

CAYUCOS SANITARY DISTRICT
200 Ash Avenue
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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, January 17, 2013
6:00 p.m.

1. ESTABLISH QUORUM AND CALL TO ORDER

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

Board members present: President Robert Enns, Director Michael Foster, Director Dan Chivens and Director Dan Lloyd. , Director Shirley Lyon was absent.

Staff present: Interim District Manager Rick Koon, Administrative Services Officer (ASO) Lewis Brookins and Administrative Services Tech Anita Rebich

Visitors present: Tom Martin

2. PUBLIC COMMENTS

President Enns opened the meeting to Public Comments.

Sandy Taller, Morro Bay - Apologized for Morro Bay citizens that spoke at the Special Meeting saying they didn't trust the CSD. She said that's not how the majority of the city feels.

Joanne Tobias and Sue Moyer concur with Taller.

Hearing no further Public Comments, President Enns closed Public Comments.

3. PROPOSED SOLID WASTE INCREASE OF 2.3% AS REQUESTED BY MISSION COUNTRY DISPOSAL AS PER PROPOSITION 218 PROCESS

Tom Martin of Mission Country Disposal (MCD) explained the reasoning and the process behind the rate increase. He presented a comparison sheet showing solid waste rates in surrounding communities.

Chivens inquired about the additional bag option and inquired if it was still available. Martin responded it wasn't recommended to put out extra bags, but if it was necessary it's best to call ahead and arrange and an extra cost may be involved. Lloyd asked for an explanation on green waste and why we don't have the option in Cayucos. Martin explained the small lot sizes in Cayucos create very little yard waste, making green waste collection cost prohibitive. MCD is looking at alternatives for green waste processing at Chicago Grade Landfill such as anaerobic digesters. Lloyd also asked why cost increases were different from area to area. Martin explained that there are 4 different companies operating in the areas serviced by The Garbage Company. They are run as separate entities and all have their own trucks and varying expenses. Enns inquired what happens in the years where the company does make a profit, Martin said those years aren't factored into the rate increases. Foster asked if the 8% profit margin changes with investments, Martin said it does not, it's designed to stay away from the rollercoaster effect of investment market.

President Enns opened the item for Public Comments.

Leo Swanson – Stated he liked using his plastic garbage bags. Having to lift them into a can be challenging.

Hearing no further Public Comments, President Enns closed Public Comments.

It was noted there were two (2) letters received, one from Rick Davis and the other from Evelyn Agustus, in opposition of the rate increase.

MOTION: 1st by Foster 2nd by Chivens to Adopt Resolution 2013-2 Establishing Revised Solid Waste and Recyclable Materials Collection and Disposal Rates.

ROLLCALL VOTE: Enns-yes, Chivens-yes, Foster-yes, Lloyd-yes. **VOTE 4-0** Motion passed

4. CONSIDERATION TO APPROVE PAYMENT OF INVOICES FROM THE CITY OF MORRO BAY

A. 1ST QTR 12/13 WWTP OPERATIONS INVOICE

ASO Brookins reviewed his analysis of the invoice, reported he found no objections and recommended approval.

MOTION: 1st by Chivens, 2nd by Foster to Approve Payment to the City of Morro Bay for the 1st Qtr 12/13 WWTP Operations Invoice. **VOTE 4-0** Motion passed

B. 1ST QTR 12/13 WWTP UPGRADE INVOICE

ASO Brookins report was presented and he recommended approval.

MOTION: 1st by Foster 2nd by Lloyd to Approve Payment to the City of Morro Bay for the 1st Qtr 12/13 WWTP Upgrade Invoice. **VOTE: 4-0** Motion passed

Foster questioned with the project being denied should we be capitalizing these costs. He thinks we should be able to write off these along with previous costs as a loss, but that's best left to the accountants to review.

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

A. District Manager's Report (Koon) – December 2012

Manager Koon's report was presented. He reported the Capital Improvements projects for "B" Street, Cass Alley and Borchard Alley sewer main projects are complete. The Cayucos Creek sewer replacement is underway and nearing completion. Above Grade Engineering has begun work on LS #3 replacement, scope of and order of work. Bid documents will be prepared by Above Grade Engineering. The O&M department has been making great progress in locating missing manholes in easements.

