

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
Thursday, May 15, 2014
6:00 p.m.

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 6:01p.m.

Board members present: President Robert Enns, Vice-President Dan Chivens and Director Shirley Lyon. Director Michael Foster was absent and Director Dan Lloyd was on vacation. Director Foster arrived at 6:03 p.m.

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

2. PUBLIC COMMENTS

President Enns opened the meeting to Public Comments.

Steve MacElvaine owner of Rancho Colina spoke about the concept of moving the WWTP to his property. He welcomes the idea and says he'll work with the City of Morro Bay and Cayucos Sanitary District to make this happen. He invited any or all of the Board to come take a tour of his property and stated he is always available for questions.

Hearing no others, Public Comments was closed.

3. UPDATE OF DISTRICT INVESTMENTS WITH KAREN SHANLEY, INVESTMENT ADVISOR

Karen Shanley handed out an Investment Account Overview and reviewed with the Board what each account consists of. Karen reviewed the current rates and elaborated on what drives them. Graphs were presented on both the 5 and 10-year Treasury Bond showing the overall movement of the returns and Karen discussed a few bonds that she recommend we invest in. There are several bonds out there that are offering either a discounted rate or are selling at face value, which we haven't seen for a while. President Enns asked about moving money from our money market account and purchasing some of these bonds. Karen recommended we purchase \$500,000 US Treasury Sec., \$500,000 of Freddie Mac which are both discounted rates (\$95.320 and \$88.814 respectively) and \$1,000,000 of Federal Home Loan Banks which would be at face value. With the longest maturity date on these being 2019, Manager Koon stated now is a good time to invest since we have no immediate spending need for these funds. Director Foster said the trends looked like a normal trading range, he wasn't sure that elevated expediency was required but did agree the investments looked good.

MOTION: 1st by Enns, 2nd by Lyon to Purchase With Existing Money Market Funds; \$500,000 of US Treasury Sec, \$500,000 of Freddie Mac and \$1,000,000 of Federal Home Loan Banks.

VOTE: 4-0 Motion passed

4. CONSIDERATION TO REINVEST HERITAGE OAKS BANK CERTIFICATE OF DEPOSIT EXPIRING 5/30/2014

Staff explained the amount needed to reinvest without exceeding the \$250,000 FDIC limit at the end of the new term would be around \$147,000, so a cash out of some funds will be required since the existing CD balance is at ±\$251,261.

MOTION: 1st by Lyon, 2nd by Chivens to Reinvest the Heritage Oaks Bank CD at the Annual Rate of .65% for a Period of 24 Months

VOTE: 4-0 Motion passed

5. CONSIDERATION TO APPROVE 2ND QUARTER 2013/14 WWTP OPERATIONS & MAINTENANCE INVOICE FROM THE CITY OF MORRO BAY IN THE AMOUNT OF \$176,407.37

Manager Koon reported the invoice was reviewed by staff and all looked in order. Director Foster asked about the charges listed for the Facility Relocation Project and it was confirmed that the District does not get charged for this, it's completely a Morro Bay expense.

MOTION: 1st by Lyon, 2nd by Foster to Approve the Payment of the 2nd Quarter 2013/14 WWTP Operation & Maintenance Invoice from the City of Morro Bay in the Amount of \$176,407.37

VOTE: 4-0 Motion passed

6. DISCUSSION AND CONSIDERATION TO AUTHORIZE THE DISTRICT MANAGER TO SOLICIT BIDS, AWARD AND EXECUTE A CONTRACT FOR THE REPLACEMENT OF A PORTION OF THE BAKERSFIELD/FRESNO EASEMENT SEWER MAIN

Manager Koon recapped the project and the timeline. Director Chivens reported that the owners of the property at 19 Fresno encountered a delay and the house isn't scheduled for demolition until around the 15th of June. Manager Koon stated this shouldn't be a problem as far as access to the easement, one of the contractors who looked at the project stated they could possible work from the bottom of the easement up, thus not requiring entrance from 19 Fresno. Chivens said it shouldn't be a problem staging equipment at the 19 Fresno location.

