

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

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

REGULAR MEETING  
MINUTES  
DECEMBER 15, 2010  
6:00 P.M.

1. ESTABLISH QUORUM AND CALL TO ORDER

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

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

Board members absent: Shirley Lyon

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

Consultants present: Karen Shanley, Shanley & Associates (District Financial Advisor)

Visitors present: Joe Clark (General Contractor), Brent Knowles (Subcontractor), and Dorothy Fones

2. PUBLIC COMMENTS

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

3. DISCUSSION OF CSD ORDINANCE NO. 27 GOVERNING COMMON SEWER LATERALS SERVING MULTIPLE DWELLINGS BUILDING UNITS; SECTION 3, PART D.3; PROHIBITION OF COMMON BUILDING SEWER LATERALS AND CONNECTIONS

Manager Callahan's written report was received. Current District policy requires separate properties sharing a common sewer lateral to terminate the shared connection. The property owner whose lateral crosses the other's property line must pay for the new connection and pay a sewer connection fee. Contractor Joe Clark, representing a property owner involved in such a situation, wondered why the property owner is responsible to pay a connection fee when he (the property owner) has been hooked up and paying a user fee since the 1950's. Discussion thereafter ensued between Board members, District staff, Joe Clark and Subcontractor Brent Knowles over District policy governing the discovery and correction of a shared common sewer lateral.

MOTION: First by McHale with second by Fones to waive the sewer connection fee for the Greg Iger project at 30 7th Street. VOTE: 4-0

The Board directed Staff to post a letter to Mr. Iger apprising him of the waiver and to agendaize Ordinance No. 27 at the January Board meeting for further discussion.

4. DISCUSSION OF DISTRICT INVESTMENTS WITH KAREN SHANLEY OF SHANLEY AND ASSOCIATES WITH CONSIDERATION TO REINVEST

Financial Advisor Shanley's written report was received. She indicated there might be changes in the State Municipal Code in January with interest rates beginning to move up, and stated she could be at the February 2011 Board meeting for discussion and consideration to reinvest.

5. ELECTION OF DISTRICT OFFICERS FOR 2011

Vice-President McHale announced his resignation from the Cayucos Sanitary District Board of Directors, effective this date. He has sold his home and is moving to Pacific Grove, California. There was consensus of Board members to defer agenda Item 5 to the January 19, 2011 meeting. ASO Brookins reported on the procedure for filling a vacancy on the Board.

6. CONSIDERATION OF NEW DISTRICT COMMITTEE ASSIGNMENTS FOR 2011

There was consensus of Board members to defer agenda Item 6 to the January 19, 2011 meeting.

7. NOMINATION OF CANDIDATE FOR SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION (LAFCO)

The District received a ballot from San Luis Obispo LAFCO to fill an unexpired Special District Member term. President Enns spoke with one of the candidates, Marshall Ochylski (Los Osos CSD). He stated Ochylski is quite capable and recommended the Board submit a vote for Ochylski.

MOTION: First by McHale with second by Enns to select Marshall Ochylski (Los Osos CSD) for LAFCO Special District Member for the term expiring in December 2012.

ROLL-CALL VOTE: Enns (yes), McHale (yes), Fones (yes), Lyon (absent), Foster (yes)

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

Manager Callahan's written report and draft articles were received. A few revisions were made after review. President Enns provided an article for inclusion, as well.

9. CONSIDERATION TO APPROVE THE INSTALLATION OF A 4" WATER LINE BY MORRO ROCK MUTUAL WATER COMPANY FOR FIRE SERVICE AT THE NEW OPERATIONS AND MAINTENANCE GARAGE

As reported on and discussed at the October 20 Board of Directors meeting, a 4-inch water line must be installed to provide fire sprinkler service at the new District Operations and Maintenance garage.

MOTION: First by McHale with second by Fones to enter into an agreement for the installation of a new water line by the Morro Rock Mutual Water Company to provide fire service for the Operations and Maintenance Garage at an estimated cost of \$15,900.00. VOTE: 4-0

10. REVIEW OF CAYUCOS SANITARY DISTRICT PERSONNEL POLICIES AND PROCEDURES WITH CONSIDERATION TO INCREASE PROBATION TERM FOR NEW EMPLOYEES FROM A SIX MONTH TERM TO A ONE YEAR TERM

Staff has been reviewing District Personnel Policies and Procedures and recommends extending the probationary period for new hires from six months to one year. Callahan reported the extension allows for a more thorough evaluation of new employees and will provide cost savings for the first year of employment.

MOTION: First by McHale with second by Fones to revise District Personnel Policies and Procedures, increasing probationary term for new employees from a six-month term to a one-year term. VOTE: 4-0

11. UPDATE ON PROPOSED STUDIO DRIVE CROSSOVER SEWER LINE REHABILITATION PROJECT ESTIMATES

Manager Callahan's written update was received. Callahan reported he has only received two estimates for the project at this time, but will notify the Board when another is submitted. Because of considerable restriction in the line and the possibility of sewer spills during high flow conditions, Board members choose to act on the item.

MOTION: First by Fones with second by Foster to award the contract to Sancon Engineering for cleaning the tuberculated sewer line at Studio Drive Crossover and installing a cure in place liner at an estimated cost of \$44,800.00. VOTE: 4-0

12. DISCUSSION OF WASTER CONSERVATION MEASURES TO DECREASE WASTEWATER FLOW IN CAYUCOS (verbal)

Manager Callahan reported he met with the three water companies in Cayucos and discussed the District's interest in reducing operational costs at the wastewater treatment plant by reducing wastewater flow to the plant. He inquired about the companies' conservation programs and how successful they were, and received endorsement from the water companies to include conservation information in the next Sanitary District newsletter. Callahan reported that a retrofit program several years ago in Morro Bay resulted in a marked reduction in wastewater flow. Director Foster asked about acquiring data to compare flows before and after implementing the program.

13. STAFF COMMUNICATIONS AND INFORMATION ITEMS (no action required)

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

Manager Callahan reported on the O&M Garage and Shop Project and Change Orders 008 and 009 that involve hooking up a sewer line from the office to the clean out at the street and running an additional line for the garage/shop and future conference room.

B. Administrative Services Officer's Report (Brookins) – November 2010

There were no questions or comments.

C. Financial Reports (Brookins)

There were no questions or comments.

14. CONSENT CALENDAR

A. Approval of Minutes for the November 17, 2010 Board of Directors Meeting

B. Approval to pay outstanding bills as of December 15, 2010

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

VOTE: 4-0

15. BOARD MEMBER COMMENTS

President Enns shared a letter he received from a high school student in Cayucos regarding the use of composting toilet technology as part of the Morro Bay/Cayucos Wastewater Treatment Plant Upgrade. He also included his response.

Director Foster had questions regarding County property tax allocations. ASO Brookins indicated he would look into it.

16. SCHEDULE AGENDA ITEMS FOR THE JANUARY 19, 2011 BOARD MEETING

- Board of Directors election of officers for calendar year 2011
- Appoint Committee members for calendar year 2011
- Discuss Ordinance 27
- District mid-year budget review, FY 2010/2011
- Board of Directors Vacancy
- Discuss bi-monthly sewer billing versus monthly billing

17. ADJOURNMENT

The meeting adjourned at 7:55 p.m.

Minutes recorded by: Nancy Martin  
Nancy Martin, Administrative Services Tech