



Pursuant to Governor Newsom's Executive Order N-29-20, members of the Board of Directors and staff will participate in this meeting via a teleconference. Members of the public can comment when prompted by unmuting their microphone, and allowing access to their webcam is optional.

CAYUCOS SANITARY DISTRICT

200 Ash Avenue
PO Box 333
Cayucos, California 93430-0333
805-995-3290

GOVERNING BOARD

R. Enns, President
D. Chivens, Vice-President
S. Lyon, Director
R. Frank, Director
H. Miller, Director

BOARD OF DIRECTORS REGULAR MEETING AGENDA - AMENDED THURSDAY, MARCH 18, 2021 AT 5:00PM

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Copies of the staff reports or other documentation relating to each item of business referred to on the agenda are on file in the District Office and available on the CSD website at <https://www.cayucosd.org/board-of-directors-meetings>. To comply with the Governor's Executive Order, CA Department of Public Health social distancing guidance and shelter-at-home order, related to slowing the spread of coronavirus (COVID-19), the CSD Administrative Office is closed to the public, until further notice. Please call 805-995-3290 if you need any assistance. If requested, the agenda and supporting documents shall be made available in alternative formats to persons with a disability.

1. ESTABLISH QUORUM AND CALL TO ORDER

2. PUBLIC COMMENTS:

This is the time the public may address the Board on items other than those scheduled on the agenda. By conditions of the Brown Act the Board may not discuss issues not posted on the agenda, but may set items for future agendas. Those persons wishing to speak on any item scheduled on the agenda will be given an opportunity to do so at the time that agenda item is being considered. When recognized by the Board President, please stand up and state your name and address for the record (though not required). While the Board encourages public comment, in the interest of time and to facilitate orderly conduct of the meeting, the Board reserves the right to limit individual comments to three minutes.

3. CONSENT CALENDAR: Recommended 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 January 21, 2021 Board of Directors Regular Meeting

B. Financial Reports: January 2021

1. Check Register – Mechanics Bank (General Checking Account)
 - a. Check Register – Wells Fargo (CIP/CSWP Checking Account)
 - b. Check Register – Wells Fargo (CSWP Construction Account)

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2. Cash, Savings, and Investment Report
3. Budget vs. Actual Status Report **FY 2020-2021**
4. Capital Improvement Projects Report
- C. **Financial Reports: February 2021**
 1. Check Register – Mechanics Bank (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 2020-2021**
 4. Capital Improvement Projects Report
4. **STAFF COMMUNICATIONS AND INFORMATIONAL ITEMS: No Action Required**
 - A. District Manager's Report (Koon) – **January & February 2021**
 - B. Monthly Customer Satisfaction Survey Submissions – **None**
 - C. Will-Serves – New – **January & February 2021**
 - Teixeira, APN 064-206-052, 2685 Ocean Blvd. – **SFR Remodel**
 - Will-Serves – Renewed
 - Riley, APN 064-201-072, 2651 Richard Ave. – **SFR New**
 - Borek, APN 064-221-013, 34 11th St. – **SFR Addition**
 - O'Day, APN 064-157-026, 960 Park Ave. – **SFR Remodel**
 - Gottlieb, APN 064-484-001, 871 N Ocean Ave. – **SFR New**
 - J Tenbroeck, Inc., APN 064-204-032, 2788 Richard Ave. – **SFR New**
 - Bybee, APN 064-207-048, 2744 Orville Ave. – **SFR Remodel**
 - Wolowodiuk, APN 064-154-020, 1073 Pacific Ave. – **SFR New**
 - Will-Serves – Finaled
 - Billings, APN 064-415-002, 3205 Studio Dr. – **SFR New**
 - Wrage, APN 064-426-039, 3333 Ocean Blvd. – **SFR New**
 - Garabedian, APN 064-204-064, 2739 Santa Barbara Ave. – **SFR New**
 - Will-Serves – Continue to Serve (No Will-Serve Required)
 - None**
 - Will-Serves – Grant of License
 - None**
5. **PRESENTATION FROM CHARLOTTE HOLIFIELD OF CSDA REGARDING THE 2021 TRANSPARENCY CHALLENGE FOR CALIFORNIA SPECIAL DISTRICTS**
6. **DISCUSSION AND CONSIDERATION TO ACCEPT THE MORRO BAY/CAYUCOS JOINT POWERS AGREEMENT FISCAL YEAR 2019-2020 AUDIT**
7. **DISCUSSION AND CONSIDERATION TO APPROVE THE HOUSEHOLD HAZARDOUS WASTE SECOND AGREEMENT WITH INTEGRATED WASTE MANAGEMENT AUTHORITY AND CITY OF MORRO BAY**
8. **DISCUSSION AND CONSIDERATION TO APPROVE PAYMENT OF MORRO BAY INVOICE FOR 2ND QUARTER OF FY 2020-2021 IN THE AMOUNT OF \$87,912.52**
9. **DISCUSSION AND CONSIDERATION OF REQUEST FROM THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) TO NOMINATE A BOARD MEMBER TO SERVE ON THE LOCAL AGENCY FORMATION COMMISSION AS THE SPECIAL DISTRICT MEMBER (OPTIONAL)**
10. **DISCUSSION AND CONSIDERATION TO APPROVE CHANGE ORDER #6 WITH CUSHMAN CONTRACTING CORPORATION IN THE AMOUNT OF \$89,388.37**

Pursuant to Governor Newsom's Executive Order N-29-20, members of the Board of Directors and staff will participate in this meeting via a teleconference. Members of the public can comment when prompted by unmuting their microphone, and allowing access to their webcam is optional.

11. **DISCUSSION AND CONSIDERATION TO APPROVE PIPELINE PROJECT CHANGE ORDER #2 WITH DAVID CRYE GENERAL ENGINEERING CONTRACTOR, INC. FOR A DECREASED AMOUNT OF \$120,784.00**
12. **DISCUSSION AND CONSIDERATION TO APPROVE CHANGE ORDER #3 FOR THE LIFT STATION 5 PROJECT WITH RAMINHA CONSTRUCTION, INC. IN THE AMOUNT OF \$24,053.77**
13. **CAYUCOS SUSTAINABLE WATER PROJECT STATUS UPDATE**
14. **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.)
15. **FUTURE SCHEDULED MEETINGS**
 - April 15, 2021 – Regular Board Meeting
 - May 20, 2021 – Regular Board Meeting
 - June 17, 2021 – Regular Board Meeting
16. **ADJOURNMENT**

This agenda was prepared and posted pursuant to Government Code Section 54954.2. The agenda can be accessed and downloaded from the District's website at <https://www.cayucosd.org/board-of-directors-meetings>

All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the District's office and are available for public inspection and reproduction at cost. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disability Act. To make a request for disability-related modification or accommodation, contact the District at 805-995-3290 as soon as possible and at least 48 hours prior to the meeting date.



CAYUCOS SANITARY DISTRICT

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

AGENDA ITEM: 3.A.1

DATE: March 18, 2021

ACTION: _____

GOVERNING BOARD

R. B. Enns, President
D. Chivens, Vice-President
S. Lyon, Director
H. Miller, Director
R. Frank, Director

REGULAR MEETING MINUTES

Thursday, January 21, 2021

5:00 p.m.

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 5:00p.m.

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

Staff present via GoToMeeting: District Manager Rick Koon and Admin. Services Manager Amy Lessi

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

2. PUBLIC COMMENTS

President Enns opened the meeting to Public Comment.

Julie Tacker asked about a written public comment submitted by John Paul Drayer and said that she thought he had wanted it read aloud.

Hearing no further comment, President Enns closed Public Comment.

Manager Koon answered that Mr. Drayer's written public comment was distributed amongst the Board as agenda correspondence and was also posted to the website with the other materials for tonight's meeting.

3. CONSENT CALENDAR - Recommended 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 17, 2020 Board of Directors Regular Meeting

B. Financial Reports: November 2020

1. Check Register – Mechanics Bank (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 2020-2021**

4. Capital Improvement Projects Report

C. Financial Reports: December 2020

1. Check Register – Mechanics Bank (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 2020-2021**
- 4. Capital Improvement Projects Report

President Enns opened the meeting to Public Comment.

John Curti observed the recent increase in revenue from SLO County City Taxes and asked why they had previously been behind. He also asked for clarification on the reduction in Admin. expenses and wondered if that cost is anticipated to go up later.

Hearing no further comment, President Enns closed Public Comment.

Manager Koon explained that property taxes get reported in November and are linked to delinquent sewer fee revenue. The Admin. expenses are simply a reflection of current staffing needs.

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

ROLLCALL VOTE: Frank-yes, Lyon-yes, Miller-yes, Chivens-yes, Enns-yes,
VOTE 5-0 Motion passed

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

A. District Manager’s Report – November 2020

B. Monthly Customer Satisfaction Survey Submissions – None

C. Will Serves – New

Cayucos Supermarket Corp., APN 064-131-006, 301 S Ocean Ave. – CMMCL Remodel
 Will-Serves – Renewed

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

Scoto, APN 064-204-055, 2787 Santa Barbara Ave. – SFR New

Will-Serves – Finaled

None

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

None

Will-Serves – Grant of License

None

Manager Koon gave a summary of the previous month’s Admin. and Operations departments’ activities.

President Enns opened the meeting to Public Comment.

Hearing no comment, President Enns closed Public Comment.

Items 4 A through C were received and accepted.

5. DISCUSSION AND CONSIDERATION TO APPROVE AMENDMENT #1 IN THE AMOUNT OF \$264,525.00 TO THE AGREEMENT WITH WATER SYSTEMS CONSULTANTS, INC. (WSC) FOR PROFESSIONAL ENGINEERING SERVICES IN THE CONSTRUCTION OF THE CAYUCOS SUSTAINABLE WATER PROJECT SUBJECT TO FINAL APPROVAL BY THE USDA

Manager Koon and Dylan Wade of WSC presented Amendment #1 to the agreement with WSC and explained its necessity.

President Enns opened the meeting to Public Comment.

Michael Taylor asked if the work described in this amendment was included in the original proposal, what the total value of the contract is, and if the price increase will impact the ratepayers.

Julie Tacker asked why this wasn't included in the original scope of work, complained that the staff report lacks what it "actually costs" and doesn't mention how over budget the project is, and asked how soon can she expect to see Amendment #2.

Hearing no further comments, President Enns closed Public Comment.

Manager Koon responded that the original contract amount was for ~2.5 million, so this amendment is for a little over 10% of that amount. This increase will not affect or cost the ratepayers; the current rates are sufficient and are protected under the Prop. 218 process. There has been a rate of less than half of a percent of change orders with Cushman Contracting, and the District is well within the contingencies that are built into every contract it agrees to. Some items were added to the scope of work as a result of slow supply, and some As-Builts were added in addition to those that were in the original contract.

Director Miller reiterated that the District is well within its contingencies for this project and offered her opinion that with all of the unpredictable delays and ripple effects associated with COVID-19, being this close to the budget and sticking so close to the schedule is nothing short of remarkable. She stated that this is a Public Works project, and in her line of work with SLO County, she has never seen a Public Works project run this smoothly. She thanked Manager Koon and Dylan Wade for their hard work and dedication.

Vice President Chivens pointed out that a large portion of these added services are a compliance component required by the USDA and while he's not sure if they were accounted for from day one, the loan savings (compared to the originally agreed upon interest rates that were significantly higher) will make up for it. He added that in his personal construction business, all prices have gone up significantly since COVID-19 and the delays have been worse. He advocated that this project is doing well on all fronts.

President Enns added that he has never seen a Public Works project with a .48% change order rate.

MOTION: 1st by Lyon, to Approve Amendment #1 in the Amount of \$264,525.00 to the Agreement with Water Systems Consultants, Inc. (Wsc) for Professional Engineering Services in the Construction of The Cayucos Sustainable Water Project Subject to Final Approval by The USDA. Motion was seconded by Chivens.

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

VOTE 5-0 Motion passed

6. DISCUSSION AND CONSIDERATION TO APPROVE THE FOLLOWING RESOLUTIONS IN ORDER TO CONVERT THE WESTERN ALLIANCE BANK CONSTRUCTION FINANCING TO THE USDA LOANS:

- A. RESOLUTION 2021-01 AUTHORIZING THE EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$24,301,500; AND APPROVING AN INSTALLMENT SALES AGREEMENT BETWEEN THE PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA AND THE CAYUCOS SANITARY DISTRICT; A TRUST AGREEMENT AMONG THE DISTRICT MANAGER OF THE CAYUCOS SANITARY DISTRICT, THE PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, AND THE CAYUCOS SANITARY DISTRICT; AN ASSIGNMENT AGREEMENT BETWEEN THE PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA AND THE DISTRICT MANAGER OF THE CAYUCOS SANITARY DISTRICT; AND RELATED ACTIONS**

Manager Koon presented the documents necessary to allow the District to convert its short-term loans with Western Alliance Bank to long-term loans through the USDA.