B. Administrative Service Officer's Report (Brookins)

ASO Brookins report was read and accepted. Brookins also reported he has tendered his resignation and will be leaving March 14, 2013.

Enns, Chivens and Foster all complimented Brookins on his work over the last 3 plus years especially his ability to open up the communication with Morro Bay and thanked him for his service.

6. CONSENT CALENDAR

A. Approval of Minutes from the December 13, 2012 Board of Directors Meeting

MOTION: 1st by Foster 2nd by Chivens to Approve the Consent Calendar. **VOTE: 4-0** Motion passed.

7. DISCUSSION AND CONSIDERATION OF ADOPTION OF RESOLUTION APPROVING AMENDED DISTRICT ORGANIZATIONAL CHART, SALARY SCHEDULE AND JOB DESCRIPTIONS

Manager Koon explained his reasoning and timing of these items. Chivens asked if any these items presented seemed out of line or out of balance. Lloyd questioned what happens when Koon is out of the office, should one of the two positions have authority over the other. He was also concerned about the parity between the two positions-Billing/Accounting. Foster stated that this whole thing is disturbing and decisions such as these should be made in committee and not decided ahead of time, he read part of the law regarding contractors and misclassification of employees. Foster continued expressing concern with our current situation and stated we should look at other options, they (The Board) had previously discussed consolidating the GM and ASO positions into one full time position. Foster also stated that he doesn't understand how a service corporation can be a District Manager, and stated that Koon could be used as a true contractor on the WWTP process in

the future. Enns and Chivens both gave input on contractors verses employees. Koon pointed out that his intention with this process was transitional and would develop more as we progress and evaluate time availability of the two positions.

MOTION: 1st by Lloyd 2nd by Chivens to Adopt Amended District Organizational Chart with the clarification that this is transitional and requested to have Legal Counsel come and educate the Board on contract verses staff.

VOTE: 3-1 (Foster, no)

Koon requested elimination of the ASO position effective February 1, 2013. Discussion to pay Legal Counsel to come and educate the Board was not something the Board wanted to do, but further information on the law and how it applies to the District was recommended.

Enns clarified a motion to eliminate the ASO position effective February 1, 2013 and Adopt Resolution Approving Salary Schedule, Job Descriptions and hours of operation.

MOTION: 1st by Lloyd 2nd by Chivens Eliminating the ASO position effective February 1, 2013 and Adopt Resolution 2013-3 Approving Amended District Organizational Chart, Salary Schedule, Job Descriptions and Amended Operating Hours. **ROLLCALL VOTE:** Enns-yes, Chivens-yes, Foster-no, Lloyd-yes. **VOTE 3-1** motion passed

8. DISCUSSION AND CONSIDERATION OF APPROVING AN AMENDMENT TO THE AGREEMENT FOR CONSULTANT SERVICES WITH PROJECT SERVICES, INC. (REMOVING "INTERIM" DESIGNATION)

This item was tabled to a later meeting after more information is received on contract employees verses staff.

9. BOARD MEMBER COMMENTS

Enns commented that we need to let ratepayers know about the recent changes and the current happenings with the WWTP. He recommends doing this via a newsletter with possibly a Message from the President section. It was requested a draft newsletter be brought to the Board for review next meeting.

Foster wants facts and findings on the devaluation of the current WWTP property and clarification on the statement made by CCC staff about visitor-serving or other services on the property.

Lloyd would like to see a letter sent to each of the two ratepayers who sent objection letters on the rate increase explaining possible alternatives for them to reduce their costs. Lloyd also would like to see options for wastewater treatment and not just location alternatives.

10. SCHEDULED MEETINGS

- A. Morro Bay-Cayucos Wastewater Treatment Plant (JPA) Meeting, *Date:* February 14, 2013
Hosted By: Cayucos Sanitary District, *Location:* Cayucos Veterans Hall, *Time:* 6:00 p.m.

11. SCHEDULE AGENDA ITEMS FOR THE FEBRUARY 21, 2013 BOARD MEETING

12. ADJOURNMENT

The meeting adjourned at 8:24 p.m.

Minutes recorded by: _____



Anita Rebich, Administrative Services Tech

