



AGENDA ITEM: _____	3.A.1
DATE: _____	February 20, 2020
ACTION: _____	APPROVED

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
H. Miller, Director
R. Frank, Director

REGULAR MEETING
MINUTES
Thursday, February 20, 2020
5:00 p.m.

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 4:58p.m.

Board members present: President Robert Enns, Director Shirley Lyon, Vice-President Dan Chivens, Director Robert Frank and Director Hannah Miller.

Staff present: District Manager Rick Koon, and Administrative Office Manager Danielle Crawford.

Guests present: Dylan Wade of Water Systems Consultants (WSC).

2. PUBLIC COMMENTS

Enns opened the meeting to Public Comments.

Julie Tacker – Los Osos – requested that the District post the entire Board packet on the District website and asked for agenda to be emailed directly to her on a regular basis.

Hearing no further comments, President Enns closed Public Comment.

3. CONSENT CALENDAR - Recommend to Approve.

Consent Calendar items are considered routine and therefore do not require separate discussion. However, any item may be removed from the Consent Calendar by a member of the Board of Directors for separate consideration. Individual items on the Consent Calendar are approved by the same vote that approves the Consent Calendar, unless an item is pulled for separate consideration.

A. Regular Meeting Minutes

1. Approval of Minutes for the December 13, 2019 Board of Directors Special Meeting.
2. Approval of Minutes for the January 16, 2020 Board of Directors Regular Meeting.

B. Financial Reports: January 2020

1. Check Register – Rabobank (General Checking Account)
 - a. Check Register – Wells Fargo (CSWP Checking Account)
 - b. Check Register – Wells Fargo (CSWP Construction Account)
2. Cash, Savings, and Investment Report
3. Budget vs. Actual Status Report **FY 2019-2020**
4. Capital Improvement Projects Report

President Enns opened the meeting to Public Comments.

Julie Tacker – Los Osos – requested an explanation as to what the payment for Tim Carmel is inclusive of. She asked specifically what services he provided for the disbursement listed on the January check register.

Hearing no further comments, President Enns closed Public Comment.

MOTION: 1st by Lyon, to approve items on the consent calendar as prepared. Motion was seconded by Miller.

VOTE 5-0 Motion passed

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

A. District Manager's Report – January 2020

B. Monthly Customer Satisfaction Survey Submissions – **None**

C. Will Serves – New

Williams, APN 064-221-003, 33 12th St. – SFR New

Brindley, APN 064-432-053, 3486 Shearer Ave. – SFR New

Will Serves – Renewed

J. Tenbroeck, INC., APN 064-204-032, 2788 Richard Ave. – SFR New

Will Serves – Finaled

None

Will Serves – Continue to Serve (No Will Serve Required)

None

Manager Koon gave a verbal report for the month of January's Admin and Operations departments' activities. He mentioned a recent public records request, and then discussed the outcome of the LAFCO meeting he had regarding the 5 lots on Gilbert between Davies and Chaney which are not currently within District's sphere of influence. He said that a private 10-foot easement will be required along the Gilbert frontage which will allow property owners to install their own private force main into the District main. Once the minor use permits have been approved by SLO County Public Works and Planning departments, the individual property owners may see annexation to the District from LAFCO and the District will place its conditions on the lots at that time. Koon also talked about a recent interview held by the O&M department saying the District chose not to hire the candidate based on his lack of experience but may consider hiring him for an entry level position. He then showed the Board a sample shirt, informing them that the O&M department's new uniforms that arrived.

President Enns opened the meeting to Public Comments.

Hearing no comments, President Enns closed Public Comment.

Items 4 A through C were received and accepted.

5. DISCUSSION AND CONSIDERATION TO ADOPT DISTRICT PERSONNEL POLICY 3455 "LACTATION ACCOMMODATION POLICY" PER LABOR CODE 1034, AND SB142 WHICH WENT INTO EFFECT JANUARY 1, 2020.

Koon discussed the necessity in approving this policy per the new SB142 legislation.

Enns said he hadn't found anything in the staff report showing how the District would accommodate such a request.

Koon discussed the possible use of a "Lactation Pod" to accommodate a requestor.

President Enns opened the meeting to Public Comments.

Julie Tacker – mentioned that any "Pod" implementation will have costs associated with it. She said she's curious how much one would cost and asked where the funds would come from.

Hearing no further comments, President Enns closed Public Comment.

MOTION: 1st by Lyon, to adopt District Personnel Policy 3455 "Lactation Accommodation Policy" per Labor Code 1034. Motion was seconded by Miller.

VOTE 5-0 Motion passed

6. CONSIDERATION TO ACCEPT THE MORRO BAY/CAYUCOS JOINT POWERS AGREEMENT FISCAL YEAR 2018/19 AUDIT.

Recommendation: Accept the Fiscal Year 2018/19 Audit

Koon briefly went over the JPA / WWTP audit.