President Enns opened the meeting to Public Comment.

Michael Taylor asked what USDA stands for.

Julie Tacker asked if there are separate resolutions or one resolution adopting all four agreements. She stated her opinion that each item should be adopted separately.

Hearing no further comment, President Enns closed Public Comment.

President Enns clarified that USDA stands for United States Department of Agriculture.

Manager Koon explained that there is one resolution, Resolution 2021-01, and the verbiage within it allows for the adoption of the Installment Sales Agreement, the Trust Agreement, and the Assignment Agreement. This resolution was prepared by the District's Bond Counsel, was reviewed by USDA General Counsel, and is the specific format required by the USDA.

MOTION: 1st by Miller, to Adopt Resolution 2021-01 Authorizing the Execution and Delivery of Certificates of Participation in the Aggregate Principal Amount Not to Exceed \$24,301,500 and Approving an Installment Sales Agreement, a Trust Agreement and an Assignment Agreement and Related Actions. Motion was seconded by Frank.

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

VOTE 5-0 Motion passed

B. FOUR (4) USDA LOAN RESOLUTIONS AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING THE DISTRICT'S WASTEWATER SYSTEM FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE

The Board reviewed the four Loan Resolutions from USDA (\$2.207M, \$8M, \$9.9M, and \$4.1945M) with Manager Koon and Dylan Wade of WSC.

President Enns opened the meeting to Public Comment.

Michael Taylor asked if the 1.75 rate for all four loans is guaranteed, and if all four will be executed at once, or over time.

Hearing no further comment, President Enns closed Public Comment.

Manager Koon answered that with Board approval, all four loans will be executed with a closing date of February 1st so that the District can lock in that rate.

MOTION: 1st by Miller, to Adopt Four (4) USDA Loan Resolutions Authorizing and Providing for the Incurrence of Indebtedness for the Purpose of Providing a Portion of the Cost of Acquiring, Constructing, Enlarging, Improving, and/or Extending the District's Wastewater System Facility to Serve an Area Lawfully Within its Jurisdiction to Serve. Motion was seconded by Chivens.

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

VOTE 5-0 Motion passed

7. DISCUSSION AND CONSIDERATION TO APPROVE RESOLUTION 2021-02 FOR MODIFICATIONS TO THE SERIES B LOAN WITH WESTERN ALLIANCE BANK

Manager Koon explained the necessity for Resolution 2021-02 as it relates to funding for the CSWP.

President Enns opened the meeting to Public Comment.

Hearing no comment, President Enns closed Public Comment.

MOTION: 1st by Lyon, to Approve Resolution 2021-02 for Modifications to the Series B Loan with Western Alliance Bank. Motion was seconded by Frank.

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

VOTE 5-0 Motion passed

8. CAYUCOS SUSTAINABLE WATER PROJECT STATUS UPDATE

Manager Koon updated the Board on recent project developments. The Pipeline Project is complete, and the curbs, gutters, and paving at the treatment plant are also complete. The temporary trailers will be hauled out next week and staff will transition into the new facility. Staff has received training on the headworks. The floors and cabinets are coming soon. The solar system is still on track for April, with preparatory grading work to take place beforehand.

Director Frank asked if there were any developments with Dog Beach.

Manager Koon answered that last week Morro Bay said it will be going before counsel.

Vice President Chivens asked if Koon had any thoughts on a need for security out at the jobsite.

Manager Koon answered that all of the buildings are locked, and once the trailers are gone fencing and automatic gates will be coming in for added security.

President Enns opened the meeting to Public Comment.

Hearing no comment, President Enns closed Public Comment.

9. 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.

10. FUTURE SCHEDULED MEETINGS

- February 18, 2021 – Regular Board Meeting
- March 18, 2021 – Regular Board meeting
- April 15, 2021 – Regular Board meeting

11. ADJOURNMENT

The meeting adjourned at 6:06p.m.

Minutes Respectfully Submitted By:

X Amy Lessi

Amy Lessi
Administrative Services Manager

**Cayucos Sanitary District
General Checking Account
(Payments Only)
January 2021**

AGENDA ITEM: 3.B.1

DATE: March 18, 2021

Date	Num	Name	Amount
01/01/2021	21939	POSTMASTER	-587.10
01/04/2021	21963	CHARTER INTERNET	-114.98
01/04/2021	21964	COASTAL CARPET CLEANERS	-140.00
01/04/2021	21965	KITZMAN WATER	-31.00
01/04/2021	21966	MINER'S ACE HARDWARE	-66.12
01/04/2021	21967	MORRO ROCK MUTUAL WATER CO. UTILITY 782	-84.68
01/04/2021	21968	QUICK TECH COMPUTERS	-525.00
01/04/2021	21969	STREAMLINE	-200.00
01/04/2021	21970	SUTTER GOULD MEDICAL FOUNDATION	-230.00
01/04/2021	21980	CAYUCOS SANITARY DISTRICT WELLS FARGO ACT	-1,285.25
01/05/2021	HLTH010521	CALPERS (HEALTH)	-13,232.32
01/05/2021	B2100511966	ALLIED ADMINISTRATORS FOR DELTA DENTAL	-943.29
01/06/2021	21974	CARMEL & NACCASHA LLP	-4,406.40
01/06/2021	21975	CAYUCOS SANITARY DISTRICT	-282.00
01/06/2021	21976	MISSION UNIFORM SERVICE	-216.52
01/06/2021	21977	PG&E LS#4	-339.30
01/06/2021	21978	PG&E TORO - PLANT	-669.47
01/06/2021	21979	WELLS FARGO VENDOR FIN SERV	-213.43
01/07/2021		QuickBooks Payroll Service	-16,850.80
01/07/2021	21981	ALPHA FIRE & SECURITY ALARM CORP	-105.00
01/07/2021	21982	PG&E LS#2	-633.04
01/07/2021	21983	PG&E LS#3	-114.82
01/07/2021	21984	PG&E OFFICE	-165.52
01/08/2021	DD01082101	COLLINS, JONATHAN W	0.00
01/08/2021	DD01082103	GOOD, GAYLE	0.00
01/08/2021	DD01082104	HOOPER, SARAH L	0.00
01/08/2021	DD01082105	KOON, RICHARD L	0.00
01/08/2021	DD01082106	LAKEY, NICK E	0.00
01/08/2021	DD01082107	LESSI, AMY M	0.00
01/08/2021	DD01082109	OWENS, JUSTIN D	0.00
01/08/2021	DD01082110	WINN, CHRISTOPHER M	0.00
01/08/2021	21971	CHIVENS, DAN P	-274.05
01/08/2021	DD01082102	FRANK, ROBERT W	0.00
01/08/2021	21972	ENNS, ROBERT	-274.05
01/08/2021	21973	LYON, SHIRLEY A	-274.05
01/08/2021	DD01082108	MILLER, HANNAH P	0.00
01/08/2021	EDD01082021	EDD	-1,460.64
01/08/2021	FED01082021	US TREASURY	-7,013.42
01/08/2021	PERS010821	CALPERS (RETIREMENT)	-3,852.00
01/08/2021	DEF010821	CALPERS (RETIREMENT)	-1,375.00
01/08/2021	CDTFA2020	CALIFORNIA DEPT. OF TAX & FEE ADMIN.	-27.00
01/11/2021	21985	PATHIAN ADMINISTRATORS	-241.26
01/11/2021	21986	PETTY CASH	-50.85
01/12/2021	21987	AIR RESOURCES BOARD-PERP RENEWAL	-735.00
01/12/2021	21988	CALNET3	-314.10

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
01/12/2021	21989	FAMILY & INDUSTRIAL MEDICAL CENTER	-168.00
01/12/2021	21990	PG&E LS#1	-305.71
01/12/2021	21991	PG&E LS#5	-1,376.60
01/12/2021	21992	PG&E TORO - PLANT	-1,086.97
01/19/2021	21994	FIRSTNET (AT&T)	-1,035.67
01/21/2021		QuickBooks Payroll Service	-16,325.89
01/21/2021	21995	ADVANTAGE ANSWERING PLUS	-98.39
01/21/2021	21996	COASTAL COPY, INC	-54.17
01/21/2021	21997	CWEA	-288.00
01/21/2021	21998	EXECUTIVE JANITORIAL	-180.00
01/21/2021	21999	ROBERT FERGUSON	-77.35
01/22/2021	DD01222101	COLLINS, JONATHAN W	0.00
01/22/2021	DD01222102	GOOD, GAYLE	0.00
01/22/2021	DD01222103	HOOPER, SARAH L	0.00
01/22/2021	DD01222104	KOON, RICHARD L	0.00
01/22/2021	DD01222105	LAKEY, NICK E	0.00
01/22/2021	DD01222106	LESSI, AMY M	0.00
01/22/2021	DD01222107	OWENS, JUSTIN D	0.00
01/22/2021	DD01222108	WINN, CHRISTOPHER M	0.00
01/22/2021	EDD012221	EDD	-1,558.67
01/22/2021	FED012221	US TREASURY	-6,807.28
01/22/2021	DEF012221	CALPERS (RETIREMENT)	-1,375.00
01/22/2021	PERS012221	CALPERS (RETIREMENT)	-3,862.73
01/25/2021	22000	CAYUCOS SANITARY DISTRICT WELLS FARGO ACT	-300,000.00
01/25/2021	22001	BUSINESS CARD 4841	-468.89
01/25/2021	22002	BUSINESS CARD 8913	-122.93
01/25/2021	22003	STAPLES ADVANTAGE (Gov. Acct)	-333.29
01/25/2021	22004	DIGITAL WEST NETWORKS, INC.	-3,718.68
01/29/2021	22005	LAKEY, NICK E	-12.71
01/31/2021	11430114345	COLONIAL LIFE INSURANCE PREMIUMS	-172.20
		Total Operating Expenses	-396,756.59
		Less Transfer to CIP	300,000.00
		Grand Total	-\$96,756.59

**Cayucos Sanitary District
CIP/CSWP Account
(Payments Only)
January 2021**

AGENDA ITEM: <u>3.B.1a</u>
DATE: <u>March 18, 2021</u>

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
01/06/2021	11452	CARMEL & NACCASHA LLP	-1,652.40
01/12/2021	11453	WATER SYSTEMS CONSULTING, INC.	-1,157.50
01/19/2021	11454	MORAES PHAM & ASSOCIATES	-5,600.00
		Total CIP Expenses	<u>-\$8,409.90</u>

**Cayucos Sanitary District
CSWP Construction Account
(Payments Only)
January 2021**

AGENDA ITEM: 3.B.1b

DATE: March 18, 2021

Date	Num	Name	Amount
01/04/2021	5251	HARVEY'S HONEY HUTS	-420.36
01/04/2021	5252	RANCH WIFI	-135.00
01/06/2021	5253	COASTAL COPY, INC	-59.14
01/12/2021	5254	CALNET3	-44.69
01/12/2021	5255	PG&E TORO - CONST OFC	-477.54
01/13/2021	5256	CUSHMAN CONTRACTING CORPORATION	-713,976.00
01/13/2021	5257	DAVID CRYE GENERAL ENGINEERING CONTRACTOR	-337,833.30
01/13/2021	5258	FIRMA CONSULTANTS, INC	-48,973.09
01/13/2021	5259	GEOSOLUTIONS, INC	-2,523.25
01/13/2021	5260	RAMINHA CONSTRUCTION, INC.	-175,845.00
01/13/2021	5261	TESCO CONTROLS, INC.	-49,500.00
01/13/2021	5262	WATER SYSTEMS CONSULTING, INC.	-96,524.55
01/19/2021	5263	WELLS FARGO VENDOR FIN SERV	-249.98
Total CSWP Construction Expenses			-\$1,426,561.90

Cayucos Sanitary District Cash, Savings and Investment Report January 2021

AGENDA ITEM: 3.B.2

DATE: March 18, 2021

Bank Accounts	Current Balance	
Mechanic's Bank Checking	\$206,515	
Wells Fargo CIP	\$1,721,511	
Wells Fargo CFF	\$191,871	
Petty Cash	\$175	
LAIF	\$8,448	
Total	\$2,128,520	
CSWP Project/Asset Accounts		
Western Alliance Const. Interest Reserve	\$29	
Western Alliance Series A Account	\$0	
Western Alliance Series A-1 Account	\$5	
Western Alliance Series B Account	\$0	
WF CSWP Constr. Oper. Acct.	\$124,466	
WF CSWP Constr. Impound Acct.	\$1,035,744	
Total	\$1,160,244	
Investments		
Wells Fargo CalTrust	\$1,686,789	
Cetera Cash/MM	\$738,673	
Cetera Treasury/Securities	\$76,391	(Fixed Income)
Total	\$2,501,853	
Grand Total	\$5,790,617	
MCD Rabobank Deposit CD	\$25,000	Franchise Deposit on Hold

