



AGENDA ITEM: 3.A.1

DATE: July 16, 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, June 18, 2020
5:00 p.m.

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 5:07p.m.

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

Staff present via GoToMeeting: District Manager Rick Koon, and Billing Clerk Amy Nelson

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

2. PUBLIC COMMENTS

Enns opened the meeting to Public Comment.

Julie Tacker – followed up with her inquiry regarding the existence of District bylaws, and questioned when the USDA loan application would be available to the public.

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 May 21, 2020 Board of Directors Regular Meeting.
2. Approval of minutes for the June 12, 2020 Budget Committee Meeting

B. Financial Reports: May 2020

1. Check Register – Rabobank (General Checking Account)
 - a. Check Register – Wells Fargo (CIP/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

Director Miller requested to pull agenda items 3.A.1 and 3.A.2 for separate discussion.

President Enns opened the meeting to Public Comment.

Julie Tacker stated her opposition to calling the typo on May's agenda item 3.B a "typo" ("Financial Reports: March 2020" should have read "Financial Reports: April 2020"). She also opposed the Budget Committee Meeting not being recorded.

Hearing no further comments, President Enns closed Public Comment.

MOTION: 1st by Miller, to approve item 3.B on the consent calendar as prepared. Motion was seconded by Frank.

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

VOTE 5-0 Motion passed

Miller requested that Tacker's city of residence be removed from the minutes in agenda items 3.A.1 and 3.A.2.

President Enns opened the meeting to Public Comment.

Hearing no comments, President Enns closed Public Comment.

MOTION: 1st by Miller, to approve items 3.A.1 and 3.A.2 on the consent calendar with corrections noted. Motion was seconded by Chivens.

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

VOTE 5-0 Motion passed

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

A. District Manager's Report – May 2020

B. Monthly Customer Satisfaction Survey Submissions – None

C. Will Serves – New

Byde, APN 064-154-015, 18 10th St. – SFR New

Will Serves – Renewed

Lee, APN 064-128-001, 188 I St. – SFR New

Fischer, APN 064-227-005, 1200 Pacific Ave. – SFR Addition

Will Serves – Finaled

Waltos, APN 064-145-037, 696 S Ocean Ave. – CMMCL New

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

None

Manager Koon gave a verbal report for the month of May's Admin and Operations departments' activities. Admin staff is continuing cross-training of their respective duties. The sale of 6SW and 6N has been extended to July 30th. The District continues to observe health recommendations associated with COVID-19 as it relates to District staff and the office opening. The trainee position has been filled by new staff member Justin Owens. The preliminary audit took place on June 15th.

President Enns opened the meeting to Public Comment.

Hearing no comments, President Enns closed Public Comment.

Items 4 A through C were received and accepted.

5. CONSIDERATION TO APPROVE PAYMENT OF CITY OF MORRO BAY INVOICE FOR 3RD QUARTER OF FY 2020/21 IN THE AMOUNT OF \$85,574.63

Koon went over his staff report in relation to the recommendation to approve payment on the 3rd quarter invoice to the City of Morro Bay.

President Enns opened the meeting to Public Comment.
Hearing no comments, President Enns closed Public Comment.

MOTION: 1st by Lyon, to approve payment of City of Morro Bay invoice for 3rd quarter of FY 2020/21 in the amount of \$85,574.63. Motion was seconded by Frank.

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

VOTE 5-0 Motion passed

6. PRESENTATION AND REVIEW OF THE CITY OF MORRO BAY WASTEWATER TREATMENT PLANT FY 2020/21 BUDGET

President Enns asked for clarification on Revenues: “Interfund Transfers In” and Expenditures: “General Fund for CAP” and “Risk Management – CAP”, commenting that he was unsure as to what these line items are referring to. Manager Koon agreed that it is unclear and assured the Board that he will find out when he meets with CMB.

President Enns opened the meeting to Public Comment.
Hearing no comments, President Enns closed Public Comment.

Proposed budget received, no action needed.