Enns questioned Koon whether a depreciation schedule is based on the plant in 1954 or inclusive of the 1982 upgrade. He also asked staff to clarify whether the JPA dictates separate auditors for the City of Morro Bay audit, and the WWTP audit.

There was no clear answer regarding the basis of their depreciation calculations.

Crawford said she would investigate and inform at the next Board meeting.

Enns questioned if this is "field change order #03" what the first two were.

President Enns opened the meeting to Public Comments.

Hearing none, Public Comments was closed.

Audit was a receive and file, no motion necessary.

7. DISCUSSION AND CONSIDERATION TO APPROVE EMPLOYMENT AGREEMENT WITH RICHARD L. KOON (DISTRICT MANAGER/CAPITAL PROJECTS MANAGER).

Enns said the Ad Hoc committee looked into the issue.

Miller said the Ad Hoc committee met several times, with some meetings including District Counsel and Manager. After conducting research, the Ad Hoc committee recommends approval of the contract before you.

Enns received Julie Tackers letter into the minutes.

President Enns opened the meeting to Public Comments.

Julie Tacker – Disagrees with the AdHoc committee saying she thinks legal counsel should be at this meeting. She referred to page 2, section 4 of her letter stating doesn't feel Koon meets the "ABC" test. She said her letter asked that money paid to Mr. Koon be returned to rate payors based on her findings and cautioned the Board not to sign this contract. Julie said she doesn't understand why legal counsel isn't present tonight and suggested Mr. Koon retain his own legal counsel. Lastly, she added that this contracted position is not budgeted for.

John Curti – Cayucos – was upset with Ms. Tacker's comments. He said that he has been attending these meetings for a long time and felt she is not getting the whole picture. John asked Julie what she is trying to "cure, fix, or amend", what is the point of her letter. He said he had not seen her letter yet.

Ms. Tacker handed Mr. Curti a copy of her letter.

Hearing no further comments, President Enns closed Public Comment.

Chivens commented that he's under the impression that legal counsel is recommending this contract and the Board should be going with his recommendation as well.

Enns said that legal counsel will stand behind his document.

Lyon asked Koon if the District budgeted anything for this contract.

Enns said it's under the "Consulting Services" in budget, not under Admin salaries, but the money is in the budget.

Chivens said he foresees many capital improvement projects after the CSWP is completed so the District will need Mr. Koon's services.

Enns said that the Board has the ability/strength to change this if not doing any capital improvement projects the Board can reduce Mr. Koon's rate. He mentioned if Koon were to leave, he would just go to work for WSC and the District would be paying much more in WSC bills according to their rates.

MOTION: 1st by Miller, to approve employment agreement with Richard L. Koon (District Manager/Capital Projects Manager). Motion was seconded by Chivens.

VOTE 5-0 Motion passed

Enns thanked Ms. Tacker for her comments and said they will take them into consideration.

8. DISCUSSION AND CONSIDERATION OF RESOLUTION 2020-1 AMENDING DISTRICT SALARY SCHEDULE TO ESTABLISH A PAY SCHEDULE FOR THE POSITION OF DISTRICT MANAGER/CAPITAL PROJECTS MANAGER.

Miller made a comment that the typo in the Resolution 2020-1 Exhibit A needs to be fixed to reflect 40 hours and not 32 hours.

President Enns opened the meeting to Public Comments.

Julie Tacker – said 32 hours is all that's expected of Koon and with the contract now stating 40 hours, the District will have problems.

John Curti – said that he has been in financial management for many years and has been attending these meetings for the past 3. He said the District is getting a hell of a bargain. John said "look at our neighbors" referencing City of Morro Bay, Mr. Koon is top notch and an absolute bargain. This plant will cost millions more and will be back with City of Morro Bay. He reiterated that Mr. Koon was an absolute bargain for the District, project is on time and within budget. Told Julie to "stop nit-picking".

Hearing no further comments, President Enns closed Public Comment.

MOTION: 1st by Lyon, to adopt Resolution 2020-1 amending the District salary schedule to establish a pay schedule for the position of District Manager/Capital Projects Manager. Motion was seconded by Miller.

ROLLCALL VOTE: Lyon-yes, Miller-yes, Chivens-yes, Frank-yes, Enns-yes.

VOTE 5-0 Motion passed.

9. DISCUSSION AND CONSIDERATION TO APPROVE A MEMORANDUM OF UNDERSTANDING FOR PUBLIC OWNERSHIP FOR LOT 6SW BETWEEN THE CAYUCOS SANITARY DISTRICT, THE TRUST FOR PUBLIC LAND, THE CITY OF MORRO BAY, AND CHEVRON LAND AND DEVELOPMENT COMPANY.

