

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

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

REGULAR MEETING  
MINUTES  
June 16, 2011  
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 B. Enns and Directors Shirley Lyon, Michael Foster and Dan Chivens

Board members absent: Vice-President Hal Fones

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

Consultants present: Tim Carmel, District Counsel, and Tom Martin, Mission Country Disposal General Manager

2. PUBLIC COMMENTS

There were no public comments.

3. MISSION COUNTRY DISPOSAL

A. DISCUSSION OF PROPOSED CHANGES TO SOLID WASTE SERVICE FROM MANUAL TO AUTOMATED SERVICE WITH CONSIDERATION TO ADOPT PROPOSED CHANGE

Manager Callahan's written report was received. Mission Country Disposal (MCD) General Manager Tom Martin answered questions from Board members regarding the proposed automated garbage service. He reported that an automated system of trash collection should reduce the incidence of Workers' Compensation claims, as the drivers won't be lifting the cans. He recommended the Board consider Option B, which, although it does not include a 19-gallon wastewheeler, offers better rates for the 32, 64 and 96-gallon waste wheelers than Option A. He added that in-yard garbage service will still be available for either option.

MOTION: First by Lyon with second by Chivens to adopt Option B, proposed changes to MCD solid waste service from manual to automated collection with curbside and in-yard service. VOTE: 4-0

B. CONSIDERATION TO ADOPT THE 3.16% PROPOSED RATE INCREASE FOR SOLID WASTE DISPOSAL SUBJECT TO PROPOSITION 218 PROCESS

Manager Callahan's written report and Mission Country Disposal's interim year rate request of 3.16% were received. MCD General Manager Tom Martin stated that the last rate increase was in 2008 and the proposed rate change is mainly due to an increase in landfill tipping fees from a rise in environmental compliance costs and decreased commercial business revenue, and for a cost of living (cola) increase.

MOTION: First by Lyon with second by Enns to adopt the 3.16% increase for solid waste disposal subject to Proposition 218, and directing staff to begin the process. VOTE 3-1 (Foster dissenting)

#### 4. DISCUSSION OF STATUS OF JPA REVISIONS WITH DISTRICT COUNSEL

District Counsel Carmel's written report and preliminary "working draft Amended and Restated" Joint Powers Agreement (JPA) were received for the Board's review and direction. He expects many revisions as provisions will change when a project is decided on, site analysis is completed, a location determined, and funding secured. President Enns pointed out ambiguous wording regarding resolution of an impasse, "...vote on the disputed issue at a subsequent meeting". Carmel recommended putting a time limit for the subsequent meeting to take place. Enns suggested Attorney Terry Schubert (former District Board member) review the amended JPA as well. Callahan announced there is an electronic version of the JPA available for reviewing.

#### 5. DISCUSSION OF BOARD MEMBER COMMUNICATIONS (ENNS)

President Enns expressed concern over recent individual Board member communications with the public and discussed the District policy requiring Directors to support the majority decisions of the Board. Discussion continued with President Enns speaking about the importance of accurate and factual information being conveyed to the public via individual Board members. These sentiments were echoed by Director Lyon and Cayucos Sanitary District Legal Counsel, Tim Carmel.

#### 6. DISCUSSION OF O&M GARAGE PROJECT CHANGE ORDER

Manager Callahan's written report was received. The most recent approved change order (\$3,744.00) was the result of wet soil conditions and required additional excavation and backfill. Callahan handed out a summary of all approved change orders to date as well as several pending approval. Those pending are: CAT 5, phone line & receptacles not on the project plans (\$1,300.00), painting the existing office not called out on the plans (\$3,500.00±), and the County designed curb and gutter which resulted in a significant increase in pave out costs (\$17,000.00). Callahan indicated he will be meeting with the County to discuss the issues.

#### 7. DISCUSSION OF DRAFT DISTRICT NEWSLETTER: SUMMER EDITION

Callahan provided a draft version of material to include in the Summer 2011 edition of the CSD Newsletter for input from the Board. President Enns suggested including a photo of the office. He also recommended scheduling a ribbon cutting ceremony when the O&M Garage and Shop Project is completed. Board members were given a July 8 deadline to submit any material for the newsletter for consideration at the July 21 meeting.

#### 8. DISCUSSION OF ADDITIONAL SCOPE OF SERVICES REQUESTED FOR AUDIT SERVICES AGREEMENT WITH MOSS, LEVY AND HARTZHEIM, CPAs

ASO Brookins' written report was received. Brookins stated he received a quote from Moss, Levy & Hartzheim (\$1,500-\$2,000) for an internal control evaluation, but pointed out that the auditors did test internal controls during their interim audit work June 13 and 14. There was consensus of Board members to continue with the regular audit this year.

#### 9. CONSIDERATION TO APPROVE DRAFT BUDGET FOR THE 2011-2012 FISCAL YEAR

ASO Brookins' written report and "draft" operations budget for FY 2011-2012 were received. Callahan reported he received a \$50,000 budget revision from Morro Bay for FY 2011-2012 Wastewater Treatment Plant operations. The District's portion should be approximately \$13,000. The Board was asked to approve the addition to the "draft" District budget.