**Cayucos Sanitary District
FY 20/21 Financial Report
January 2021**

AGENDA ITEM: 3.B.3

DATE: March 18, 2021

	Current Month	YTD Actual Rev/Exp	YTD Budget	Approved Budget 20/21	% of Budget
Ordinary Income/Expense					
Income					
4000 · SEWER INCOME	264,861	1,782,352	1,712,754	2,936,150	61%
4100 · WILL SERVE INCOME	325	34,140	20,008	34,300	100%
4200 · RENTAL INCOME	-	35,533	18,783	32,200	110%
4300 · SOLID WASTE INCOME	12,464	58,316	52,267	89,600	65%
4400 · SLOCO TAX ASSESSMENTS	143,668	603,943	566,825	971,700	62%
4500 · SAVINGS INTEREST INCOME	16	68	117	200	34%
4600 · INVESTMENT INTEREST	1,210	12,992	16,100	27,600	47%
4700 · OTHER INCOME	-	4,569	2,683	4,600	99%
Total Income	<u>422,544</u>	<u>2,531,911</u>	<u>2,389,538</u>	<u>4,096,350</u>	<u>62%</u>
Expense					
5000 · PAYROLL EXPENSES					
5100 · ADMINISTRATIVE PAYROLL	26,209	192,135	197,225	338,100	57%
5200 · COLLECTIONS PAYROLL	13,357	98,192	67,783	116,200	85%
5300 · TREAT PAYROLL	12,656	19,509	121,917	209,000	9%
5400 · DIRECTOR PAYROLL	1,400	4,500	4,667	8,000	56%
5500 · VESTED PAYROLL BENEFITS	429	2,931	2,917	5,000	59%
5600 · ADMIN PAYROLL TAXES & BENEFITS	12,003	101,142	70,554	120,950	84%
5700 · COLL PAYROLL TAXES & BENEFITS	7,257	70,782	49,963	85,650	83%
5800 · TREAT PAYROLL TAXES & BENEFITS	2,262	3,217	39,929	68,450	5%
5900 · DIRECTOR PAYROLL TAXES & BENEFITS	107	344	292	500	69%
Total 5000 · PAYROLL EXPENSES	<u>75,680</u>	<u>492,753</u>	<u>555,246</u>	<u>951,850</u>	<u>52%</u>
6000 · OPERATING EXPENSES					
6050 · SPECIAL PROJECTS	-	-	7,583	13,000	0%
6100 · ADMIN OPERATING EXPENSES	7,739	672,611	1,040,142	1,783,100	38%
6500 · COLLECTIONS OPERATING EXPENSES	6,585	64,389	127,867	219,200	29%
7000 · TREATMENT OPERATING EXPENSES	24,875	124,837	469,583	805,000	16%
Total 6000 · OPERATING EXPENSES	<u>39,198</u>	<u>861,836</u>	<u>1,645,175</u>	<u>2,820,300</u>	<u>31%</u>
Total Expense	<u>114,879</u>	<u>1,354,590</u>	<u>2,200,421</u>	<u>3,772,150</u>	<u>36%</u>
Net Ordinary Income	<u>307,665</u>	<u>1,177,322</u>	<u>189,117</u>	<u>324,200</u>	<u>363%</u>
Net Income	<u><u>307,665</u></u>	<u><u>1,177,322</u></u>	<u><u>189,117</u></u>	<u><u>324,200</u></u>	<u><u>363%</u></u>

**Cayucos Sanitary District
Capital Improvement Projects Report
FY 20/21
January 2021**

AGENDA ITEM: 3.B.4
DATE: March 18, 2021

	Current Month	YTD Actual Rev/Exp	Approved Budget 20/21	Percent Used YTD
CAPITAL IMPROVEMENTS				
1601 - Sewer Main Replacements	0.00	0.00	85,000.00	0%
1601.02 - Chaney to LS #5	0.00	0.00	70,000.00	0%
1609 - Lift Stations 1 & 4 Repairs				
1609.2 - LS #4 Replacement Pump	0.00	19,041.36	22,000.00	87%
1612 - ALL LIFT STATIONS				
1612.1 - Lift Station SCADA System	660.00	59,387.86	65,000.00	91%
1614 - Lift Station #5				
1614.1 - Inflow & Infiltration Study	0.00	0.00	28,000.00	0%
1615 - Outfall Tie-In	0.00	0.00	45,000.00	0%
1616 - RWQCB Recycled Water Program	0.00	0.00	50,000.00	0%
Total 1600 CAPITAL IMPROVEMENTS	660.00	\$78,429.22	\$365,000.00	21%

**Cayucos Sanitary District
General Checking Account
(Payments Only)
February 2021**

AGENDA ITEM: 3.C.1

DATE: March 18, 2021

Date	Num	Name	Amount
02/01/2021	21993	POSTMASTER	-592.15
02/01/2021	22006	CAYUCOS SANITARY DISTRICT WELLS FARGO ACT	-3,394.00
02/02/2021	22007	CAYUCOS BEACH MUTUAL WATER CO. #1	-90.30
02/02/2021	22008	CAYUCOS BEACH MUTUAL WATER CO. #2	-117.02
02/02/2021	22009	CAYUCOS SANITARY DISTRICT	-282.00
02/02/2021	22010	CHARTER INTERNET	-804.98
02/02/2021	22011	EXXONMOBIL	-266.97
02/02/2021	22012	KITZMAN WATER	-15.50
02/02/2021	22013	MINER'S ACE HARDWARE	-32.27
02/02/2021	22014	MISSION UNIFORM SERVICE	-233.20
02/02/2021	22015	MORRO ROCK MUTUAL WATER CO. UTILITY 782	-75.51
02/02/2021	22016	PG&E LS#4	-342.37
02/02/2021	22017	PRO3 AUTOMATION, INC.	-660.00
02/02/2021	22018	QUICK TECH COMPUTERS	-525.00
02/02/2021	22019	SOCAL GAS	-35.81
02/02/2021	22020	STAPLES ADVANTAGE (Gov. Acct)	-11.57
02/02/2021	22021	STREAMLINE	-200.00
02/02/2021	22022	WELLS FARGO VENDOR FIN SERV	-213.43
02/02/2021	22023	KITZMAN WATER	-22.20
02/02/2021	EDD020521	EDD	-1,506.98
02/02/2021	FED020521	US TREASURY	-6,882.36
02/03/2021	B2103612235	ALLIED ADMINISTRATORS FOR DELTA DENTAL	-801.80
02/04/2021		QuickBooks Payroll Service	-16,543.38
02/05/2021	HLTH020521	CALPERS (HEALTH)	-16,997.17
02/05/2021	DD02052101	COLLINS, JONATHAN W	0.00
02/05/2021	DD02052103	GOOD, GAYLE	0.00
02/05/2021	DD02052104	HOOPER, SARAH L	0.00
02/05/2021	DD02052105	KOON, RICHARD L	0.00
02/05/2021	DD02052106	LAKEY, NICK E	0.00
02/05/2021	DD02052107	LESSI, AMY M	0.00
02/05/2021	DD02052109	OWENS, JUSTIN D	0.00
02/05/2021	DD02052110	WINN, CHRISTOPHER M	0.00
02/05/2021	22024	CHIVENS, DAN P	-90.55
02/05/2021	22025	ENNS, ROBERT	-90.55
02/05/2021	DD02052102	FRANK, ROBERT W	0.00
02/05/2021	22026	LYON, SHIRLEY A	-90.55
02/05/2021	DD02052108	MILLER, HANNAH P	0.00
02/05/2021	DEF020521	CALPERS (RETIREMENT)	-1,375.00
02/05/2021	PERS020521	CALPERS (RETIREMENT)	-4,052.57
02/07/2021	22027	PATHIAN ADMINISTRATORS	-206.83
02/08/2021	22028	CARMEL & NACCASHA, LLP	-2,427.60
02/08/2021	22029	QUICK TECH COMPUTERS	-11,474.36
02/08/2021	22030	AL'S SEPTIC PUMPING SERVICE, INC.	-4,292.50
02/08/2021	22031	CSA 10A SLO CO PW LS#3	-187.59
02/08/2021	22032	CSA 10A SLO CO PW LS#4	-187.59

Date	Num	Name	Amount
02/08/2021	22033	ERNEST PACKAGING SOLUTIONS	-249.11
02/08/2021	22034	HACH	-14,494.45
02/08/2021	22035	PG&E LS#1	-381.66
02/08/2021	22036	PG&E LS#2	-991.76
02/08/2021	22037	PG&E LS#3	-145.72
02/08/2021	22038	PG&E LS#5	-1,701.23
02/08/2021	22039	PG&E OFFICE	-190.49
02/08/2021	22040	PG&E TORO - PLANT	-2,208.92
02/08/2021	22041	QUICK TECH COMPUTERS	-6,040.96
02/08/2021	22042	QUICK TECH COMPUTERS	-3,545.28
02/08/2021	22043	DIGITAL WEST NETWORKS, INC.	-3,718.68
02/08/2021	22044	QUICK TECH COMPUTERS	-804.50
02/16/2021	22046	DEPARTMENT OF PUBLIC WORKS - SLO COUNTY	-702.00
02/16/2021	22048	LAFCO	-6,000.00
02/17/2021	22049	THOMAS ADDISON	-511.20
02/17/2021	22050	MICHAEL CRIGLER	-15.00
02/18/2021		QuickBooks Payroll Service	-16,356.60
02/18/2021	22051	ADVANTAGE ANSWERING PLUS	-98.42
02/18/2021	22052	CALNET3	-324.41
02/18/2021	22053	FIRSTNET (AT&T)	-368.89
02/18/2021	22054	MISSION UNIFORM SERVICE	-522.00
02/18/2021	22055	N. BRENT KNOWLES CONSTRUCTION	-9,238.80
02/18/2021	22056	STAPLES ADVANTAGE (Gov. Acct)	-899.49
02/19/2021	DD02192101	COLLINS, JONATHAN W	0.00
02/19/2021	DD02192102	GOOD, GAYLE	0.00
02/19/2021	DD02192103	HOOPER, SARAH L	0.00
02/19/2021	DD02192105	LAKEY, NICK E	0.00
02/19/2021	DD02192106	LESSI, AMY M	0.00
02/19/2021	DD02192107	OWENS, JUSTIN D	0.00
02/19/2021	DD02192108	WINN, CHRISTOPHER M	0.00
02/19/2021	DD02192104	KOON, RICHARD L	0.00
02/19/2021	EDD021921	EDD	-1,496.42
02/19/2021	FED021922	US TREASURY	-6,802.34
02/19/2021	PERS021921	CALPERS (RETIREMENT)	-2,008.80
02/19/2021	PERS0219a	CALPERS (RETIREMENT)	-4,052.57
02/19/2021	DEF021921	CALPERS (RETIREMENT)	-1,375.00
02/22/2021	22057	LYNETTE KIZIRIAN	-2,845.21
02/22/2021	22058	COASTAL COPY, INC	-39.38
02/22/2021	22059	EXECUTIVE JANITORIAL	-225.00
02/22/2021	22060	PRO3 AUTOMATION, INC.	-220.00
02/24/2021	22061	BEAR EMBROIDERY	-172.40
02/24/2021	22062	HACH	-1,307.38
02/28/2021	11233562320	COLONIAL LIFE INSURANCE PREMIUMS	-172.20
		Total Operating Expenses	-165,347.93

**Cayucos Sanitary District
CIP/CSWP Account
(Payments Only)
February 2021**

AGENDA ITEM: <u>3.C.1a</u>
DATE: <u>March 18, 2021</u>

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
02/08/2021	11456	CARMEL & NACCASHA LLP	2,264.40
02/18/2021	11457	WATER SYSTEMS CONSULTING, INC.	8,271.25
		Total CIP Expenses	<u>\$10,535.65</u>

