p.m.

Minutes recorded by: _____



Anita Rebich, Administrative Services Tech