

CAYUCOS SANITARY DISTRICT
200 Ash Avenue
PO Box 333, Cayucos, CA 93430-0333
805-995-3290

GOVERNING BOARD
R. B. Enns, President
R. H. McHale, Vice-President
H. Fones, Director
S. Lyon, Director
M. Foster, Director

REGULAR MEETING
MINUTES
NOVEMBER 17, 2010
6:00 P.M.

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 6:00 p.m.

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

Board members absent: Director Shirley Lyon

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

Consultants present: Lisa McGrath, CPA (Moss, Levy & Hartzheim, CPAs)

Visitors present: Dorothy Fones

2. PUBLIC COMMENTS

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

3. CONSIDERATION TO ACCEPT FY 2009-2010 AUDIT, AS PREPARED BY MOSS, LEVY, AND HARTZHEIM CPA'S

ASO Brookins introduced Accountant Lisa McGrath who presented the FY 2009-2010 District audit and answered questions from Board members. She reported that total District operating expenses for FY 2009-2010 increased only .79% from 2008-2009, while Capital Assets, including accumulated depreciation, showed a net decrease of 3.84%. McGrath commended staff for their preparedness for the audit.

MOTION: First by Foster with second by Fones to accept the FY 2009-2010 Audit, as prepared by Moss, Levy, and Hartzheim, CPAs. VOTE: 4-0

4. CONSIDERATION TO ADOPT CAYUCOS SANITARY DISTRICT RESOLUTION NO. 2010-06 DECLARING THE OFFICIAL INTENT TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF TAX EXEMPT SECURITIES

ASO Brookins written report was received. In considering funding options for the Wastewater Treatment Plant Upgrade Project, Brookins reported that a resolution must be in place that declares the District's intent to be reimbursed for expenditures from any tax exempt proceeds from securities. With the upgrade project underway he recommended the Board adopt the resolution to ensure the District will be able to replenish expended reserves.

MOTION: First by McHale with second by Fones to adopt Resolution No. 2010-06 Declaring the Official Intent to Reimburse Expenditures for the Proceeds of Tax Exempt Securities. ROLL CALL VOTE: Enns (yes), McHale (yes), Fones (yes), Lyon (absent), Foster (yes)

5. DISCUSSION OF POTENTIAL DIRECTOR CONTRIBUTIONS TO THE NEXT EDITION OF THE DISTRICT'S NEWSLETTER

Manager Callahan's written report was received. The second edition of the District newsletter is slated for the end of January and Callahan asked for Board members' ideas and input. Director Foster suggested staff include a synopsis of the audit report. President Enns indicated he will draft an article for inclusion in the newsletter, for review at the December Board meeting.

6. CONSIDERATION TO APPROVE 2009-2010 4TH QUARTER WWTP OPERATIONS INVOICE FROM THE CITY OF MORRO BAY

ASO Brookins written report and final 4th quarter operations invoice were received. The original 4th quarter invoice included charges for both WWTP operations and the WWTP Upgrade Project. He asked Morro Bay to create two invoices, breaking out charges for operations and charges for the upgrade project. He recommended approval of the adjusted final operations invoice.

MOTION: First by McHale with second by Fones to approve the 2009-2010 4th Quarter WWTP Operations Invoice in the amount of \$158,086.24. VOTE: 4-0

7. CONSIDERATION TO APPROVE 2009-2010 4TH QUARTER WWTP UPGRADE INVOICE FROM THE CITY OF MORRO BAY

ASO Brookins written report and 4th quarter WWTP Upgrade invoice were received. He reported that all charges are in accordance with the project and recommended approval.

MOTION: First by Foster with second by Fones to approve the 2009-2010 4th Quarter WWTP Upgrade Invoice in the amount of \$56,979.02. VOTE: 4-0

8. DISCUSSION OF PROPOSED STUDIO DRIVE CROSSOVER SEWER LINE REHABILITATION PROJECT

At the November Board meeting Manager Callahan was directed to obtain three informal bids for the proposed Studio Drive project. Callahan reported that prospective bidders will need to view a video of the tuberculated line before submitting an estimate of probable repair/rehabilitation costs and that he has had limited response from contacts. He anticipates having more information at the December meeting.

9. DISCUSSION OF WATER CONSERVATION MEASURES TO DECREASE WASTEWATER FLOW IN CAYUCOS

Manager Callahan asked for direction from Board members, after a brief discussion at the October meeting. Discussion continued regarding water conservation measures, including retrofit programs for installing low flow toilets and shower heads. A question arose as to problems with decreased wastewater flow and the increase in BOD (biochemical oxygen demand). Callahan stated that BOD refers to the strength/concentration of the wastewater and indicated he would speak with Steve Hyland, Engineer, (Montgomery, Watson, and Harza) about the possibility of a negative impact. Director Foster suggested working with the local water entities to implement a conservation program. President Enns asked Callahan to contact the water companies and report back at the next Board meeting. Board members were also interested in the Sanitary District's latent powers and directed Callahan to consult Tim Carmel, District Counsel, for information.

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

A. District Manager's Report (Callahan) – October 2010

Callahan reported he and Morro Bay Staff, Dennis Delzeit (WWTP Project Manager) and ESA Archeologists met with Fred Collins (Northern Chumash Tribal Council) regarding potential archaeological sites in the vicinity of the wastewater treatment plant. An archaeological investigation was agreed upon at an estimated cost of \$22,000.00 (the District's portion will be 28% of the \$22,000) with Mr. Collins proposing obtaining boring samples where there have been no soil disturbances that already have been disturbed. The Tribal Council will be kept informed of progress and any findings.

Callahan reported that demolition for the O&M Garage and Shop Project begins November 18, and that the resurfacing project on Main Street in Morro Bay is going well.

B. Administrative Services Officer's Report (Brookins) – October
ASO Brookins written report was received.

11. CONSENT CALENDAR

- A. Approval of Minutes for the October 20, 2010 Board of Directors Meeting
- B. Approval of Minutes for the November 2, 2010 Special Board of Directors Meeting
- C. Approval to pay outstanding bills as of November 17, 2010

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

VOTE: 4-0

12. BOARD MEMBER COMMENTS

There were no comments.

13. SCHEDULE AGENDA ITEMS FOR THE DECEMBER 15, 2010 BOARD MEETING

- Studio Drive Crossover Sewer Line Rehabilitation Project
- Water Conservation
- District Newsletter
- Election of District Officers for 2011
- Consideration of District Committee assignments for 2011
- Review Personnel Policies with consideration to extend probationary period of new employees
- Discuss Ordinance 27, shared connections and connection fees

14. ADJOURNMENT

The meeting was adjourned at 7:48 p.m.

Minutes recorded by:



Nancy Martin, Administrative Services Tech.