**Cayucos Sanitary District
CSWP Construction Account
(Payments Only)
February 2021**

AGENDA ITEM: 3.C.1b

DATE: March 18, 2021

Date	Num	Name	Amount
02/02/2021	5264	HARVEY'S HONEY HUTS	-420.36
02/08/2021	5265	CA STATE LANDS COMMISSION	-121.49
02/08/2021	5266	COASTAL COPY, INC	-70.82
02/16/2021	5268	CUSHMAN CONTRACTING CORPORATION	-874,974.00
02/18/2021	5273	CALNET3	-46.30
02/18/2021	5274	PG&E TORO - CONST OFC	-296.31
02/18/2021	5275	WELLS FARGO VENDOR FIN SERV	-249.98
02/22/2021	5276	DEPARTMENT OF PUBLIC WORKS - SLO COUNTY	-259.17
Total CSWP Construction Expenses			-\$876,438.43

Cayucos Sanitary District Cash, Savings and Investment Report February 2021

AGENDA ITEM: 3.C.2

DATE: March 18, 2021

Bank Accounts	Current Balance	
Mechanic's Bank Checking	\$289,706	
Wells Fargo CIP	\$836,001	
Wells Fargo CFF	\$195,266	
Mechanic's Bank - USDA	\$20,000	
Petty Cash	\$175	
LAIF	\$8,448	
Total	\$1,349,596	
CSWP Project/Asset Accounts		
Western Alliance Const. Interest Reserve	\$29	
Western Alliance Series A Account	\$0	
Western Alliance Series A-1 Account	\$5	
Western Alliance Series B Account	\$0	
WF CSWP Constr. Oper. Acct.	\$123,002	
WF CSWP Constr. Impound Acct.	\$1,035,744	
Total	\$1,158,780	
Investments		
Wells Fargo CalTrust	\$1,684,274	
Cetera Cash/MM	\$739,632	
Cetera Treasury/Securities	\$75,607	(Fixed Income)
Total	\$2,499,513	
Grand Total	\$5,007,889	
MCD Rabobank Deposit CD	\$25,000	Franchise Deposit on Hold

**Cayucos Sanitary District
FY 20/21 Financial Report
February 2021**

AGENDA ITEM: 3.C.3

DATE: March 18, 2021

	Current Month	YTD Actual Rev/Exp	YTD Budget	Approved Budget 20/21	% of Budget
Ordinary Income/Expense					
Income					
4000 · SEWER INCOME	246,751	2,029,103	1,957,433	2,936,150	69%
4100 · WILL SERVE INCOME	50	34,190	22,867	34,300	100%
4200 · RENTAL INCOME	-	35,533	21,467	32,200	110%
4300 · SOLID WASTE INCOME	2,607	60,923	59,733	89,600	68%
4400 · SLOCO TAX ASSESSMENTS	11,442	615,385	647,800	971,700	63%
4500 · SAVINGS INTEREST INCOME	2	70	133	200	35%
4600 · INVESTMENT INTEREST	1,101	14,092	18,400	27,600	51%
4700 · OTHER INCOME	-	4,569	3,067	4,600	99%
Total Income	<u>261,953</u>	<u>2,793,864</u>	<u>2,730,900</u>	<u>4,096,350</u>	<u>68%</u>
Expense					
5000 · PAYROLL EXPENSES					
5100 · ADMINISTRATIVE PAYROLL	26,209	218,344	225,400	338,100	65%
5200 · COLLECTIONS PAYROLL	12,024	110,216	77,467	116,200	95%
5300 · TREAT PAYROLL	14,052	33,562	139,333	209,000	16%
5400 · DIRECTOR PAYROLL	500	5,000	5,333	8,000	63%
5500 · VESTED PAYROLL BENEFITS	429	3,360	3,333	5,000	67%
5600 · ADMIN PAYROLL TAXES & BENEFITS	12,003	113,145	80,633	120,950	94%
5700 · COLL PAYROLL TAXES & BENEFITS	7,268	78,050	57,100	85,650	91%
5800 · TREAT PAYROLL TAXES & BENEFITS	6,149	9,826	45,633	68,450	14%
5900 · DIRECTOR PAYROLL TAXES & BENEFITS	38	383	333	500	77%
Total 5000 · PAYROLL EXPENSES	<u>78,671</u>	<u>571,885</u>	<u>634,567</u>	<u>951,850</u>	<u>60%</u>
6000 · OPERATING EXPENSES					
6050 · SPECIAL PROJECTS	-	-	8,667	13,000	0%
6100 · ADMIN OPERATING EXPENSES	7,088	679,699	1,188,733	1,783,100	38%
6500 · COLLECTIONS OPERATING EXPENSES	11,925	85,934	146,133	219,200	39%
7000 · TREATMENT OPERATING EXPENSES	9,543	134,785	536,667	805,000	17%
Total 6000 · OPERATING EXPENSES	<u>28,557</u>	<u>900,419</u>	<u>1,880,200</u>	<u>2,820,300</u>	<u>32%</u>
Total Expense	<u>107,228</u>	<u>1,472,304</u>	<u>2,514,767</u>	<u>3,772,150</u>	<u>39%</u>
Net Ordinary Income	<u>154,725</u>	<u>1,321,561</u>	<u>216,133</u>	<u>324,200</u>	<u>408%</u>
Net Income	<u><u>154,725</u></u>	<u><u>1,321,561</u></u>	<u><u>216,133</u></u>	<u><u>324,200</u></u>	<u><u>408%</u></u>

**Cayucos Sanitary District
Capital Improvement Projects Report
FY 20/21
February 2021**

AGENDA ITEM: <u>3.C.4</u>
DATE: <u>March 18, 2021</u>

	Current Month	YTD Actual Rev/Exp	Approved Budget 20/21	Percent Used YTD
CAPITAL IMPROVEMENTS				
1601 - Sewer Main Replacements	0.00	0.00	85,000.00	0%
1601.02 - Chaney to LS #5	0.00	0.00	70,000.00	0%
1609 - Lift Stations 1 & 4 Repairs				
1609.2 - LS #4 Replacement Pump	0.00	19,041.36	22,000.00	87%
1612 - ALL LIFT STATIONS				
1612.1 - Lift Station SCADA System	0.00	59,387.86	65,000.00	91%
1614 - Lift Station #5				
1614.1 - Inflow & Infiltration Study	0.00	0.00	28,000.00	0%
1615 - Outfall Tie-In	0.00	0.00	45,000.00	0%
1616 - RWQCB Recycled Water Program	0.00	0.00	50,000.00	0%
Total 1600 CAPITAL IMPROVEMENTS	0.00	\$78,429.22	\$365,000.00	21%



AGENDA ITEM: 4.A

DATE: March 18, 2021

CAYUCOS SANITARY DISTRICT

TO: BOARD OF DIRECTORS

**FROM: RICK KOON
DISTRICT MANAGER**

SUBJECT: MONTHLY MANAGERS REPORT: FEBRUARY & MARCH 2021

DATE: MARCH 10, 2021

ADMINISTRATIVE:

- The District continues the COVID -19 protection protocols for all employees as required by Cal-OSHA and the new State mandates. Operations staff vaccinations began last month and are continuing based on availability. 3 operations staff have been vaccinated to date.
- This year has seen a steady increase in ACH payments. We now have 415 customers signed up.
- Staff worked on the renewal of the WRRF copy machine lease. The lease monthly cost decreased \$60 per month.
- Operations staff have begun training on all process areas of the WRRF. Training will continue through March using clean water. We will switch to using wastewater at the end of March.
- The USDA and the District closed the \$24,301,500.00 loan on February 2nd. The final interest rate was 1.75%. The funds were used to pay all of the Western Alliance Series A loan and a portion of the Series A-1 loan. The balance of the Series A-1 will be paid upon receipt of the USDA grant monies.
- Western Alliance bank extended the District's Series B loan on March 3rd.
- Opened an additional checking account with Mechanics Bank for the transfer of interest payment funds to the USDA as required by our USDA Letter of Conditions.

CAPITAL PROJECTS:

- LAFCO application process for District Boundary adjustment was submitted to LAFCO.
- Toro Creek Pipeline Project went out to bid on March 5th.

OPERATIONS AND MAINTENANCE

January 2021

CIP:

- Repair Lift Station #1 force main leak

Daily Operations of Note:

- H2S leaving Lift Station #5 Average 32 ppm Max 150 ppm
- Lift Station #5 - average temperature 64° f
- Lift Station #1 - average pH 9.45
- Pump down, scrape, and bleach wet wells
- Target Solutions Training for SDRMA
- Respond to 42 Underground Service Alerts
- SDRMA insurance inventory audit
- Train CW and SH on Lift Station Rounds and alarms
- District virtual meeting regarding COVID, enact new protocols
- Fix POSM mapping issues
- CSWP training
- Rebuild magnesium hydroxide injection and mixer assembly
- Inspect fire extinguishers and eye wash stations
- Test capacities and fluid levels of standby generator batteries
- Wash and polish MCC and transfer switch cabinets at all lift stations
- Remove asphalt from clean out on 19th street which was newly paved
- Inspect First-Aid kits and restock inventory
- Prep CWSP Operations Building for flooring installation
- Prepare for large storm: adjust start points, place AI's Pumping service on standby
- Clean up hardware on MH upstream from Lift Station #1, N. Ocean St, and Lift Station #2 ARV hardware
- Move out of construction trailer at CSWP

Call Outs:

None

OPERATIONS AND MAINTENANCE

February 2021

CIP:

Daily Operations of Note:

- H2S leaving Lift Station #5 Average 9 ppm Max 32 ppm
- Lift Station #5 - average temperature 63.6° f
- Lift Station #1 - average pH 9.42
- Pump down, scrape, and bleach wet wells
- Target Solutions Training for SDRMA
- Respond to 54 Underground Service Alerts
- Jet 3660ft of main lines
- CSWP training:
 - Control systems for potable water and chemical injection
 - Stenner pump operation
 - Fire pump system
 - Grinder pump system
- Stop contractor attempting to install private gas laterals on our 10th Street easement
- NL completed his 7th year at the District
- Fuel generators
- Repair line 2 flow meter issue @ Lift Station #5
- APCD filings
- Repair office and shop toilets
- Ethics Compliance Training AB1234
- Compile flow study of January storm event
- Wash and polish MCC cabinets at lift stations
- Test battery fluids and capacities on District equipment
- Troubleshoot and fix Lift Station #2 SCADA error with cell service
- Sweep and mop shop, disinfect bathroom and commonly touched surfaces
- Emptied ran catches along Hwy 1 trunk line
- Replace eye wash fluid mixture at Lift Station #1
- Repair water service back flow preventer at Lift Station #2

Call Outs:

None

February 22, 2021

City Council of the City of Morro Bay and
Cayucos Sanitary District Board of Directors
Morro Bay/Cayucos Sanitary District
c/o Jennifer Callaway
595 Harbor Street
Morro Bay, California 93442

We have audited the financial statements of Morro Bay/Cayucos Sanitary District for the year ended June 30, 2020, and we will issue our report thereon dated February 22, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 31, 2020. Professional standards also require that we communicate to you the following related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Morro Bay/Cayucos Sanitary District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2020. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Flow rates used to calculate each entities contribution to the joint powers entity

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- Note 5: Commitments and Contingencies – this note discusses the future of the joint venture as well as the operation of the current plant. It also discusses that you have made no decision on decommissioning the current plant and have not begun accounting for the potential liability.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 22, 2021.

City Council of the City of Morro Bay and
Cayucos Sanitary District Board of Directors
Morro Bay/Cayucos Sanitary District
February 22, 2021
Page 3

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of City Council of the City of Morro Bay and Cayucos Sanitary District Board of Directors of the Morro Bay/Cayucos Wastewater Treatment Plant Joint Powers Agreement and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,



Glenn Burdette Attest Corporation

**Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Financial Statements
Years Ended June 30, 2020 and 2019**

**Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Financial Statements
Years Ended June 30, 2020 and 2019**

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Independent Auditors' Report

To the Governing Bodies of the
Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

SAN LUIS OBISPO

1150 Palm Street
San Luis Obispo, CA 93401
p 805 544 1441
f 805 544 4351

PASO ROBLES

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Paso Robles, CA 93446
p 805 237 3995
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SANTA MARIA

2222 South Broadway, Ste. A
Santa Maria, CA 93454
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Governing Bodies
Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Page 2

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement as of June 30, 2020 and 2019, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's basic financial statements. The schedule of member balance due accounts is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of member balance due accounts has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Governing Bodies

Morro Bay-Cayucos Wastewater Treatment Facility

Joint Powers Agreement

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2021, on our consideration of the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's internal control over financial reporting and compliance.

Glenn Burdette Attest Corporation

Glenn Burdette Attest Corporation

San Luis Obispo, California

February 22, 2021

Morro Bay-Cayucos Wastewater Treatment Plant
Joint Powers Authority
Management Discussion and Analysis
Fiscal Years Ending June 30, 2020 and 2019

This section of the City of Morro Bay/Cayucos Sanitary District Wastewater Treatment Plant (Facility) audit report presents a narrative overview and analysis of the financial activities of the Facility, for the fiscal year ended June 30, 2020 and 2019. This discussion and analysis has been prepared by the City of Morro Bay's (City) Finance department. Please read it in conjunction with the accompanying basic financial statements.