MOTION: First by Lyon with second by Foster to approve the District Operations Budget for FY 2011-2012. VOTE: 4-0

MOTION: First by Foster with second by Chivens to approve a \$13,000 increase in WWTP Operations to the FY 2011-2012 District Operations Budget. VOTE 4-0

10. CONSIDERATION TO APPROVE DRAFT CAPITAL PROJECTS FOR THE 2011-2012 FISCAL YEAR

ASO Brookins' written report and "draft" budget were received. Proposed Capital Improvement Projects (CIP) for FY 2011-2012 include continuing sewer line replacements/rehabilitation, Lift Station 3 Relocation/Upgrade, a new motor control center (MCC) at Lift Station 5, and the 10% retention for the O&M Garage and Shop Project. Manager Callahan reported the District will be taking part in a pilot study to prioritize defects in sewer main lines by electro scanning the lines when flooded.

MOTION: First by Foster with second by Lyon to approve the Capital Improvement Project Budget for FY 2011-2012. VOTE: 4-0

11. DISCUSSION OF FUTURE STRATEGIC PLANNING FOR THE DISTRICT

Manager Callahan's written report was received. He reported that future strategic planning would require considerable effort and commitment from Board members and staff, and stated he met with Dale Magee (Catalyst Consulting). Ms. Magee offered to facilitate development of a solid plan, if the Board wishes. With concurrence of Board members, President Enns requested a proposal from Ms. Magee at the next Board meeting.

12. CONSIDERATION TO APPROVE 3RD QUARTER FY 10-11 WWTP OPERATIONS INVOICE FROM THE CITY OF MORRO BAY FOR COST REIMBURSEMENT

ASO Brookins' report recommending approval of the 3rd Quarter invoice from Morro Bay was received.

MOTION: First by Lyon with second by Foster to approve the 3rd Quarter FY 10/11 WWTP operations invoice from Morro Bay in the amount of \$71,045.35. VOTE: 4-0

13. CONSIDERATION TO ADOPT CAYUCOS SANITARY DISTRICT RESOLUTION NO. 2011-2: EMPLOYER PAID MEMBER CONTRIBUTIONS

ASO Brookins' written report and "draft" resolution were received. He reported that District staff voted to absorb the 2% increase in employer costs for retirement effective July 1, 2011, and recommended the Board adopt Resolution No. 2011-2, reducing the Employer Paid Member Contributions by 2% and increasing the Employee Paid Member Contributions 2%.

MOTION: First by Lyon with second by Foster to adopt Resolution No. 2011-2 for Employer Paid Member Contributions.

ROLL CALL VOTE: Enns (yes), Lyon (yes), Foster (yes), Chivens (yes)

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

A. District Manager's Report (Callahan) – May 2011

Manager Callahan reported on the public workshops scheduled to receive comments on the WWTP Upgrade Project alternatives analysis process, candidate evaluation criteria, and preliminary site identification. The workshops will be held June 27 and 28, and notices have been posted and mailers sent out to all property owners. Callahan stated the public will be able to email questions/comments at the WWTP website. Callahan reported he and Morro Bay staff will be meeting again with Evelyn Morgan and Larry Thibeault (Wind and Solar Solutions) to discuss the WWTP Upgrade Project.

B. Administrative Services Officer's Report (Brookins) – May 2011

ASO Brookins' provided a progress report on the billing program upgrade.

15. CONSENT CALENDAR

A. Approval of Minutes for the May 10, 2011 Special Board of Directors Meeting

B. Approval of Minutes for the May 19, 2011 Regular Board of Directors Meeting

C. Approval to pay outstanding bills as of June 16, 2011

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

16. BOARD MEMBER COMMENTS

There were no comments.

17. SCHEDULED MEETINGS

- A. Morro Bay-Cayucos Wastewater Treatment Plant (JPA) Meeting, *Date:* July 14, 2011, *Hosted By:* City of Morro Bay, *Location:* TBD, *Time:* 6:00 p.m.

Callahan reported the upcoming Public Outreach Meetings for WWTP Alternatives Analysis, *Dates:* Monday, June 27, 2011, from 6:00 p.m. to 8:00 p.m., at the Veterans Memorial Building, 209 Surf Street, Morro Bay, CA, *and* Tuesday, June 28, 2011, from 11:00 a.m. to 1:00 p.m., at the Veterans Memorial Building, 209 Surf Street, Morro Bay, CA

18. SCHEDULE AGENDA ITEMS FOR THE JULY 21, 2011 BOARD MEETING

- Proposal from Dale Magee for District Strategic Planning
- Review and consideration of Draft District Newsletter: Summer Edition
- Status report on County required offsite improvements (curb and gutter at corner of Ash Ave.)

19. ADJOURNMENT

The meeting adjourned at 9:05 p.m.

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