

**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

**SPECIAL MEETING MINUTES**  
**Thursday, June 26, 2012**  
**6:00 p.m.**

**1. ESTABLISH QUORUM AND CALL TO ORDER**

President Enns called the meeting to order at 6:06 p.m.

Board members present: President Robert Enns, Vice-President Hal Fones, and Directors Michael Foster, Shirley Lyon and Dan Chivens. Staff present: District Manager Rick Koon, Administrative Services Officer (ASO) Lewis Brookins, and Administrative Services Tech Anita Rebich

Visitors present: Dave Zevely and Dorothy Fones

**2. PUBLIC COMMENTS**

President Enns opened the meeting to Public Comments.

Dave Zevely read a letter he wrote providing an overview of the O&M staff and the assets they brought to the District when they were hired. He showed some examples of the electronic technology that has been introduced into the O&M department along with other cost cutting measures they have been working on. Zevely concluded by stating that he wants his guys to stick around, training new employees is too costly, and one of the ways to help keep good employees is by offering a fair wage along with earned increases and periodic COLA's.

Dorothy Fones concurred with Zevely and backs the merit and COLA increases.

Hearing no further comments, President Enns closed Public Comment.

**3. CONSIDERATION TO ADOPT CAYUCOS SANITARY DISTRICT RESOLUTION 2012-3 REQUESTING THEIR BIENNIAL ELECTION BE CONSOLIDATED WITH THE NOVEMBER 6, 2012 GENERAL ELECTION.**

**MOTION:** 1st by Fones, 2nd by Lyon to adopt Resolution 2012-3 as amended by District Counsel.

**ROLL CALL VOTE:** Enns (yes); Fones (yes); Lyon (yes); Foster (yes); Chivens (yes)

**4. REMOVAL OF PREVIOUS DISTRICT MANAGER, WILLIAM CALLAHAN FROM CAYUCOS SANITARY DISTRICT LIST OF AUTHORIZED SIGNERS**

President Enns recommended adding Rick Koon on as an authorized signer so the District would again have 4 signers.

**MOTION:** 1st by Lyon, 2nd by Fones to remove Callahan and add Koon to CSD listed of authorized signers.

**VOTE:** 5-0

**5. CONSIDERATION TO APPROVE DRAFT BUDGET FOR THE 2012-2013 FISCAL YEAR**

A. Operating Budget – Director Foster stated the Budget & Finance Committee reduced the amount allocated for the reserve study but no total number has yet been discussed by the Budget & Finance Committee. President Enns reported the Budget & Finance Committee recommends a hold on all salary increases. Director Foster concurred that was the recommendation from the committee. He stated that Zevely made some compelling arguments but the Personnel Committee needs to look at consolidating reviews and salary adjustments in aggregate and come back to the Board with their recommendations.

B. Capital Improvements Projects – Manager Koon recapped the budgeted projects for FY 2012-2013 and explained they may not all get done but they were in the budget.

C. COLA Consideration - President Enns commented that the 5% merit increase seems to be an expectation and that this 5% compounds every year. He would like to see the Personnel Committee research and bring the Board comparisons of other like districts. President Enns also stated he would like to review Prop 218 requirements and see where we stand based on the current conditions. Manager Koon said we need to get this budget passed since it's the end of the fiscal year, he would like to see the 3% COLA approved and hold on any merit increases until the Personnel Committee reviews the process. Director Foster asked if all employees get the COLA or if you could tie it to length of employment, he doesn't feel new employees should get a raise right away. ASO Brookins pointed out that we have journey level employees that took lower pay to work here with the expectation of stepped merit increases and COLA's. He also stated that the COLA is an across the board adjustment to pay scales, it's not tied to an individual, length of employment or performance. Manager Koon explained there is a PERS health insurance increase coming along with other cost increases as reasoning for the recommendation of the COLA. Directors Chivens and Foster both thought Zevely made some good points and agree with his outlook on personnel. ASO Brookins recommended the Board may want to hire an outside firm to look at the salary structure and compare.

President Enns requested an Ad Hoc committee to review the Prop. 218 requirements to see what needs to go where and get a better idea of what is allocated. President Enns recommends approving the COLA and moving forward on budget approval.

**MOTION:** 1st by Lyon 2nd Fones to approve FY 2012-13 Operating Budget as presented with 3% COLA increase effective July 1, 2012 with a hold on merit increases until an evaluation of the policy and procedure can be completed by Personnel Committee and a recommendation can be brought to the Board.