Ownership and Operation of the Facility

The Facility is located within the incorporated City of Morro Bay city limits on parcels owned by the City and parcels owned by the Cayucos Sanitary District (District). Its purpose is the receiving, processing and disposing of wastewater and bio-solids.

The Facility is operated under a Joint Powers Agreement (JPA), dated October 25, 1982, which replaced the 1953 JPA, as amended. In this Agreement, ownership of the Facility's capital assets, as well as the real property on which the Facility is located, is defined as 60% City and 40% District. Capital expenditures and operational expenditures are based on the measurement of the flow of wastewater into the Facility. The District has two flow meters on its trunk line into the Facility at the southerly boundary line of the unincorporated Cayucos Township, and the City has one at the Facility. The flow split averaged in fiscal year 19-20 City 80%, District 20%, which has changed from the historical averages of City 75%, District 25%; however, operations are billed on a quarterly basis, and the cost is determined by the quarterly average monthly flow, as specified in the agreement.

In 2003, the City and District began work efforts to replace the existing Facility, agreeing to share in the costs of studying, planning and designing a new facility to be constructed at the existing site. Activities continued until January 2013, when the California Coastal Commission voted to deny the Coastal Development Permit for the Facility at its existing location.

The two entities attempted to work together to build a jointly owned facility at a different site. In March 2015, the City presented a draft Memorandum of Understanding, stating its desire to own and operate the new facility, with the District as a wholesale wastewater customer, not a joint owner. On April 30, 2015, the District issued Resolution 2015-1, declaring its intention to suspend consideration of participation in a jointly owned wastewater treatment facility. The City and District continue to move forward with each of their own facilities, but the City expressed its interest in the District joining in on the project.

Morro Bay-Cayucos Wastewater Treatment Plant
Joint Powers Authority
Management Discussion and Analysis
Fiscal Years Ending June 30, 2020 and 2019

In April 2016, the City sent a letter to the District, again expressing its preference to include the District as a potential customer in a regional facility. The District issued a response, respectfully declining to pursue this project with the City.

The current Facility remains operational and is being maintained to remain compliant with discharge regulations until the District and the City construct separate wastewater treatment facilities. In 2019 the District broke ground on their new treatment plant and the City proceeded through the Proposition 218 process to establish new rates to support construction on their new Wastewater Reclamation Facility (WRF). In addition, the City has approved the Environmental Impact Report and identified the preferred location of the WRF on South Bay Boulevard and officially started construction in March 2020.

Financial Highlights

The Facility utilizes two funds, one for operations and one for capital improvement spending. Both funds are proprietary or *business-type* activities.

In the 2019/20 fiscal year, no new statements from the Governmental Accounting Standards Board (GASB) were required to be implemented in the Facility's statements.

The following outlines financial highlights for the year:

- At June 30, 2020, the Facility's net position remains at zero as all assets have been fully depreciated.
- Operating expenditures decreased during the 2019/20 fiscal year by \$90,737 (5.5%). There were fewer maintenance and repair projects in 2019/20 than 2018/19 due to the new plant construction, labor costs continue to decrease due to retirements of staff with long seniority being replaced with new staff at the beginning of the salary scale and new permit requirements providing for a reduction in offshore monitoring costs.
- There was no major maintenance spending included in operating expenditures.
- At this time, the existing Facility is being maintained and repaired to ensure compliance with the Regional Water Quality Control Board requirements for discharge. As stated above, the Facility will operate until either separately owned wastewater treatment facilities are constructed and operational.

Morro Bay-Cayucos Wastewater Treatment Plant
Joint Powers Authority
Management Discussion and Analysis
Fiscal Years Ending June 30, 2020 and 2019

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Facility's financial statements. Under Governmental Accounting Standards Board (GASB) Statement No. 34, component units of the primary government (City), which have only business activities, may present enterprise fund financial statements as follows: 1) statements of net position; 2) statements of revenue, expense, and changes in net position; and 3) statements of cash flows.

The Facility's basic financial statements are prepared on an accrual basis of accounting, in accordance with generally accepted accounting principles. The basic financial statements begin on page 12 of this report. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 15 of this report.

Condensed Statements of Net Position

The following table presents the condensed net position of the Facility as of the fiscal years ending June 30:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets:			
Current assets	\$ 81,377	\$ 89,697	\$ 87,776
Capital assets, net of accumulated depreciation			-
Total assets	<u>81,377</u>	<u>89,697</u>	<u>87,776</u>
Liabilities:			
Current liabilities	<u>81,377</u>	<u>89,697</u>	<u>87,776</u>
Total liabilities	<u>81,377</u>	<u>89,697</u>	<u>87,776</u>
Net Position:			
Net investment in capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Morro Bay-Cayucos Wastewater Treatment Plant
Joint Powers Authority
Management Discussion and Analysis
Fiscal Years Ending June 30, 2020 and 2019

Net position. At June 30, 2020, the Facility's net position remained at zero. Net position of the Facility equals net capital assets less liabilities. The Facility's operations and capital expenditures are fully funded by its members. The zero net position is due to all assets being fully depreciated as of June 30, 2018. The Facility is not making any further capital improvement but is doing the required maintenance to remain in compliance with discharge requirements. Once the new, separately owned facilities construction is complete and functional, the jointly owned Facility will be decommissioned.

Condensed Statements of Changes in Net Position

The following table presents the condensed changes in net position of the Facility as of the fiscal years ending June 30:

	2020	2019	2018
Operating revenues	\$ 1,739,963	\$ 1,677,219	\$ 1,949,984
Operating expenditures	<u>1,556,403</u>	<u>1,647,140</u>	<u>1,928,798</u>
Operating income	183,560	30,079	21,186
Nonoperating revenue and expense	<u>(183,560)</u>	<u>(30,079)</u>	<u>(26,741)</u>
Change in net position	-	-	(5,555)
Net position - beginning of year	<u>-</u>	<u>-</u>	<u>5,555</u>
Net position - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Operating revenues and expenditures. Operating revenues increased during the 2019/20 fiscal year by \$62,744 and expenditures decreased during the 2019/20 fiscal year by \$90,737. Revenues were higher as fees charged to the joint venture partners reflected a new cost allocation study discussed in further detail in the next paragraph under non-operating revenues and expenses by \$153,481. The increase in revenues was not as high as the increase in non-operating costs due to \$114,080 of credits taken in 18/19 for an overpayment of earthquake insurance. The remaining difference between operating revenues and operating expenses is the timing of expense reimbursement on minor items.

Morro Bay-Cayucos Wastewater Treatment Plant
Joint Powers Authority
Management Discussion and Analysis
Fiscal Years Ending June 30, 2020 and 2019

Non-operating revenue and expense. The expense of \$183,560 represents the cost allocation charged to the facility from the General Fund and Risk Management and Information Technology Internal Service Funds. The increase of \$153,481 between years represents the cost providing administrative, legal, finance, risk management and information technology support (which includes including personnel, equipment, and maintenance support). The increased costs came out of an updated cost allocation study conducted by the City of Morro Bay to more accurately identify costs incurred to support all enterprise funds in the city, of which this joint venture is one. In fiscal year 2019/18 and prior the joint venture was only charged for costs from the IT Technology internal service fund through this line \$30,079. Finance department costs in prior years were billed once a year and charged to the contract services line and the new other administrative and risk management costs were not billed in those years.

Operating revenues decreased from fiscal years 2017/18 to 2018/19 by \$272,765 (14%) as the reimbursement billings went down based on reduced operating expenses. Operating expenditures decreased from fiscal years 2017/18 to 2018/19 by \$281,658 (15%). The largest reductions were in salaries, employee costs and other allocated employee costs decreasing by \$119,024 which represented pension costs reductions by \$53,054 by paying the unfunded liability payment at the beginning of the year and departure of longer-term employees with higher retirement contribution costs and \$54,394 and in "Other Allocated Employee Costs due to cross-training of water/sewer & wastewater personnel, so all were qualified to work in multiple functions. Maintenance and supplies decreased by \$105,083 and contractual services decreased by \$53,266 due to no large repair projects being to the existing plant as new facilities will become operational soon. Depreciation expense has gone down by \$5,555 as no new replacement equipment was added to fixed assets. Insurance decreased by \$4,587, and License & Permits decreased by \$16,025. As of June 30, 2019, all depreciable assets have been fully expensed.

Major repair and maintenance projects completed during the previous three fiscal years were:

- 2019/20 - None
- 2018/19 - None
- 2017/18 - None

Morro Bay-Cayucos Wastewater Treatment Plant
Joint Powers Authority
Management Discussion and Analysis
Fiscal Years Ending June 30, 2020 and 2019

Capital Assets

The Facility’s investment in capital assets, as of June 30, 2020, is at zero, net of accumulated depreciation. This investment in capital assets includes the building, machinery and equipment, and vehicles.

	2020	2019	2018
Plant	\$ 12,764,471	\$ 12,764,471	\$ 12,764,471
Machinery and equipment	1,499,740	1,499,740	1,499,740
Vehicles	64,517	64,517	64,517
Less accumulated depreciation	<u>(14,328,728)</u>	<u>(14,328,728)</u>	<u>(14,328,728)</u>
Capital assets, net of accumulated depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The capital assets of the facility are declining in value. Repairs to the Facility capital assets are ongoing, but on an *as needed* basis, to keep the Facility operational and compliant, until the new separately owned facilities are completed and operational. Once the Facility is no longer needed, it will be decommissioned. Additional information on capital assets can be found in Note 4 on page 18.

Next Year’s Budget and Plans

- The total 2020/21 budget is \$2.7 million for operations of the Facility.
- For the 2020/21 fiscal year, no major maintenance spending was identified.

Requests for Information

This financial report is designed to provide a general overview of the Treatment Plant’s finances. Questions, concerning any of the information provided in this report, or requests for additional financial information, should be addressed to:

City of Morro Bay
Finance Department
595 Harbor Street
Morro Bay, CA 93442

Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Statements of Net Position
June 30, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Accounts receivable	\$ 17,384	\$ 12,640
Due from members, net	54,712	69,241
Prepaid expenses	9,281	7,816
Total current assets	81,377	89,697
Total assets	81,377	89,697
Liabilities		
Current liabilities:		
Accounts payable	53,565	66,934
Accrued liabilities	27,812	22,763
Total current liabilities	81,377	89,697
Total liabilities	81,377	89,697
Net Position	-	-
Total net position	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenues:		
Fees	\$ 1,739,963	\$ 1,677,219
Operating expenses:		
Salaries	431,518	447,944
Employee costs	309,162	290,224
Other allocated payroll costs	81,624	79,418
Operating supplies	221,497	229,345
Repairs and maintenance	12,125	15,158
Contractual services	68,265	179,386
Professional services	42,826	32,103
Communications	12,463	9,204
Utilities/waste disposal	218,216	211,941
Insurance	136,824	134,762
Licenses, fees and permits	21,883	17,655
Total expenses	<u>1,556,403</u>	<u>1,647,140</u>
Operating income	<u>183,560</u>	<u>30,079</u>
Nonoperating revenue and expenses		
Transfers out	(183,560)	(30,079)
Total nonoperating revenue and expenses	<u>(183,560)</u>	<u>(30,079)</u>
Change in net position	<u>-</u>	<u>-</u>
Net position - beginning of year	<u>-</u>	<u>-</u>
Net position - end of year	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Cash received from members	\$ 1,749,748	\$ 1,673,309
Payments to employees	(426,469)	(452,949)
Other payments	(1,139,719)	(1,190,281)
Net cash provided by operating activities	183,560	30,079
Cash flows from non-capital financing activities:		
Transfers to other funds	(183,560)	(30,079)
Net cash used in non-capital and financing activities	(183,560)	(30,079)
Net change in cash	-	-
Cash and cash equivalents - beginning of year	-	-
Cash and cash equivalents - end of year	\$ -	\$ -
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 183,560	\$ 30,079
Changes in operating assets and liabilities:		
Accounts receivable	(4,744)	534
Due from members	14,529	(4,444)
Prepaid expense	(1,465)	1,989
Accounts payable	(13,369)	6,926
Accrued liabilities	5,049	(5,005)
Net cash provided by operating activities	\$ 183,560	\$ 30,079

The accompanying notes are an integral part of these financial statements.

Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Notes to Financial Statements
June 30, 2020 and 2019

Note 1: Nature of Business

The Morro Bay-Cayucos Wastewater Treatment Facility (Facility) began operations in 1953 under the authorization of a joint construction and operation agreement dated June 16, 1953 between City of Morro Bay (City) and Cayucos Sanitary District (District). This agreement has subsequently been amended by both parties, and the current authorization is under a joint powers agreement for the ownership, operation, and maintenance of the wastewater treatment facilities dated October 25, 1982, for the purpose of providing treatment for each member's wastewater. Operating expenses are allocated to each member based on actual wastewater flow percentages. The Facility is governed jointly by the City Council of Morro Bay and the Board of Directors of the Cayucos Sanitary District. The Facility is considered a joint venture between the City and the District.

Note 2: Summary of Significant Accounting Policies

Reporting Entity

For financial reporting purposes, the Facility operates under a joint powers agreement and is engaged only in business-type activities. The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred.

The Facility accounts for its operation as an Enterprise Fund. Enterprise Funds are used to account for operations which are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, which are collected by each member of the joint powers agreement and contributed to the Facility based upon actual quarterly wastewater flow percentages.

Financial Records

The books and records of the Facility are maintained by the City.

Budgets and Budgetary Accounting

An annual budget is adopted by the governing bodies at the start of each year. Any changes or revisions to that budget throughout the year must be approved by the governing bodies.

Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Notes to Financial Statements
June 30, 2020 and 2019
Page 2

Note 2: Summary of Significant Accounting Policies (Continued)

Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

All Facility transactions are made through the City's pooled cash account. A year-end net position allocation adjustment is made to the members due to/from accounts so that the Facility does not record any cash balances in the financial statements at year end.

Accounts Receivable

The Facility's accounts receivable is primarily comprised of receivables from the entities that will be used to pay liabilities incurred. Accounts receivable are written off in full when the receivable is deemed uncollectible. Management assessed the need for an allowance for uncollectible accounts receivable, based on prior experience and management's analysis of possible bad debts, and determined that no allowance was necessary at June 30, 2020 and 2019.

Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual costs are not available. Depreciation has been provided over the estimated useful life of the asset using the straight-line method. The estimated useful lives are as follows:

Treatment Facilities	30 years
Equipment	5-19 years

Compensated Absences

The accrual for vacation time earned but not taken by staff employees was calculated based on actual vacation days and applied to the individual employees' hourly rate.

Morro Bay-Cayucos Wastewater Treatment Facility

Joint Powers Agreement

Notes to Financial Statements

June 30, 2020 and 2019

Page 3

Note 2: Summary of Significant Accounting Policies (Continued)

Net Position

The Facility's net position is required to be classified for accounting and reporting purposes into the following net position categories:

- Net investment in capital assets includes capital assets net of accumulated depreciation and amortization, deferred outflows of resources, less the outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted consists of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Facility cannot unilaterally alter. The Facility does not have any assets in this category.
- Unrestricted consists of all other categories of net position. Unrestricted may be designated for use by management of the Facility. These designations limit the area of operations for which expenditures of net position may be made and require that unrestricted net position be used to support future operations in these areas. The Facility does not have any assets in this category.

As the Facility does not have any unrestricted funds, they have not adopted a policy of utilizing restricted, expendable funds, when available, prior to unrestricted funds.

Note 3: Due From/To Members

Amounts due from/(to) members at June 30, are as follows:

	<u>2020</u>	<u>2019</u>
Members:		
City of Morro Bay	\$ (108,147)	\$ 6,000
Cayucos Sanitary District	<u>162,859</u>	<u>63,241</u>
Total	<u>\$ 54,712</u>	<u>\$ 69,241</u>

Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Notes to Financial Statements
June 30, 2020 and 2019
Page 4

Note 4: Capital Assets

At June 30, 2020, capital assets consisted of the following:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2020</u>
Depreciable capital assets				
Plant	\$ 12,764,471	\$	\$	\$ 12,764,471
Machinery and equipment	1,499,740			1,499,740
Vehicles	64,517			64,517
Total depreciable assets	<u>14,328,728</u>			<u>14,328,728</u>
Less accumulated depreciation	<u>(14,328,728)</u>			<u>(14,328,728)</u>
Net depreciable capital assets	<u>-</u>			<u>-</u>
Capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

At June 30, 2019, capital assets consisted of the following:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2019</u>
Depreciable capital assets				
Plant	\$ 12,764,471	\$	\$	\$ 12,764,471
Machinery and equipment	1,499,740			1,499,740
Vehicles	64,517			64,517
Total depreciable assets	<u>14,328,728</u>			<u>14,328,728</u>
Less accumulated depreciation	<u>(14,323,173)</u>			<u>(14,328,728)</u>
Net depreciable capital assets	<u>-</u>			<u>-</u>
Capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Morro Bay-Cayucos Wastewater Treatment Facility

Joint Powers Agreement

Notes to Financial Statements

June 30, 2020 and 2019

Page 5

Note 5: Commitments and Contingencies

On April 30, 2015, after various attempts on the part of both parties to the joint powers agreement to work on either replacing or relocating the existing facility, the District adopted Resolution No. 2015-1 – *A Resolution of the Board of Directors of the Cayucos Sanitary District Declaring its Intentions to Independently Pursue Alternatives for Wastewater Treatment and Water Reclamation* (Resolution). The Resolution asserts the District’s intention to suspend consideration of participation in the new Morro Bay Water Reclamation Facility Project and independently pursue alternatives for wastewater treatment and reclamation of water that will maximize its resources and provide the greatest benefit to the Cayucos community. The District continues to make progress toward building their own facility which is currently under construction. The City has also continued to make progress on building their own facility and no costs related to either project is reflected in these financial statements.

The City and District have continued to pay for their share, as specified in the existing joint powers agreement, of the operation and maintenance expenses of the existing facility. As both parties move forward with their own plans, there may be a time when the existing facility and potentially this joint power agreement will be dissolved but management anticipates this to be more than 5 years in the future. To date no decisions have been made as to who will bear the cost of the plant decommissioning and no liability has been recorded in these financial statements for this. In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations* that addressed accounting and financial reporting for certain asset retirement obligations. This statement is effective for reporting periods beginning after June 15, 2018. Application of this statement did not have a significant effect on these financial statements.

Note 6: COVID-19 Pandemic

The Facility has been impacted by the COVID-19 pandemic. Due to the uncertainty surrounding the pandemic, the length and severity of the outbreak, and the volatility in the world investment markets, there is uncertainty as to how these events will affect resources in the future.

Note 7: Subsequent Events

Events subsequent to June 30, 2020, have been evaluated through February 22, 2021, which is the date the financial statements were available to be issued. Management did not identify any subsequent events that required disclosure.



**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

To the Board of Directors of
Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the State Controller's *Minimum Audit Requirements and Reporting Guidelines for Special Districts*, the business-type activities of the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's basic financial statements and have issued our report thereon dated February 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's internal control. Accordingly, we do not express an opinion on the effectiveness of Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatement on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

SAN LUIS OBISPO

1150 Palm Street
San Luis Obispo, CA 93401
p 805 544 1441
f 805 544 4351

PASO ROBLES

102 South Vine Street, Ste. A
Paso Robles, CA 93446
p 805 237 3995
f 805 239 9332

SANTA MARIA

2222 South Broadway, Ste. A
Santa Maria, CA 93454
p 805 922 4010
f 805 922 4286

Board of Directors

Morro Bay-Cayucos Wastewater Treatment Facility

Joint Powers Agreement

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose



Glenn Burdette Attest Corporation
San Luis Obispo, California

February 22, 2021

Supplementary Information

**Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Schedule of Member Balance Due Accounts
For the Period July 1, 2019 through June 30, 2020**

Operating costs are allocated to the City of Morro Bay and the Cayucos Sanitary District based on actual average quarterly flow percentages. The average quarterly flow percentages, and the average quarterly operating costs charged to the City of Morro Bay and the Cayucos Sanitary District for the period July 1, 2019 through June 30, 2020 are presented below. Capital and other costs are allocated based on the contractual percentage.

	Percentage			Expenditures		
	Cayucos		Total	Cayucos		Total
	City of Morro Bay	Sanitary District		City of Morro Bay	Sanitary District	
Balance due from/(to) members at June 30, 2019, net						
Operating Expenditures:						
July 1 - September 30, 2019	76.11%	23.89%	100.00%	323,723	80,870	404,593
October 1 - December 31, 2019	79.19%	20.81%	100.00%	362,890	95,362	458,252
January 1 - March 31, 2020	75.36%	24.64%	100.00%	340,382	85,574	425,956
April 1 - June 30, 2020	80.67%	19.33%	100.00%	356,509	94,654	451,163
Subtotal				1,383,504	356,460	1,739,964
Other costs:						
Funds advanced by City at year end to cover negative cash position				(108,147)		(108,147)
Receivable accrual for land lease income and/or pending payments at year end					(17,320)	(17,320)
Miscellaneous timing adjustments				(6,000)	37,867	31,867
Total expenses July 1, 2019 through June 30, 2020				1,269,357	377,007	1,646,364
Amounts reimbursed July 1, 2019 through June 30, 2020, net				(1,383,504)	(277,389)	(1,660,893)
Total change in balance due from/(to) members at June 30, 2020				(114,147)	99,618	(14,529)
Balance due from/(to) members at June 30, 2020, net				<u><u>\$ (108,147)</u></u>	<u><u>\$ 162,859</u></u>	<u><u>\$ 54,712</u></u>

See independent auditors' report.



AGENDA ITEM: 7

DATE: March 18, 2021

CAYUCOS SANITARY DISTRICT

TO: BOARD OF DIRECTORS

**FROM: RICK KOON
DISTRICT MANAGER**

DATE: March 18, 2021

**SUBJECT: DISCUSSION AND CONSIDERATION TO APPROVE PAYMENT OF
MORRO BAY INVOICE FOR 2ND QUARTER OF FY 2020-2021 IN THE
AMOUNT OF \$87,912.52**

DISCUSSION:

The District has received the 2nd quarter invoice for FY 20-21 for our proportional share for Wastewater Treatment. As of the 2nd quarter, the major account groupings of actual expenditures verses budgeted were:

Personnel Service	43%
Supplies	37%
Services	21%
IT & Risk Mgmt	45%

The current charges are based on a District flow of 20.20%
Staff has reviewed the invoice and concurs with the requested amount.

RECOMMENDATION:

Staff recommends that the Board approve payment of the City of Morro Bay invoice for the 2nd quarter of FY 20-21 in the amount of \$87,912.52.



CITY OF MORRO BAY

CITY HALL
595 Harbor Street
Morro Bay, CA 93442

AGENDA ITEM: 7

DATE: March 18, 2021

February 03, 2021

Administrative Office Manager
Cayucos Sanitary District
PO Box 333
Cayucos, CA 93430

RE: 2nd Quarter Invoice 20/21

Dear Administrator:

In this package, you will find Morro Bay's invoice for the Treatment Plant operations for the period from October 1- December 31, 2020.

Attachment A – The worksheet showing the calculations used to develop the invoice. There continues to be no capital asset expenses to back out in the 930 fund. Going forward all reports are for the operating fund 599 only.

Attachment B – the Revenue and Expenditure Budget Performance Report as of December 31, 2020, which reflects all actual expense compared to budget. Year to date balances are as of the second quarter in the fiscal year.

Attachment C and C-1 are Revenue and Expense Ledgers which list all revenue and expenditure detail for this period. (See Thumb Drive for invoice copies). Behind the yellow divider at the back of the packet is the supporting detail for all journal entries posted to expense this quarter.

Attachment D– A flow summary for the 2nd quarter of FY 20/21 and attachment D-1 A Flow Summary History by Month for Calendar Years 2019 & 2020.

If you have any questions, please feel free to call Sandy Martin, Budget/Accounting Manager (805-772-6218) or Joe Mueller, Utility Division Manager (915-826-3912).

Sincerely,


Katie Lichtig
Interim Finance Director
805-772-6217

Enclosures

cc: City Manager (w/o attachments)
Public Works Director (w/o attachments)
Utility Division Manager (w/o attachments)

City of Morro Bay - Finance Department
 Detail Recap For Second Quarter Invoice
 FY 2020/21
 Services Rendered to Cayucos S.D.

