

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, November 21, 2013
6:00 p.m.**

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 6:04 p.m.

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

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

Guests present: Lisa McGrath-Moss, Levy & Hartzheim CPA's and Ruel Czach, Architect

2. PUBLIC COMMENTS

President Enns opened the meeting to Public Comments.

After hearing none Public Comments was closed.

3. DISCUSSION AND CONSIDERATION OF BLACKBURN FAMILY TRUST APPLICATION FOR ENCROACHMENT OF SEWER EASEMENT PERMIT

Manager Koon presented a brief history of the easement along the property and reported that the best scenario for the District and the Blackburn Family Trust was to have them hire a contractor to either pipeburst the 6" line or open trench replacement with HDPE from manhole to manhole, in exchange for the easement encroachment. This would alleviate the District from having to go into that easement for quite some time and allow the Blackburn project to proceed as designed. Director Lloyd expressed concern regarding settling of the two older lines, and flow coming in to the proposed line replacement. Manager Koon stated he didn't feel that would be a problem since that area has shown no excessive movement and the proposed new line in the easement is flowing downhill on a steep gradient.

MOTION: 1st by Lloyd, 2nd by Chivens to Approve the Blackburn Family Trust Application for Encroachment of Sewer Easement Permit and proceed through the Grant of License process.

VOTE: 5-0 Motion passed

4. PRESENTATION AND ACCEPTANCE OF CAYUCOS SANITARY DISTRICT FY 2012/13 FINAL AUDIT

Lisa McGrath from the accounting firm of Moss, Levy & Hartzheim LLC presented the final audit and financial statement. Director Foster took exception to a statement on Page 3 of the MD&A that said the gross wages, payroll taxes and fringe benefits decreased by \$67,409.00 or 13.5% from FY 2011/12. Foster said the increase in Professional Services where the District Manager compensation is reported, washes out that decrease in wages. He further stated we were promised a savings, and he hasn't seen that yet.

MOTION: 1st by Lyon, 2nd by Lloyd to Accept the Cayucos Sanitary District Final Audit for FY 2012/13

VOTE: 5-0 Motion passed

5. DISCUSSION AND CONSIDERATION OF THE NEXT STEPS FOR THE INVESTIGATION AND EVALUATION OF THE CMC SITE FOR WASTEWATER TREATMENT AND DISPOSAL

Manager Koon reviewed the next steps that were prepared and asked for the Board's approval to move forward. Manager Koon also gave a brief synopsis of the meeting that took place on Tuesday 11/19/13 with RWQCB, himself and staff from Morro Bay. The RWQCB should have the NPDES permit draft requirements done in January and issuance of a 5 year permit by mid-September. Manager Koon went on to state that the RWQCB expressed support of a regional facility but added that we need to be able to meet full secondary with the existing plant to avoid a potential penalty should a delay occur. Director Lloyd asked why the paranoia of going outside the existing plant footprint. It was discussed that going outside the existing footprint would require a Coastal Development permit and CCC approval and Morro Bay seems hesitant to do this. The MMRP is intended to help get the plant to full secondary 100% of the time. Manager Koon and President Enns both stated we need to look at alternate holding tanks to keep flows lower during peak wet weather flow through the existing plant. Director Lloyd asked if there was anything Cayucos could do to scale back the I&I and keep our costs lower, since we pay based on flow. Director Foster said putting money into our own infrastructure is a better long term strategy than monies being spent on the existing plant to meet full secondary. President Enns would like to meet with the ad-hoc committee to clarify the priority of the next steps, baker tanks and alternatives to get the WWTP to full secondary, then bring them to the full Board at a special board meeting, get our suggestions lined out and present it at the December JPA meeting. Manager Koon said that with the holidays it will be tough to get this all together in time for the December JPA, January would be more realistic. This will give us time to get information from Morro Bay to see where they're at and what's needed. Director Foster stated he has heard Morro Bay wants re-establish ties with Cayucos, can we get our consultants, WSC, together with Morro Bay's consultants and see why the wide variance between the reporting and see what can be done to come to a common goal and work together. He (Foster) can't envision Cayucos and Morro Bay ratepayers not wanting the same thing.

MOTION: 1st by Lloyd, 2nd by Chivens to Proceed with Staff Recommendation to Move Forward in the Next Steps and Allow for a Maximum Budget of \$10,000.00 for Studies and Analysis for CMC Alternative

VOTE: 5-0 Motion passed

6. DISCUSSION AND ELECTION OF LOCAL AGENCY FORMATION COMMISSION (LAFCO) ALTERNATE SPECIAL DISTRICT MEMBER

President Enns reported he had been out campaigning to the Special Districts in the County.

MOTION: 1st by Lyon 2nd by Lloyd to Elect Robert Enns as LAFCO Alternate Special District Member

VOTE: 5-0 Motion passed

7. CONSIDERATION OF ESTABLISHING AN AD-HOC COMMITTEE TO REVIEW ALLOCATION OF ELIMINATED ADMINISTRATIVE SERVICES OFFICER POSITION FUNCTIONS

After brief discussion, it was determined an ad-hoc committee consisting of Director Lyon, Director Foster and Manager Koon would be established to review allocation of eliminated ASO position duties to other CSD staff and a report with the committee's conclusions would be presented to the full Board.

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

A. Manager Koon's report was accepted as presented. It was reported that Knowles Construction had completed the Lift Station #3 project and approximately \$13,500.00 in extras and additions were approved. Manager Koon stated that staff was working with the County to get a water meter installed at the site and is negotiating for a reduced cost on the standard \$8,100.00 connection fee.

9. CONSENT CALENDAR

A. Approval of Minutes for the October 17, 2013 Board of Directors Meeting

MOTION: 1st by Lyon, 2nd by Lloyd to Approve the October 17, 2013 Minutes as presented.

VOTE: 5-0 Motion passed

10. BOARD MEMBER COMMENTS

Both Director Lloyd and Director Foster reported they would not be available for the JPA meeting on December 12th.

11. SCHEDULED MEETINGS

A. **Morro Bay-Cayucos Wastewater Treatment Plant (JPA) Meeting:** *Date:* December 12, 2013,
Hosted by Cayucos Sanitary District, *Location:* Veterans Hall 10 Cayucos Dr, *Time:* 6:00pm

12. SCHEDULE AGENDA ITEMS FOR THE December 19, 2013 Board Meeting

13. ADJOURNMENT

The meeting adjourned at 7:42 p.m.

Minutes recorded by:



Anita Rebich, Clerk to the Board