

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

AGENDA NO. 134
DATE 12/19/2007

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

MINUTES
REGULAR MEETING
November 14, 2007

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 6:07 p.m., Wednesday, November 14, 2007.

Board members present: President Enns, Director Fones and Director McHale

Board members absent: Vice-President Raimondo and Director Lyon

Staff present: District Manager Callahan, Administrative Services Officer Connelly, and Administrative Services Technician Martin

Visitors: Jon Hanlon (Boyle Engineering), Architect Jon McAlpin, Karen Shanley (District financial advisor), Rachael Glass (NRDC), and Dorothy Fones

2. PUBLIC COMMENTS

There were no comments.

3. CONSIDERATION TO APPROVE ENCROACHMENT PERMIT APPLICATION FOR 796 SOUTH OCEAN AVENUE, APN 064-146-005, LOT 5, BLOCK 10. OWNER: EDWARD J. MUSOLFF

Manager Callahan's written report was received.

MOTION: First by McHale with second by Fones to approve Mr. Musolff's Encroachment Permit Application and to direct staff to prepare the standard Grant of License and Agreement Affecting Real Property for execution and recordation. VOTE: 3-0

4. CONSIDERATION TO APPROVE TASK ORDER 7 FROM BOYLE ENGINEERING: ENGINEERING SERVICES TO EVALUATE PROJECT ALTERNATIVES TO INCREASE HYDRAULIC CAPACITY ON MAIN STREET (JON HANLON)

Manager Callahan's written report was received, along with Task Order 7 prepared by Jon Hanlon, Boyle Engineering. Capacity issues exist with the District's 15" sewer main and the jointly-owned 12" main, both on Main Street in Morro Bay. Callahan reported he met with Morro Bay staff to discuss capacity needs and options with regard to the jointly-owned line and from that meeting both agencies will independently explore project options. President Enns felt the two agencies working alone is a duplication of effort. Callahan stated that all options should be examined to determine what will be the most cost effective, a stand-alone project or one in conjunction with Morro Bay. Boyle's Scope of Services consists of two project alternatives for evaluation. Board members suggested Mr. Hanlon consider additional alternatives and there was discussion of establishing either

an ad hoc committee or a technical advisory committee to further review the project. Manager Callahan, however, had reservations with the role of the Board regarding this project. The Board opted for Director Fones and Manager Callahan to meet informally with Mr. Hanlon to review and discuss additional options for the project, the cost for the services not included in Task Order 7 from Boyle Engineering.

MOTION: First by McHale with second by Fones to approve Task Order 7 from Boyle Engineering in an amount not to exceed \$7,650.00 for engineering services to evaluate project alternatives to increase hydraulic capacity on Main Street and, on a time and materials basis, and to meet with Director Fones and Director Callahan to look at additional alternatives. VOTE: 3-0

It was the consensus of Board members to address agenda Item 7 prior to Items 5 and 6.

7. REVIEW FINANCIAL STATUS WITH CONSIDERATION TO REINVEST DISTRICT RESERVES (KAREN SHANLEY)

Board members received a handout provided by Ms. Shanley, District Financial advisor, which included a summary of District investment account balances and upcoming maturity dates. She recommended transferring investments to LAIF as they mature, as LAIF is maintaining a reasonable rate of return.

6. DISCUSSION OF POTENTIAL REMODEL OF DISTRICT OFFICE TO INCORPORATE DISTRICT O&M SHOP AND CONFERENCE ROOM WITH A CONSIDERATION TO APPOINT A COMMITTEE FOR DESIGN PURPOSES (JON McALPIN FROM OMNI DESIGN GROUP, INC.)

Manager Callahan's written report was received which included a copy of Mr. McAlpin's proposal for consulting and preliminary design services. McAlpin reported on progress thus far and recommended a pre-application meeting with the County to determine applicable building requirements and regulations for the project. Callahan suggested formation of a District subcommittee to assist in project development and Directors McHale and Lyon were thereafter appointed to that subcommittee.

MOTION: First by McHale with second by Fones to proceed with the project on a time and materials basis, for consulting and preliminary design, at a cost not to exceed of \$5,000.00. VOTE: 3-0

5. CONSIDERATION TO APPROVE BUDGET AMENDMENT FOR THE 2007-2008 INFLOW AND INFILTRATION STUDY IN THE AMOUNT OF \$11,400.00

Manager Callahan's written report was received. In 2006 the District contracted for flow monitoring as part of an Inflow and Infiltration (I/I) study. The cost for one month of data gathering was approximately \$22,500.00. To continue the I/I study he proposes to purchase six flow meters as well as data logging rain gauges.