2nd Quarter

	Total Y.T.D. Amount	Less 1st Qtr	Net: Current Amount Due
Direct Charges to Treatment Division Only (See Detail Printouts)	\$894,328.37	\$459,117.86	\$435,210.51
Proj 930-8070 Secondary Clarifier	\$0.00	\$0.00	\$0.00
Proj 930-8222 Biofilter #2	\$0.00	\$0.00	\$0.00
Proj 930-8234 Interstage & Blending Valves	\$0.00	\$0.00	\$0.00
Proj 930-9904 Digester 1 & 3	\$0.00	\$0.00	\$0.00
Less: 599-8312 Facility Relocation Project	\$0.00	\$0.00	\$0.00
Less Costs not Cayucos	\$0.00	\$0.00	\$0.00
Less: Depreciation Expense			\$0.00
Total Subject to Invoicing Based on Flow			\$435,210.51
Flow Rate= <input type="text" value="20.20%"/>			
Flow Based:			\$87,912.52

Total Due From Cayucos Sanitary District

\$87,912.52

\$894,328.37

MB/CSD Funds 599 Budget Performance - 2nd Qtr. FY 20/21

Fiscal Year to Date 12/31/20

Include Rollup Account and Rollup to Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd
Fund 599 - MB/CS Waste Water Fund									
REVENUE									
Department 5255 - Wastewater Treatment									
<i>Revenues From Current Services</i>									
3499	Other Rev/Current Services	2,715,917.00	.00	2,715,917.00	.00	.00	459,117.86	2,256,799.14	17
<i>Revenues From Current Services Totals</i>		<u>\$2,715,917.00</u>	<u>\$0.00</u>	<u>\$2,715,917.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$459,117.86</u>	<u>\$2,256,799.14</u>	<u>17%</u>
Department 5255 - Wastewater Treatment Totals		<u>\$2,715,917.00</u>	<u>\$0.00</u>	<u>\$2,715,917.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$459,117.86</u>	<u>\$2,256,799.14</u>	<u>17%</u>
REVENUE TOTALS		<u>\$2,715,917.00</u>	<u>\$0.00</u>	<u>\$2,715,917.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$459,117.86</u>	<u>\$2,256,799.14</u>	<u>17%</u>
EXPENSE									
Department 5255 - Wastewater Treatment									
<i>Personnel Services</i>									
4110	Regular Pay	657,951.00	.00	657,951.00	26,873.99	.00	171,126.18	486,824.82	26
4120	Overtime Pay	11,000.00	.00	11,000.00	390.24	.00	1,378.22	9,621.78	13
4515	Standby Pay	19,500.00	.00	19,500.00	1,212.00	.00	8,648.14	10,851.86	44
4599	Other Pay	3,500.00	.00	3,500.00	6,477.85	.00	8,480.12	(4,980.12)	242
4910	Employer Paid Benefits	201,532.00	.00	201,532.00	12,055.26	.00	70,666.16	130,865.84	35
4911	Pension Normal Cost	61,910.00	.00	61,910.00	3,681.79	.00	24,479.40	37,430.60	40
4912	PERS Unfunded Accrued Liability	164,488.00	.00	164,488.00	.00	.00	159,506.05	4,981.95	97
4913	Other Post Employment Benefit (OPEB) Expense	9,000.00	.00	9,000.00	.00	.00	.00	9,000.00	0
4999	Labor Costs Applied	.00	.00	.00	6,703.12	.00	37,060.80	(37,060.80)	+++
<i>Personnel Services Totals</i>		<u>\$1,128,881.00</u>	<u>\$0.00</u>	<u>\$1,128,881.00</u>	<u>\$57,394.25</u>	<u>\$0.00</u>	<u>\$481,345.07</u>	<u>\$647,535.93</u>	<u>43%</u>
<i>Supplies</i>									
5101	Janitorial Supplies	1,500.00	.00	1,500.00	281.08	.00	629.93	870.07	42
5105	First Aide Supplies	5,000.00	.00	5,000.00	1,179.59	.00	1,458.13	3,541.87	29
5108	Communication Supplies	1,000.00	.00	1,000.00	.00	.00	67.81	932.19	7
5109	Uniforms/Safety Equipment	10,000.00	.00	10,000.00	1,359.03	.00	2,629.70	7,370.30	26
5110	Fuel Oil & Lubricants	6,000.00	.00	6,000.00	1,667.76	.00	2,998.84	3,001.16	50
5112	Lab Supplies	5,000.00	.00	5,000.00	193.64	.00	4,471.27	528.73	89
5120	Chemical Supplies	125,000.00	.00	125,000.00	20,916.14	.00	81,400.55	43,599.45	65

City of Morro Bay

MB/CSD Funds 599 Budget Performance - 2nd Qtr. FY 20/21

Fiscal Year to Date 12/31/20

Include Rollup Account and Rollup to Account

Account	Account Description	Adopted	Budget	Amended	Current Month	YTD	YTD	Budget - YTD	% Used/
		Budget	Amendments	Budget	Transactions	Encumbrances	Transactions	Transactions	Rec'd
5175	Computer Operating Supplies	1,000.00	.00	1,000.00	.00	.00	.00	1,000.00	0
5199	Miscellaneous Operating Supplies	1,500.00	.00	1,500.00	.00	.00	.00	1,500.00	0
5301	General Office Supplies	2,500.00	.00	2,500.00	123.54	.00	367.81	2,132.19	15
5303	Books & Manuals	200.00	.00	200.00	.00	.00	.00	200.00	0
5305	Forms Printing	600.00	.00	600.00	.00	.00	.00	600.00	0
5501	Grounds Maintenance Supplies	3,500.00	.00	3,500.00	.00	.00	.00	3,500.00	0
5502	Building Maint. Supplies	5,000.00	.00	5,000.00	217.28	.00	488.73	4,511.27	10
5503	Rolling Stock Supplies	3,500.00	.00	3,500.00	.00	.00	84.43	3,415.57	2
5504	Machinery/Equip/Supplies	100,000.00	.00	100,000.00	758.44	.00	4,912.44	95,087.56	5
5530	Small Tools	2,000.00	.00	2,000.00	.00	.00	1,114.10	885.90	56
	<i>Supplies Totals</i>	\$273,300.00	\$0.00	\$273,300.00	\$26,696.50	\$0.00	\$100,623.74	\$172,676.26	37%
	<i>Services</i>								
6103	Financial Audits	17,150.00	.00	17,150.00	.00	.00	.00	17,150.00	0
6104	Engineering Services	48,500.00	.00	48,500.00	.00	.00	.00	48,500.00	0
6105	Consulting Services	25,000.00	.00	25,000.00	.00	.00	.00	25,000.00	0
6106	Contractual Services	200,000.00	.00	200,000.00	821.92	15,000.00	8,229.60	176,770.40	12
6125	Professional Development	4,000.00	.00	4,000.00	.00	.00	.00	4,000.00	0
6152	Outside Laboratory Testing	31,000.00	.00	31,000.00	9,500.30	.00	21,368.80	9,631.20	69
6161	Licenses & Permits	40,000.00	.00	40,000.00	19,327.50	.00	19,577.50	20,422.50	49
6199	Other Professional Services	2,000.00	.00	2,000.00	304.44	.00	1,699.58	300.42	85
6201	Telephone	8,500.00	.00	8,500.00	2,421.09	.00	4,700.74	3,799.26	55
6220	Postage	4,000.00	.00	4,000.00	.00	.00	962.63	3,037.37	24
6301	Electricity	126,100.00	.00	126,100.00	.00	.00	66,864.73	59,235.27	53
6302	Natural Gas	11,000.00	.00	11,000.00	1,849.15	.00	3,780.50	7,219.50	34
6303	Water	21,000.00	.00	21,000.00	3,940.72	.00	9,249.32	11,750.68	44
6305	Disposal	12,000.00	.00	12,000.00	1,267.88	.00	7,281.14	4,718.86	61
6307	Disposal of Sludge	15,000.00	.00	15,000.00	8,619.96	.00	8,619.96	6,380.04	57
6401	General Liability	48,668.00	.00	48,668.00	10,048.00	.00	20,096.00	28,572.00	41
6411	Property Damage Insurance	2,200.00	.00	2,200.00	2,734.75	.00	5,469.50	(3,269.50)	249

City of Morro Bay

MB/CSD Funds 599 Budget Performance - 2nd Qtr. FY 20/21

Fiscal Year to Date 12/31/20

Include Rollup Account and Rollup to Account

Account	Account Description	Adopted	Budget	Amended	Current Month	YTD	YTD	Budget - YTD	% Used/
		Budget	Amendments	Budget	Transactions	Encumbrances	Transactions	Transactions	Rec'd
6472	Other Ins./Employee Bond	165.00	.00	165.00	.00	.00	.00	165.00	0
6473	Vehicle Insurance	389.00	.00	389.00	156.15	.00	312.30	76.70	80
6499	Earthquake & Flood Insurance	204,886.00	.00	204,886.00	19,371.25	.00	38,742.50	166,143.50	19
6510	Meetings & Conferences	5,000.00	.00	5,000.00	.00	.00	.00	5,000.00	0
6511	Mileage Reimbursement	300.00	.00	300.00	.00	.00	.00	300.00	0
6514	Travel Expense	3,000.00	.00	3,000.00	.00	.00	.00	3,000.00	0
6519	Association Membership	1,500.00	.00	1,500.00	.00	.00	.00	1,500.00	0
6601	Outside Equipment Repair	110,000.00	.00	110,000.00	.00	4,555.00	277.92	105,167.08	4
6602	Outside Structural Repair	10,000.00	.00	10,000.00	.00	.00	.00	10,000.00	0
6604	Outside Vehicle Repair/Maint	7,275.00	.00	7,275.00	.00	.00	.00	7,275.00	0
6605	Emergency Equipment Repairs - Contingency Amount	100,000.00	.00	100,000.00	.00	.00	.00	100,000.00	0
6640	Maintenance Contracts	35,000.00	.00	35,000.00	.00	.00	.00	35,000.00	0
6720	Medical Examinations	.00	.00	.00	.00	.00	53.34	(53.34)	+++
6810	Equipment Rental	8,000.00	.00	8,000.00	.00	.00	.00	8,000.00	0
<i>Services Totals</i>		\$1,101,633.00	\$0.00	\$1,101,633.00	\$80,363.11	\$19,555.00	\$217,286.06	\$864,791.94	21%
Department 5255 - Wastewater Treatment Totals		\$2,503,814.00	\$0.00	\$2,503,814.00	\$164,453.86	\$19,555.00	\$799,254.87	\$1,685,004.13	33%
Department 7710 - Interfund Transactions									
<i>Interfund Transfers</i>									
8510	Transfer To General Fund	179,371.00	.00	179,371.00	39,353.50	.00	78,707.00	100,664.00	44
8580	TRFR To Internal Svc Fund	32,733.00	.00	32,733.00	8,183.25	.00	16,366.50	16,366.50	50
<i>Interfund Transfers Totals</i>		\$212,104.00	\$0.00	\$212,104.00	\$47,536.75	\$0.00	\$95,073.50	\$117,030.50	45%
Department 7710 - Interfund Transactions Totals		\$212,104.00	\$0.00	\$212,104.00	\$47,536.75	\$0.00	\$95,073.50	\$117,030.50	45%
EXPENSE TOTALS		\$2,715,918.00	\$0.00	\$2,715,918.00	\$211,990.61	\$19,555.00	\$894,328.37	\$1,802,034.63	34%
Fund 599 - MB/CS Waste Water Fund Totals									
REVENUE TOTALS		2,715,917.00	.00	2,715,917.00	.00	.00	459,117.86	2,256,799.14	17%
EXPENSE TOTALS		2,715,918.00	.00	2,715,918.00	211,990.61	19,555.00	894,328.37	1,802,034.63	34%
Fund 599 - MB/CS Waste Water Fund Totals		(\$1.00)	\$0.00	(\$1.00)	(\$211,990.61)	(\$19,555.00)	(\$435,210.51)	\$454,764.51	

599 & 930 Funds Accumulated Revenue - 2nd Qtr. FY 20/21

G/L Date Range 07/01/20 - 12/31/20
Include Sub Ledger Detail

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number	599-5255 3499 Other Rev/Current Services							Balance To Date:	\$0.00
09/30/2020	2021-00000438	JE	GL	1st Qtr 20/21 CMB/CSD Invoice	JE 918-20			95,817.90	(95,817.90)
09/30/2020	2021-00000438	JE	GL	1st Qtr 20/21 CMB/CSD Invoice Billing & Cash Reimb from	JE 918-20			363,299.96	(459,117.86)
Month September 2020 Totals							\$0.00	\$459,117.86	(\$459,117.86)
Account Other Rev/Current Services Totals							\$0.00	\$459,117.86	(\$459,117.86)
Department Wastewater Treatment Totals							\$0.00	\$459,117.86	
Fund MB/CS Waste Water Fund Totals							\$0.00	\$459,117.86	
Grand Totals							\$0.00	\$459,117.86	



AGENDA ITEM: 8
DATE: March 18, 2021

LAFCO - San Luis Obispo - Local Agency Formation Commission
SLO LAFCO - Serving the Area of San Luis Obispo County

COMMISSIONERS

Chairperson
ROBERT ENNS
Special District Member

Vice-Chair
ED WAAGE
City Member

DEBBIE ARNOLD
County Member

MARSHALL OCHYLSKI
Special District Member

STEVE GREGORY
City Member

LYNN COMPTON
County Member

TOM MURRAY
Public Member

ALTERNATES

ED EBY
Special District Member

VACANT
City Member

HEATHER JENSEN
Public Member

JOHN PESCHONG
County Member

STAFF

DAVID CHURCH
Executive Officer

BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

TO: EACH INDEPENDENT SPECIAL DISTRICT
FROM: DAVID CHURCH, INTERIM LAFCO EXECUTIVE OFFICER
DATE: MARCH 4, 2021
RE: REQUEST FOR NOMINATIONS FOR LAFCO SPECIAL DISTRICT MEMBER

The term of the Special District seat currently held by LAFCO Commissioner Robert Enns expired in December 2020. The Cortese-Knox-Hertzberg Act allows Commissioner Enns to represent Special Districts on LAFCO until the nomination and election process is complete.

