



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

AGENDA ITEM: _____	3.A.1
DATE: _____	July 18, 2019
ACTION: _____	APPROVED

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

REGULAR MEETING  
MINUTES  
Thursday, June 20, 2019

**1. ESTABLISH QUORUM AND CALL TO ORDER**

President Enns called the meeting to order at 5:04p.m.

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

Board members absent: Director Hannah Miller.

Staff present: District Manager Rick Koon, and Administrative Office Manager Danielle Crawford.

Guests present: Mark Sampson (District Energy Consultants, DEC).

**2. PUBLIC COMMENTS**

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

**3. CONSENT CALENDAR - Recommend to Approve.**

Consent Calendar items are considered routine and therefore do not require separate discussion. However, any item may be removed from the Consent Calendar by a member of the Board of Directors for separate consideration. Individual items on the Consent Calendar are approved by the same vote that approves the Consent Calendar, unless an item is pulled for separate consideration.

**A. Regular Meeting Minutes**

1. Approval of Minutes for the May 16, 2018 Board of Directors Regular Meeting.

**B. Financial Reports: May 2019**

1. Check Register – Rabobank (General Checking Account)
  - a. Check Register – Wells Fargo (CSWP Checking Account)
  - b. Check Register – Wells Fargo (CSWP Construction Account)

*Consent Calendar continued:*

2. Cash, Savings, and Investment Report
3. Budget vs. Actual Status Report **FY 2018-2019**
4. Capital Improvement Projects Report

Enns opened the meeting to Public Comments.

Hearing no comments, President Enns closed Public Comment.

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

**VOTE 3-0** Motion passed

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

- A. District Manager's Report – May 2019
- B. Monthly Customer Satisfaction Survey Submissions – **None**
- C. Will Serves – New
  - Sullivan, APN 064-415-012, 55 Del Mar Ave. – SFR Remodel**
  - Lawrence, APN 064-129-004, 162 J St. – SFR Addition**
  - Bybee, APN 064-207-048, 2744 Orville Ave. – SFR Addition**
  - Lee, APN 064-128-001, 198 I St. – SFR New**
- Will Serves – Renewed
  - Ording, APN 064-227-015, 1424 Pacific Ave. – SFR New**
  - Britz, APN 064-274-011, 2806 Studio Dr. – SFR Remodel**
  - Rarig, APN 064-043-022, 245 Bakersfield Ave. – SFR New**
  - Riesner, APN 064-254-024, 000 Studio Dr. – SFR New**
  - Garabedian, APN 064-204-064, 2739 Santa Barbara Ave. – SFR New**
- Will Serves – Finaled
  - Harrison, APN 064-162-006, 1197 Cass Ave. – SFR New**
- Will Serves – Continue to Serve (No Will Serve Required)
  - None**

Manager Koon's report was presented. He updated the Board on Administrative items, and O&M activities for the month of May mentioning that the District has submitted its first Work Comp claim in more than 6 years. He also talked about the budget committee meeting that occurred on May 9, 2019 and other routine District business occurring annually in May.

President Enns opened the meeting to Public Comments.  
Hearing none, Public Comments was closed.

Items 4 A through C were received and accepted.

#### **5. DISCUSSION AND CONSIDERATION TO NOMINATE CANDIDATES FOR THE ELECTION OF DIRECTORS TO THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (SDRMA) BOARD.**

There was some discussion amongst the Board with regard to the candidates and each of their attributes.

Frank spoke about his preference of nominees and why.  
President Enns opened the meeting to Public Comments.  
Hearing none, Public Comments was closed.

**MOTION:** 1st by Frank, to nominate Bob Swan, Sandy Seifert-Raffelson, and James (Jim) M. Hamlin. The motion was seconded by Lyon.

**ROLLCALL VOTE:** Frank-yes, Lyon-yes, Chivens-yes, Enns-yes, Miller-Absent.

**VOTE 4-0** Motion passed.

**6. CONSIDERATION TO APPROVE PAYMENT OF CITY OF MORRO BAY INVOICE FOR 3<sup>RD</sup> QUARTER OF FY 2018/19 IN THE AMOUNT OF \$88,085.51.**

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

President Enns opened the meeting to Public Comments.

Hearing none, Public Comments was closed.

**MOTION:** 1st by Chivens, to approve payment of City of Morro Bay invoice for 3<sup>rd</sup> quarter of FY 2018/2019 in the amount of \$88,085.51. The motion was seconded by Frank.

**VOTE 4-0** Motion passed

**7. PRESENTATION AND REVIEW OF THE CITY OF MORRO BAY WASTEWATER TREATMENT PLANT FY 2019/2020 BUDGET.**

Enns had a few questions regarding CMB staffing, more specifically an item on page H-36 of the CMB draft budget. He questioned why the District would be responsible to pay for preparing their staff “with necessary skills and knowledge to run the new advanced potable water reuse facility”.