MOTION: First by Fones with second by McHale to approve a FY 2007-2008 budget amendment in the amount of \$11,400.00 for flow monitoring as recommended. VOTE: 3-0

8. CONSIDERATION TO APPROVE A FINAL PROGRESS PAYMENT TO ELECTRICRAFT INC. IN THE AMOUNT OF \$105,854.85 FOR LIFT STATIONS NO. 2 AND 5 GENERATOR REPLACEMENT PROJECTS WITH A CONSIDERATION TO APPROVE THE NOTICE OF COMPLETION FOR THIS PROJECT

Manager Callahan's written report was received.

MOTION: First by Fones with second by McHale to approve a final progress payment to Electricraft Inc. in the amount of \$105,854.85 and to approve the Notice of Completion for this project. VOTE: 3-0

9. CONSIDERATION TO RETIRE OLD DISTRICT EQUIPMENT

Manager Callahan's written report was received.

MOTION: First by McHale with second by Fones to approve the retirement of District equipment, as listed and recommended by staff. VOTE: 3-0

10. PHASE II SEWER IMPROVEMENT PROJECT FINAL REPORT

Manager Callahan's written report was received. The project has been completed and the Notice of Completion filed.

11. STAFF COMMUNICATIONS AND INFORMATION ITEMS (NO ACTION REQUIRED)

A. District Manager's Report (Callahan) – October 2007

Manager Callahan's written report was received. President Enns stated that funding possibilities for the Wastewater Treatment Plant (WWTP) Upgrade Project need to be explored. Callahan reported there has been discussion with Morro Bay staff about hiring a consultant for that purpose. Enns directed Callahan to arrange a meeting with District staff Callahan and Connelly, and Janice Peters (Morro Bay Mayor), Bruce Ambo (City Administrator) and Bruce Keogh (WWTP Manager) to continue discussion. Enns went on to express frustration with continuing dialogue with City Council members regarding interpretation of the Joint Powers Authority (JPA) Agreement and suggested he meet with District Counsel Tim Carmel and Morro Bay City Attorney Rob Schultz to review the document.

B. Operations and Maintenance Report – October 2007

Collection System Maintenance Tech Zevely's written report was received. There were no questions.

C. Administrative Service Officer's Report (Connelly) – October 2007

Administrative Services Officer Connelly's written report was received. The hiring of Tim O'Marr, as a limited term Wastewater Collection Worker, was announced.

12. CONSENT CALENDAR

- A. 1. Minutes of Special Meeting, October 9, 2007
- 2. Minutes of Special Meeting, October 16, 2007
- B. Approval to Pay Outstanding Bills as of November 14, 2007
- C. Certificates of Posting
 - 1. Resolution No. 2007-6
 - 2. Resolution No. 2007-7
 - 3. Resolution No. 2007-9

As Vice-President Raimondo would be unable to attend the Board meeting this night (November 14, 2007) he had e-mailed staff and Board members with a question on the minutes of the special meeting of October 16. Therefore, Board members agreed to pull Item 12A2, Minutes of Special Meeting, October 14, 2007, to be considered at the December Board meeting.

MOTION: First by Fones with second by McHale to approve Consent Calendar Items A1, B and C. The motion was then withdrawn.

MOTION: First by McHale with second by Fones to approve the Consent Calendar in its entirety.
VOTE: 2-1, with Fones casting the dissenting vote.

13. BOARD MEMBER COMMENTS

There were no comments.

14. MEETINGS, CONFERENCES, AND SEMINARS:

Manager Callahan reported that the tentative date for the Morro Bay/Cayucos Wastewater Treatment Plant (JPA) Meeting is Wednesday, February 13, 2008. Cayucos is hosting that meeting.

15. SCHEDULE AGENDA ITEMS AND SELECT A DATE FOR THE DECEMBER 2007 BOARD MEETING

- Discussion of Rural Water Quality Control Board (RWQCB) funding sources
- Update on tentative meeting with Morro Bay Mayor Peters and staff regarding consideration to engage a consultant for securing funding of the Wastewater Treatment Plant Upgrade Project
- Plan for Manager Callahan's upcoming evaluation

The December Board meeting will be held December 19, 2007, pending input from Board members.

16. ADJOURNMENT

The meeting was adjourned at 8:20 p.m.

Minutes recorded by: *Nancy Martin*
Nancy Martin