Background. The appointment could not be completed by the Independent Special District Selection Committee due to the difficulty in gathering a quorum. In the event that a meeting of the Selection Committee is not feasible, the Government Code allows the LAFCO Executive Officer to conduct the business of the committee in writing or via e-mail. If only one candidate is nominated, that candidate shall be deemed selected, with no further proceeding.

Instructions. If your District wishes to nominate a candidate for this position, please schedule this request for nominations on an agenda for a meeting of your Board of Directors as soon as possible.

The nomination must be approved by the District's governing body. Nomination forms are required to be submitted by the end of nomination period. **The nomination period ends at 5:00 p.m. on April 19, 2021.**

The completed nomination form may be submitted to the LAFCO office via mail, Fax-805-788-2072, or [e-mail: Imarquez@slolafco.com](mailto:Imarquez@slolafco.com). Please make sure the form is signed by the Board President or General Manager and the Nominee.

If more than one nomination is received, the Executive Officer shall prepare a ballot and send it by email to each special district with voting instructions.

A nomination form is attached to assist your District in the nomination process. Also, the LAFCO website (www.slolafco.com) has additional information about LAFCO. Please call me at 805.788-2096 if you have any questions.

cc: Members, Formation Commission
Brian Peirik, LAFCO Legal Counsel

**NOMINATION FOR LAFCO
SPECIAL DISTRICT MEMBER**

The _____
(Insert Name of Special District)

Hereby nominates _____ as a nominee to serve as the
(Insert Name of Nominee)

Special District Member on the San Luis Obispo Local Agency Formation Commission (SLOLAFCO).

The Board of Director's action was taken on an agenda item on:

(Insert Date of Board Agenda and Action)

(General Manager or Chairman/President)

(Email address)

(Signature-Nominee)



AGENDA ITEM: 9
DATE: March 18, 2020

CAYUCOS SANITARY DISTRICT

TO: BOARD OF DIRECTORS

**FROM: RICK KOON
DISTRICT MANAGER**

DATE: MARCH 11, 2021

SUBJECT: DISCUSSION AND CONSIDERATION TO APPROVE CHANGE ORDER #6 WITH CUSHMAN CONTRACTING CORPORATION IN THE AMOUNT OF \$89,388.37

DISCUSSION:

This Change Order #6 with Cushman consists of several changes in site-related improvements or modifications as the plant has progressed through construction. Also included with each item is an increase in contract time. In most cases the time increase is due to the additional time allotted for construction. On the larger items the time increase is due to the long lead time for vendor supplied materials.

In total, CCO#1,2,3,4,5, and 6 equal \$230,477 which represents 1.1% of the total contract amount.

RECOMMENDATION:

It is recommended that the Board approve Change Order #6 with Cushman Contracting Corporation in the amount of \$89,388.37.

CHANGE ORDER

Owner: Cayucos Sanitary District
Contractor: Cushman Contracting Corporation
Project: Cayucos Sustainable Water Project

No. 005
Issue Date: 11/23/2020

ITEM NO.	DESCRIPTION OF THE CHANGE	TIME INCREASE	COST INCREASE	COST DECREASE
01	Increases Price - Negotiated lump sum payment for the labor and materials associated with the increase in electrical equipment pad sizes at the Headworks.	N/A	\$7,153.09	N/A
02	Increases Price - Negotiated lump sum change to increase the Chemical Area electrical panel from an interior rated NEMA 12 panel to an exterior rated NEMA 4x panel.	90 days	\$16,097	N/A
03	Decreases Price - Negotiated lump sum change to decrease the UV Control panels to an interior rated NEMA 12 panel from an exterior rated NEMA 4x panel.	N/A	N/A	\$7,175
04	Increases Price - Negotiated lump sum payment to retrofit a fan and louvers into the potable water building chlorine storage area.	8 days	\$4,740	N/A
05	Increases Price - Negotiated lump sum payment to add additional pipe supports at the grit tank based on the Manufactures pipe changes.	2 days	\$1,996	N/A
06	Increases Price - Negotiated lump sum payment to add piping modifications and an air vacuum release valve based on the surge suppression analysis deferred design.	10 days	\$12,719.29	N/A
07	Increases Price - Negotiated lump sum payment to modify the SCADA programming to accommodate various equipment changes and coordination items.	30 days	\$10,000	N/A
08	Increases Price - Negotiated lump sum payment to modify the elevation of a drop inlet at the Dewatering Pump Station.	N/A	\$1,241.04	N/A

ITEM NO.	DESCRIPTION OF THE CHANGE	TIME INCREASE	COST INCREASE	COST DECREASE
09	Increases Price - Negotiated lump sum payment to add an additional landscaping sleeve and some additional branch piping.	N/A	\$1,230	N/A
10	Increases Price - Negotiated lump sum payment to modify the elevation of electrical and control boxes at the Operations Building.	N/A	\$3,452.95	N/A
11	Increases Price - Negotiated lump sum payment to modify the add conduits to alleviate a wire fill issue.	N/A	\$2,881	N/A
12	Increases Price - Negotiated lump sum payment to add a communications cable between the engine generator and the Automatic transfer switch.	N/A	\$1,695	N/A
13	Decreases Price – Negotiated lump sum payment to delete LOS switches at locations with a local disconnect in the MBR area.	N/A	N/A	\$5,720
14	Increases Price - Negotiated lump sum payment to install lateral pipe supports at all locations in the WRRF.	N/A	\$20,500	N/A
15	Increases Price - Negotiated lump sum payment to install additional wire and conduit due to a change in the PG&E service location.	N/A	\$18,578	N/A



AGENDA ITEM: 10
DATE: March 18, 2020

CAYUCOS SANITARY DISTRICT

TO: BOARD OF DIRECTORS

FROM: RICK KOON
DISTRICT MANAGER

DATE: MARCH 11, 2021

SUBJECT: DISCUSSION AND CONSIDERATION TO APPROVE PIPELINE PROJECT CHANGE ORDER #2 WITH DAVID CRYE GENERAL ENGINEERING CONTRACTOR, INC. FOR A DECREASED AMOUNT OF \$120,784.00

DISCUSSION:

This Change Order #2 with David Crye is for the addition of \$11,216 for protective manholes and boxes on the air relief valves and pull boxes. Also included is the deletion of \$132,000 for the conductor casings that were not required for the bores under the creek.

In total, CCO#1 and 2 equal a decrease of \$75,924 which represents a decrease of 3.5% in the total contract amount.

RECOMMENDATION:

It is recommended that the Board approve Change Order #2 for David Crye General Engineering Contractor, Inc. for a decreased amount of \$120,784.

AGENDA ITEM: 10
DATE: March 18, 2021

Change Order No. 2

Date of Issuance: 3/18/2021	Effective Date: 3/18/2021
Owner: Cayucos Sanitary District	Owner's Contract No.: CSWP-4 Pipeline
Contractor: David Crye General Engineering Contractor, Inc.	Contractor's Project No.: N/A
Engineer: Water Systems Consulting	Engineer's Project No.: N/A
Project:	Contract Name: CSWP Offsite Pipeline

The Contract is modified as follows upon execution of this Change Order:

Description: Mutually agreed upon lump sum to add manholes and G5 boxes at the pipeline air vacuum valves and tracer wire locations. Deletion of the cos for conductor casing on both pipeline routes since conductor casing was not used in the Work.

Attachments: CCO request PCO 003 David Crye Inc.,

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES <i>[note changes in Milestones if applicable]</i>
Original Contract Price: \$ <u>2,188,850</u>	Original Contract Times: Substantial Completion: <u>150</u> Ready for Final Payment: <u>210</u> <div style="text-align: right;">days or dates</div>
Increase from previously approved Change Orders No. to No. <u> </u> : <u>44,860.46</u>	No change from previously approved Change Orders No. to No. <u> </u> : Substantial Completion: <u>0</u> Ready for Final Payment: <u>0</u> <div style="text-align: right;">days</div>
Contract Price prior to this Change Order: \$ <u>2,233,710.46</u>	Contract Times prior to this Change Order: Substantial Completion: <u>150</u> Ready for Final Payment: <u>210</u> <div style="text-align: right;">days or dates</div>
Decrease of this Change Order: \$ <u>120,784</u>	No change of this Change Order: Substantial Completion: <u>0</u> Ready for Final Payment: <u>0</u> <div style="text-align: right;">days or dates</div>
Contract Price incorporating this Change Order: \$ <u>2,112,926.46</u>	Contract Times with all approved Change Orders: Substantial Completion: <u>150</u> Ready for Final Payment: <u>210</u> <div style="text-align: right;">days or dates</div>

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: _____ Engineer (if required)	By: _____ Owner (Authorized Signature)	By: _____ Contractor (Authorized Signature)
Title: _____	Title _____	Title _____
Date: _____	Date _____	Date _____

Approved by Funding Agency (if applicable)

By: _____ Date: _____
Title: _____

CHANGE ORDER

Owner: Cayucos Sanitary District **No.** 002
Contractor: David Crye General Engineering Contractor, Inc. **Issue Date:** 03/18/2021
Project: Cayucos Sustainable Water Project Offsite Pipeline and Toro Creek Crossing

ITEM NO.	DESCRIPTION OF THE CHANGE	COST INCREASE	COST DECREASE
01	Increases Price - Negotiated lump sum payment for materials and installation of protective manholes and boxes for air relief valves and tracing wire pull boxes.	\$11,216	N/A
02	Decreases Price – Deletion of the conductor casing pipe bid alternate item that was not used in the construction of the pipelines	N/A	\$132,000



AGENDA ITEM: 11

DATE: March 18, 2021

CAYUCOS SANITARY DISTRICT

TO: BOARD OF DIRECTORS

**FROM: RICK KOON
DISTRICT MANAGER**

DATE: MARCH 11, 2021

SUBJECT: DISCUSSION AND CONSIDERATION TO APPROVE CHANGE ORDER #3 FOR THE LIFT STATION 5 PROJECT WITH RAMINHA CONSTRUCTION, INC. IN THE AMOUNT OF \$24,053.77

DISCUSSION:

This Change Order #3 is for Raminha, the Contractor for the Lift Station #5 replacement project. It consists of two items. Item number 1 is an increase of \$21,733.79 for modifications to the pump discharge piping to comply with the pipeline surge analysis, which includes modifying the check valves and adding air relief valves. The second item is for the addition of \$2,319.98 for drains for the added air valves.

In total, the CCO's for Raminha equal \$42,023 which represents 3.3% of the total contract amount.

The District originally contracted \$25,103,575 for its combined CSWP projects. The current total for these projects is \$25,330,657, which is an increase of \$230,082 in change orders, or a 0.9% increase in project costs.

RECOMMENDATION:

It is recommended that the Board approve Change Order #3 for Raminha Construction Inc., in the amount of \$24,053.77.

CHANGE ORDER DETAIL

Owner: Cayucos Sanitary District
Contractor: Raminha Construction
Project: Cayucos Sustainable Water Project – Lift Station 5 Replacement

No. 003
Issue Date: 3/18/2021

ITEM NO.	DESCRIPTION OF THE CHANGE	COST INCREASE	COST DECREASE
01	Increases Price: Reduce 18"-WWF to 16" WWF and reduce LF length by moving the tie in location. Modifications to pump discharge piping based on pipeline surge analysis results, included modifying check valve type and adding three (3) additional air valves.	\$21,733.79	N/A
02	Increases Price: Add three (3) equipment drains for the added air valves in Item No. 01 installed in the above grade WWF piping.	\$2,319.98	NA