7. PUBLIC HEARING TO DISCUSS AND CONSIDER ADOPTION OF RESOLUTION 2020-4 CONFIRMING THE ITEMIZED REPORT OF DISTRICT CLERK REGARDING DELINQUENT SEWER SERVICE CHARGES AND LEVYING ASSESSMENTS

The report of delinquent sewer service charges and levying assessments was submitted to the Board. Manager Koon explained that the process took place one month earlier this year to accommodate SLO County’s due date.

President Enns opened the meeting to Public Comment.

Julie Tacker suggested that future lists of delinquent accounts should identify only the property address and APN, excluding property owner name, in an effort to provide a degree of privacy to the customer.

Hearing no further comments, President Enns closed Public Comment.

MOTION: 1st by Miller, to adopt Resolution 2020-4 confirming the itemized report of District Clerk regarding delinquent sewer service charges and levying assessments. Motion was seconded by Lyon.

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

VOTE 5-0 Motion passed.

8. DISCUSSION AND CONSIDERATION TO APPROVE A BLANKET PURCHASE ORDER FOR FY 2020/21 IN THE AMOUNT OF \$40,000.00 WITH N. BRENT KNOWLES CONSTRUCTION FOR ONGOING PAVING AND SLURRY SERVICES ASSOCIATED WITH POINT REPAIRS AND OTHER DISTRICT-RELATED EMERGENCIES

Manager Koon explained the need for the blanket purchase order with N. Brent Knowles. President Enns wondered about the procedure for a purchase order where no one is bidding against it. Koon elaborated that this encompasses very minor work on an as-need basis, like paving the street, or a break in the line, or other emergency work. Enns questioned if there is a limit on the amount that can be spent on work that does not go out to bid? Koon answered for \$65,000.00 or less, the project does not have to go out to bid. Director Frank commented that the District only used \$6,000.00 of the allowance last year, reinforcing that the cost is low.

President Enns opened the meeting to Public Comment.

Julie Tacker was in opposition to the blanket purchase order with N. Brent Knowles Construction and doubted the accuracy of the \$65,000.00 limit.

Hearing further no comments, President Enns closed Public Comment.

MOTION: 1st by Lyon, to approve a blanket purchase order for FY 2020/21 in the amount of \$40,000.00 with N. Brent Knowles Construction for ongoing paving and slurry services associated with point repairs and other District-related emergencies. Motion was seconded by Frank.

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

VOTE 5-0 Motion passed.

9. DISCUSSION AND CONSIDERATION TO APPROVE CALTRANS REIMBURSEMENT AGREEMENT FOR THE DESIGN AND CONSTRUCTION OF THE DISTRICT'S PIPELINE RELOCATION ON THE TORO CREEK BRIDGE PROJECT

Manager Koon and Dylan Wade of WSC discussed the reimbursement agreement with the Board. Director Lyon asked if this project would go out to bid, and Koon answered yes, by August.

President Enns opened the meeting to Public Comment.

John Curti asked about what protection the District has with regard to reimbursement disputes?

Julie Tacker expressed interest in seeing a cost estimate and breakdown, and asked how much stainless steel piping would cost?

Hearing no further comments, Public Comment was closed.

Manager Koon answered the Public Comment questions, stating that there is a clause in the agreement protecting the District and guarantees the project is 100% reimbursable, even if it goes over. He went on to answer that they are still working on the final cost estimate, but it will be part of the total bid package. Wade answered that it is about \$400/foot for stainless steel pipe. Director Frank asked about how many feet would be needed, and Wade answered about 250 feet.

MOTION: 1st by Chivens, to approve Caltrans reimbursement agreement for the design and construction of the District's pipeline relocation on the Toro Creek Bride Project. Motion was seconded by Frank.

ROLLCALL VOTE: Chivens-yes, Frank-yes, Lyon-yes, Miler-yes, Enns-yes

VOTE 5-0 Motion passed

10. DISCUSSION AND CONSIDERATION TO APPROVE THE SECOND AMENDMENT TO THE 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 discussed the necessity for Change Order #2, which pushes the due date out to July 30th and includes verbiage that allows Morro Bay and the District to work directly with each other to develop the Purchase and Sale Agreement, which is scheduled to be presented to the Board in July.