Koon explained that he and Crawford review their invoices on a quarterly basis and the District will object to paying for these types of expenses if CMB submits them for reimbursement.

President Enns opened the meeting to Public Comments.

Hearing none, Public Comments was closed.

**Proposed budget received, no action needed.**

**8. DISCUSSION AND CONSIDERATION TO APPROVE FY 2019/20 CAYUCOS SANITARY DISTRICT BUDGET:**

**A. OPERATING BUDGET**

**B. CIP BUDGET**

Koon and Crawford elaborated on the proposed budget for the upcoming fiscal year and discussed some highlights from the budget committee meeting held on May 7, 2019.

President Enns opened the meeting to Public Comments.

Hearing none, Public Comments was closed.

**MOTION:** 1st by Chivens, to approve FY 2019/20 Cayucos Sanitary Operating Budget. The motion was seconded by Frank.

**VOTE 4-0** Motion passed.

Koon mentioned that subsequent to the committee meeting, he had made an amendment to the CIP budget and went over the changes but noted the revisions had a net change of zero.

President Enns opened the meeting to Public Comments.  
Hearing none, Public Comments was closed.

**MOTION:** 1st by Chivens, to approve FY 2019/20 Cayucos Sanitary CIP Budget. The motion was seconded by Frank.

**VOTE 4-0** Motion passed.

**9. DISCUSSION AND CONSIDERATION TO ADOPT RESOLUTION 2019-2 ESTABLISHING CAYUCOS SANITARY DISTRICTS FISCAL YEAR 2019/20 APPROPRIATIONS LIMIT.**

Koon presented the Board with the Appropriations Limit submitted by District counsel, Tim Carmel.

President Enns opened the meeting to Public Comments.  
Hearing none, Public Comments was closed.

**MOTION:** 1st by Frank, to adopt District Resolution 2019-2 establishing fiscal year 2019/20 appropriations limit. The motion was seconded by Chivens.

**ROLLCALL VOTE:** Frank=yes, Chivens=yes, Lyon=yes, Enns=yes. Miller-Absent.

**VOTE 4-0** Motion passed.

**10. DISCUSSION AND CONSIDERATION OF ADOPTION OF RESOLUTION 2019-3 AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE CONTRACT AND OTHER NECESSARY DOCUMENTS AND RELATED ACTIONS FOR THE CAYUCOS SUSTAINABLE WATER PROJECT.**

Koon informed the Board that the recent changes in the USDA loan amount will require a new installment purchase contract with Western Alliance for the Cayucos Sustainable Water Project construction financing. Resolution 2019-3 has not yet been prepared but it will be forthcoming once the details of the restructured purchase agreement are revealed.

**MOTION:** 1st by Frank, to allow the Board President and District Manager to negotiate the final terms and conditions of the restructuring of the Cayucos Sustainable Water Project financing at the same or better interest rate. The motion was seconded by Lyon.

**VOTE 4-0** Motion passed

**CLOSED SESSION**

Enns announced closed going into session at 7:12pm

**11. CLOSED SESSION**

**CONFERENCE WITH REAL PROPERTY NEGOTIATOR PURSUANT TO GOVERNMENT CODE SECTION 54956.8:**

PROPERTY: APN(s) 073-092-053 and 073-075-016

AGENCY NEGOTIATOR: RICK KOON, GENERAL MANAGER.

NEGOTIATING PARTY: CHEVRON.

UNDER NEGOTIATION: PRICE AND TERMS OF PAYMENT.

Board members present: President Robert Enns, Vice President Dan Chivens, Director Shirley Lyon, and Director Robert Frank.

Absent: Director Hannah Miller.

Staff present: District Manager, Rick Koon.

Open session reconvened at 7:47pm

**ITEMS TO REPORT FROM CLOSED SESSION:**

Action taken/reported:

**MOTION:** 1st by Lyon, to allow the District Manager and Board President to enter into escrow agreements with Chevron to purchase portions of APN(s) 073-092-053 and 073-075-016 and load line number 2. The motion was seconded by Chivens.

**VOTE 4-0** Motion passed

**12. UPDATE ON CAYUCOS SUSTAINABLE WATER PROJECT STATUS.**

Koon updated the Board on the current construction progress and reminded everyone about the Town Hall meeting set for June 26, 2019 at 6pm that will be held in the Cayucos Elementary School gymnasium.

**13. 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

**14. FUTURE SCHEDULED MEETINGS.**

- July 18, 2019 – **Regular Board Meeting**
- Aug 15, 2019 – **Regular Board Meeting**
- September 19, 2019 – **Regular Board Meeting**

**15. ADJOURNMENT**

The meeting adjourned at 7:51p.m.

**Minutes Respectfully Submitted By:**

X 

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Danielle Crawford  
Administrative Office Manager