Koon went over the MOU with the Board summarizing that the District will be reimbursed roughly four to five hundred thousand dollars in early April 2020 when the Trust for Public Lands (TPL) purchases lots 6SW and 6N.

Enns commented that one document says the TPL is going to give it to the City of Morro Bay while another document states the TPL is going to sell it.

Koon said the TPL is going to sell it for one dollar.

Miller questioned the paragraph of the MOU where it states the MOU is just an expression of current intent of the parties but does not constitute an agreement that is legally binding.

Koon said that will happen at their next meeting.

Miller stated that she was very excited about this claiming that it benefits the District and people driving by. She said this MOU will not only preserve the dog beach, it will also create a new bike path as well.

President Enns opened the meeting to Public Comments.

Hearing none, Public Comments was closed.

MOTION: 1st by Lyon, to approve a Memorandum of Understanding for public ownership for lot 6SW between the Cayucos Sanitary District, the Trust for Public Land, the City of Morro Bay, and Chevron Land and Development Company. Motion was seconded by Frank.

VOTE 5-0 Motion passed

10. DISCUSSION AND CONSIDERATION TO APPROVE THE FIRST OFFER FOR CALTRANS CONSTRUCTION EASEMENT ON LOT 6N FOR THE TORO CREEK BRIDGE REPLACEMENT.

Koon went over his staff report regarding the CalTrans bridge project ensuring the Board that there will be no construction until CalTrans has a new agreement in place.

President Enns opened the meeting to Public Comments.
Hearing none, Public Comments was closed.

MOTION: 1st by Chivens, to approve the first offer for CalTrans construction easement on lot 6N for the Toro Creek Bridge replacement. Motion was seconded by Miller.

VOTE 5-0 Motion passed

11. REVIEW AND DISCUSS DRAFT REGIONAL WATER QUALITY CONTROL BOARD NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT FOR THE CAYUCOS SUSTAINABLE WATER PROJECT.

Koon discussed the draft NPDES permit recommending that the Board President, District counsel, Dylan Wade from WSC, and himself attend the Regional Water Quality Control Board's May 7, 2020 meeting together in order to comment on this topic during their Public Comment period.

Enns asked if the requirement is to be 100 percent recyclable.

Koon said yes, in 10 years but what the RWQCB considers to be "100 percent recyclable" is unclear in the requirements.

Wade went over some of the specific requirements saying that there are a few of them he doesn't think are legal. He said he'd done some research as far as finding knowledgeable legal counsel for this and suggested Larry Walker & Associates, and one other. He then went over some of the areas which he felt the District had several "wins" in the draft.

Miller asked Wade to explain the difference between secondary and tertiary to the public.

Wade gave a brief explanation regarding the difference between the two treatment methods. He also said he will draft additional questions and write a comment letter.

Koon went over his Staff Report and recommends allowing them to attend the meeting.

Enns agreed they should attend the meeting, adding that the Cayucos Sanitary District should pay for Tertiary testing but any additional testing costs should be on RWQCB.

President Enns opened the meeting to Public Comments.
Hearing none, Public Comments was closed.

No motion required, Board approved attendance.

12. CAYUCOS SUSTAINABLE WATER PROJECT STATUS UPDATE.

Koon went over the current happenings at the CSWP site mentioning that the contractors will be pouring the dewatering building in two weeks, and that Lift Station 5 has been brought up to grade. Factory testing will happen sometime in April. He mentioned that REC Solar is moving along. Koon also stated that the District will need to start phasing in six months' worth of Treatment Plant Operations costs and staff salaries into the next Fiscal Year's budget. He said a Personnel Committee will need to be formed as well.

Wade talked about Lift Station 5 going out to bid, will be sending notices out next week and bids will be due the first week of April so that they can bring it to the Board at the April 16, 2020 Board meeting.

Koon said they are also working on the SCADA system.

Enns commented that he recently visited the site and met with Les Cushman. He said that Les had mentioned to him that CCC has been in business over 60 years and have never been late on a project.

President Enns opened the meeting to Public Comments.
Hearing none, Public Comments was closed.

13. BOARD MEMBER COMMENTS (This item is the opportunity for Board Members to make brief announcements and/or briefly report on their own activities related to District business.)

None

14. FUTURE SCHEDULED MEETINGS.

- March 19, 2020 – **Regular Board Meeting**
- April 16, 2020 – **Regular Board Meeting**
- May 21, 2020 – **Regular Board Meeting**

15. ADJOURNMENT

The meeting adjourned at 6:42p.m.

Minutes Respectfully Submitted By:

X 

Amy Nelson
Billing Clerk