

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
MARCH 16, 2011
5:30 P.M.

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 5:35 p.m.

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

Board members absent: Director Shirley Lyon

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

Visitors present: Dorothy Fones

2. PUBLIC COMMENTS

President Enns opened the meeting to Public Comments. There were none.

3. OPERATIONS AND MAINTENANCE GARAGE PROJECT JOB WALK HOSTED BY RSH CONSTRUCTION

Kenton Hendricks of RSH Construction hosted the job walk and answered questions regarding the project.

4. DISCUSSION OF CSD ORDINANCE NO. 27 GOVERNING COMMON SEWER LATERALS SERVICE MULTIPLE DWELLING BUILDING UNITS WITH CONSIDERATION TO AMEND ORDINANCE

President Enns stepped down citing a conflict of interest and asked Vice-President Fones to take the chair.

Manager Callahan presented CSD Ordinance No. 27 with requested changes/revisions shown in redline strikeout format. He reported that District Counsel reviewed and revised the document as well.

MOTION: First by Foster with second by Chivens directing staff to prepare the document for Public Hearing and consideration to approve. VOTE: 3-0

President Enns was reseated.

5. STATUS OF ACTION PLAN FOR SEWER INFILTRATION REMEDIATION

Manager Callahan's written report was received. At the February Board meeting, he anticipated Cured in Place (CIP) liners as a method to repair/replace defective sewer mains that had shown significant inflow/infiltration when tested in January. After reviewing videos of the affected lines, the CIP liner

contractor for the Studio Drive Crossover Project determined that the majority of sewer lines considered for repair/replacement are not suitable for liners due to their size (6" diameter) and lack of alignment. Callahan expressed interest in replacing 385' of sewer line on Ash Avenue in conjunction with the water line installation for the O&M Garage and Shop Project. He is awaiting responses from prospective bidders and will report on quotes received at the next Board meeting.

6. DISCUSSION OF DISTRICT FINANCIAL CONTINGENCY ANALYSIS TO ADDRESS A POTENTIAL LOSS OF REVENUE FROM PROPERTY TAXES

ASO Brookins' written report was received. Property tax revenue makes up approximately 25% of the District's revenue stream. Brookins outlined a number of potential reductions in operating expenses and deferrals of capital projects as part of a contingency plan in the event of a dramatic reduction in property taxes revenue. Board members commended him on his report.

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

MOTION: First by Foster with second by Fones to select Ed Eby as the LAFCO Special District Member for a term to expire in December 2014. VOTE: 4-0

8. CONSIDERATION TO APPROVE 2ND QUARTER FY 10-11 WWTP OPERATIONS INVOICE FROM THE CITY OF MORRO BAY FOR WWTP COST REIMBURSEMENT

ASO Brookins' written report and invoice from Morro Bay were received. He recommended approval of the 2nd Quarter Invoice from Morro Bay, as all expenses appeared appropriate and within budget. Director Foster asked to discuss with Brookins insurance costs from FY 06/07 for which Morro Bay has yet to expense and bill the District. Brookins indicated he would call Foster.

MOTION: First by Foster with second by Fones to approve the 2nd Quarter FY 10-11 WWTP Operations Invoice from the City of Morro Bay for WWTP cost reimbursement. VOTE: 4-0

9. CONSIDERATION TO APPROVE 2ND QUARTER FY 10-11 WWTP UPGRADE INVOICE FROM THE CITY OF MORRO BAY FOR WWTP COST REIMBURSEMENT

ASO Brookins' written report was received. He recommended approval of the 2nd Quarter Invoice as all expenses were in accordance with the project. To gain a better understanding of costs associated with the project, Board members expressed interest in the District and Morro Bay jointly reviewing and approving all project invoices received. Callahan indicated he reviews contracts and invoices with Morro Bay staff. Brookins stated he receives and reviews emails of all contracts and statements paid by Morro Bay and would forward that information to interested Board members. The Board directed Brookins to discuss the idea of joint approval of invoices for the project with Morro Bay Administrative Services Director, Susan Slayton. Director Foster recommended the District obtain an independent legal opinion of Environmental Science Associates' job performance.

10. CONSIDERATION TO ADOPT CAYUCOS SANITARY DISTRICT RESOLUTION NO. 2011-1 CHANGING THE DAY REGULAR MONTHLY DIRECTORS MEETINGS ARE HELD

MOTION: First by Fones with second by Foster to adopt Resolution No. 2011-1 Changing the Day Regular Monthly Directors Meetings are Held to the Third Thursday of the Month. Roll-Call Vote: Enns (yes), Fones (yes), Lyon (absent), Foster (yes), Chivens (yes)

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

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

Manager Callahan's written report was received. With regard to the treatment plant upgrade, he reported the Coastal Commission requested an alternative site analysis; Coastal staff has offered to assist. An RFQ is going out and Callahan anticipates a full report at the next JPA meeting. Additionally, MWH should be reporting on Plan B, an upgrade to full secondary.

B. Administrative Services officer's Report (Brookins) – February 2011

ASO Brookins' written report was received. He provided an update on the billing system conversion.

12. CONSENT CALENDAR

- A. Approval of Minutes for the February 20, 2011 Special Board of Directors Meeting
- B. Approval of Minutes for the February 16, 2011 Board of Directors Meeting
- C. Approval of Minutes for the February 24, 2011 Personnel Committee Meeting
- D. Approval to pay outstanding bills as of March 16, 2011

MOTION: First by Foster with second by Fones to approve the Consent Calendar in its entirety.

VOTE: 4-0

13. BOARD MEMBER COMMENTS

14. SCHEDULED MEETINGS

- A. Morro Bay-Cayucos Wastewater Treatment Plant (JPA) Meeting, *Date:* April 14, 2011, *Hosted By:* Cayucos Sanitary District, *Location:* Cayucos Veterans Hall, *Time:* 6:00 p.m.

15. SCHEDULE AGENDA ITEMS FOR THE APRIL 20, 2011 BOARD MEETING

- Public Hearing and Consideration to Approve Ordinance No. 27 Governing Common Sewer Laterals Serving Multiple Dwelling/Building Units
- Update on action plan for sewer infiltration remediation
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16. ADJOURNMENT

The meeting adjourned at 8:10 p.m.

Minutes recorded by: _____
Nancy Martin, Administrative Services Tech