MOTION: 1st by Chivens, 2nd by Foster to Authorize the District Manager to Solicit Bids, Award and Execute a Contract for the Replacement of a Portion of the Bakersfield/Fresno Easement Sewer Main

VOTE: 4-0 Motion passed

7. UPDATE FROM THE AD-HOC COMMITTEE ON CONCEPTUAL ALTERNATIVES ANALYSIS FOR WASTEWATER TREATMENT PLANT PROJECT

Manager Koon briefly recapped the 3/21/14 meeting with the County of SLO, RWQCB, Morro Bay staff and Cayucos Ad-Hoc committee. A meeting was also held with Bruce Gibson and Paavo Ogren and a result of that meeting is the draft letter you were just given a copy of addressed to Assemblyman Katcho Achadjian. The letter is intended to enlist the assistance of Achadjian in getting the California Department of Corrections and Rehabilitation to consider turning over the CMC WWTP to the County to accommodate a regional WWTP run by the County. Director Foster commented that the third to the last paragraph is the main point of the letter, can the letter be tweaked to get this paragraph at the beginning. President Enns agreed and said they will look at it.

Manager Koon stated the RWQCB is working to support this project and the County also seems to support the project. Koon went on to explain the future operational & upgrade costs of a regional facility are more viable.

Director Chivens was surprised that Morro Bay was on board with moving the WWTP a mile and a half up the road.

Director Foster stated that neither Morro Bay nor the CSD, have the ability to handle a \$67M+ construction project; being a City, they have a lot on their plate.

Manager Koon said being a customer is the easiest route. The decision would then just be who's going to give us the best rates. Monies saved by not being an owner can be reinvested in the community.

President Enns would like the Board consensus to let Koon talk to Morro Bay about the Rancho Colina site versus the CMC site and make sure they still keep CMC as an option. The Board concurred that would be a good move.

Director Foster thinks it may be worth our while to invest in a consultant to give us own independent analysis of CMC vs. Rancho Colina.

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

A. Manager Koon's report was accepted as presented. Koon commented on the expected approval by the County Board of Supervisors of the Cold Canyon Landfill expansion and the cost impact to ratepayers from the progressive increases of the tipping fee that will be charged through 2022. Manager Koon also relayed that the CCTV camera is finding a lot of problem areas; the dilemma here is how to not piecemeal and patchwork the repairs, and to determine the extent of each job.

9. CONSENT CALENDAR

A. Approval of Minutes for the March 20, 2014 Board of Directors Meeting

MOTION: 1st by Lyon, 2nd by Chivens to Approve the March 20, 2014 Minutes as presented.

VOTE: 4-0 Motion passed

10. BOARD MEMBER COMMENTS

Director Chivens announced he will be out of town for the June 12, 2014 JPA meeting and will be unable to attend.

11. SCHEDULED MEETINGS

A. **Morro Bay-Cayucos Wastewater Treatment Plant (JPA) Meeting:** Date: June 12, 2014, Hosted by Cayucos Sanitary District, Location: Vet's Hall, Time: 6:00pm

12. SCHEDULE AGENDA ITEMS FOR THE JUNE 19, 2014 BOARD MEETING

13. ADJOURNMENT

The meeting adjourned at 7:55 p.m.

Minutes recorded by:



Anita Rebich, Administrative Services

Director Foster stated that the Board should not be asked to handle a 2014 construction project, but a City that has a lot on their plate.

Manager Foster said that a contract for the project route. The decision would then just be who's going to give us the best route. After that day, it will be an option that can be presented to the community.

President Clark would like the Board to consider a lot of options for the Board. The Board should not be asked to handle a 2014 construction project, but a City that has a lot on their plate.

Director Foster stated that the Board should not be asked to handle a 2014 construction project, but a City that has a lot on their plate.

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

A Manager's report was presented as presented. Board members of the Board of Directors of the County Board of Supervisors of the County Board of Supervisors and the Board of Supervisors of the County Board of Supervisors. The Board of Supervisors of the County Board of Supervisors and the Board of Supervisors of the County Board of Supervisors.

9. CONSENT CALENDAR

A. Approval of Minutes for the March 20, 2014 Board of Directors Meeting
Motion: 17 by Councilman 2, 10-10-14 to approve the March 20, 2014 Minutes presented.
VOTE: 4-6 Motion passed

10. BOARD MEMBER COMMENTS

Director Girman announced he will be out of town for the June 12, 2014 JPA meeting and will be unable to attend.

11. SCHEDULED MEETINGS

A. Monday, June 23, 2014: Board of Directors Meeting (JPA) Meeting Date: June 23, 2014
Hosted by: Carolyn Searles, Director, Board of Directors, Room 100, Time: 8:00am

12. SCHEDULED AGENDA ITEMS FOR THE JUNE 23, 2014 BOARD MEETING

13. ADJOURNMENT

The meeting adjourned at 7:52am.

Motion: 18 by Councilman 2, 10-10-14 to adjourn the meeting.
VOTE: 4-6 Motion passed