President Enns opened the meeting to Public Comment.

Hearing no comment, Public Comment was closed.

MOTION: 1st by Frank, to approve the Second Amendment to the 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 Lyon.

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

VOTE 5-0 Motion passed

11. REPORT FROM AD HOC COMMITTEE ON IDENTIFYING POSITIONS TO BE CREATED AND ACTIONS NECESSARY TO INTEGRATE OPERATIONS OF THE CAYUCOS SUSTAINABLE WATER FACILITY INTO THE DISTRICT'S ORGANIZATIONAL STRUCTURE

Manager Koon and Director Miller presented their findings from the Ad Hoc Committee. Director Miller emphasized the importance of bringing new Treatment Plant staff on early, perhaps as early as October, to ensure they are ready and experienced by the time the plant becomes operational. President Enns asked if the Chief Plant Operator will be full or part time? Koon answered it will be a full time position.

President Enns opened the meeting to Public Comment.

Hearing no comments, Public Comment was closed.

Report received, no action needed.

12. DISCUSSION AND CONSIDERATION TO APPROVE FY 2020/21 CAYUCOS SANITARY DISTRICT BUDGET:
A. OPERATING BUDGET
B. CIP BUDGET

Manager Koon and Director Miller discussed the proposed budget for the upcoming fiscal year and reviewed some highlights from the Budget Committee meeting held on June 12, 2020.

President Enns opened the meeting to Public Comment.

Julie Tacker made a few observations on District revenue.

Hearing no further comments, Public Comment was closed.

MOTION: 1st by Miller, to approve FY 2020/21 Cayucos Sanitary District Operating Budget. Motion was seconded by Frank.

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

VOTE 5-0 Motion passed

While reviewing the planned CIP budget, some questions arose regarding the Recycled Water Program. President Enns asked if Koon is planning on building something? Koon clarified that this is only a study as required by our regulatory permits. Vice President Chivens commented that he's comfortable with showing a budget deficit, and felt it was smart to proceed as if it's the worst case scenario. Director Miller agreed, adding that differed maintenance could end up costing even more money.

President Enns opened the meeting to Public Comment.

Julie Tacker had several comments and offered her opinion that the estimate for the recycled water study is too low.

Hearing no further comments, Public Comment was closed.

MOTION: 1st by Frank, to approve FY 2020/21 Cayucos Sanitary District CIP Budget. Motion was seconded by Miller.

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

VOTE 5-0 Motion passed

13. DISCUSSION AND CONSIDERATION TO ADOPT RESOLUTION 2020-3 ESTABLISHING CAYUCOS SANITARY DISTRICT'S FISCAL YEAR 2020/21 APPROPRIATIONS LIMIT

President Enns opened the meeting to Public Comment.

Hearing no comments, Public Comment was closed.

MOTION: 1st by Lyon, to adopt Resolution 2020-3 establishing Cayucos Sanitary District's fiscal year 2020/21 appropriations limit. Motion was seconded by Chivens.

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

VOTE 5-0 Motion passed

14. CAYUCOS SUSTAINABLE WATER PROJECT STATUS UPDATE

Manager Koon updated the Board on the recent happenings with the CSWP. The contract for pipelines is in review with legal counsel, with work planned to start the second week of July. Lift Station 5 is out to bid and bids are due July 2nd. Two new contractors are interested and will do a job walk with Wade. They are working on getting internet to the site, and in July Koon hopes to take the Board for a tour.

15. 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.)

Director Miller reminded the Board that her baby is due soon, and it's possible she may not be able to attend the July meeting.


16. FUTURE SCHEDULED MEETINGS.

- July 16, 2020 – Regular Board Meeting
- August 20, 2020 – Regular Board Meeting
- September 17, 2020 – Regular Board Meeting

17. ADJOURNMENT

The meeting adjourned at 7:00p.m.

Minutes Respectfully Submitted By:

X 

Amy Nelson
Billing Clerk