**VOTE:** 5-0

**6. CONSIDERATION TO APPROVE PAYMENT OF 3RD QUARTER FY 11-12 INVOICE FOR THE OPERATIONS AND MAINTENANCE OF THE MORRO BAY-CAYUCOS WASTEWATER TREATMENT PLANT**

The Board again commended ASO Brookins on his working relationship with Morro Bay and his ability to get information from them in a timely manner.

**MOTION:** 1st by Chivens, 2nd by Fones to approve payment to Morro Bay for 3rd quarter FY11-12 WWTP O&M invoice.

**VOTE:** 5-0

**7. CONSIDERATION TO APPROVE PAYMENT OF 3RD QUARTER FY 11-12 INVOICE FOR THE MORRO BAY-CAYUCOS WASTEWATER TREATMENT PLANT UPGRADE PROJECT**

**MOTION:** 1st by Chivens, 2nd by Fones to approve payment to Morro Bay for 3rd quarter WWTP upgrade invoice.

**VOTE:** 5-0

**8. UPDATE ON THE CALIFORNIA COASTAL COMMISSION STAFF MEETING MOVED FROM JUNE 11 TO JUNE 22, 2012**

A handout of Dennis Delzeit's memorandum summarizing the June 22, 2012 meeting with the CCC staff was distributed. Manager Koon presented his summary of Delzeit's memo. Director Foster commented that he was glad he listened in on the meeting, and he was quite impressed with Delzeit's knowledge of the project and not so impressed with McCabe. Director Foster continued that he felt the CCC staff wasn't willing to show their hand, but they alluded to the fact that the Los Osos project can recycle 100% and we still need the outfall pipe.

Manager Koon stated the CCC staff was expressed concerns with past issues regarding water quality and water shortages without reading the submitted reports and studies.

President Enns presented his take and felt the CCC staff and commissioners have a philosophical idea that the beach isn't a proper place for a WWTP. President Enns stated that if we move the plant it would cost us an additional \$25+ million, let's look at options for Cayucos and see what we can get for \$25 million. Director Lyon asked if it would behoove us to meet with the new MB council and find out where they're at with this.

Discussion continued amongst the Board.

Director Foster referenced Appendix B of the Dudek report and commented on the thoroughness of the reporting based on varying circumstances. Director Foster handed out a paper he prepared to the Board and to Manager Koon recapping his findings and opinions on the WWTP project. He sees the environmental hazards as real and something we need to pay attention to. Director Foster commented that we need to look at both Morro Bay and Cayucos interests and determine if they align.

#### **9. STAFF COMMUNICATIONS AND INFORMATION ITEMS (NO ACTION REQUIRED):**

##### **A. District Manager's Report – May 2012**

Manager Koon presented his report and recapped the recommendations from the various committees that met during the month.

##### **B. Administrative Services Officer's Report – May 2012**

ASO Brookins written report was received. He reported that billing software demos would begin in the next few weeks along with hardware evaluations.

#### **10. CONSENT CALENDAR**

##### **A. Approval of Minutes for the May 17, 2012 Board of Directors Meeting**

**MOTION:** 1st by Lyon, 2nd by Fones to approve the Consent Calendar.

**VOTE:** 5-0

President Enns asked what happened to the Approval to Pay Bills portion of the Consent Calendar. ASO Brookins explained that since the bills presented for approval were only part of what is paid and a Board member signs every check, it was deemed to be an unnecessary item for the Consent Calendar.

#### **11. BOARD MEMBER COMMENTS**

Director Lyon thanked President Enns for speaking at a Board of Realtors meeting she hosted and for participating in a Q&A panel.

#### **12. SCHEDULED MEETINGS**

##### **A. Morro Bay-Cayucos Wastewater Treatment Plant (JPA) Meeting, *Date:* July 12, 2012, *Hosted By:* City of Morro Bay, *Location:* TBA, *Time:* 6:00 p.m.**

#### **13. SCHEDULE AGENDA ITEMS FOR THE JULY 19, 2012 BOARD MEETING**

#### **14. ADJOURNMENT**

The meeting adjourned at 8:00 p.m.

Minutes recorded by: \_\_\_\_\_



Anita Rebich, Administrative Services Tech

