



CAYUCOS SANITARY DISTRICT

200 Ash Avenue / PO Box 333

Cayucos, CA 93430

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AGENDA ITEM:

5.A.1

BOARD OF DIRECTORS REGULAR MEETING MINUTES THURSDAY, AUGUST 20, 2026 AT 5:00PM 200 ASH AVE. CAYUCOS, CA 93430

1. ESTABLISH QUORUM AND CALL TO ORDER

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

Directors Present: President Robert Enns, Vice-President John Curti, Director Justin Smith, and Director Joe Clark

Directors Absent: Director Shirley Lyon

Staff Present: District Manager David Athey and Administrative Services Manager Amy Lessi

2. PUBLIC COMMENT

John McGee of the Cayucos Lions Club and Brendan Fritzsche of the Cayucos Chamber of Commerce thanked the Board and District for the Solid Waste Grant monies that were donated to their respective organizations to assist with solid waste disposal efforts over the 4th of July holiday weekend. Local resident Jim Billings wondered if the District's cybersecurity has been evaluated recently. District Manager Athey responded that a threat analysis was completed earlier in the month, with findings indicating the District is in a favorable position.

3. ITEMS TO BE DEFERRED: None

4. CONSENT CALENDAR

Director Curti requested clarification on the \$184,989.73 payment to SDRMA, and Manager Athey responded that it is the annual payment for property liability and worker's compensation insurance.

Public Comment: None

Motion: By Director Curti to approve items on the Consent Calendar as prepared

Second: By Director Clark

Vote: 4-0 Motion passed

5. STAFF COMMUNICATIONS AND INFORMATIONAL ITEMS

Manager Athey gave a summary of the previous month's activities. Director Smith noted that no call outs occurred over the last two months, and Manager Athey replied that staff has been fine-tuning alarm settings to help prevent unnecessary alarms and call outs.

Public Comment: Jim Billings commented that he recently took a tour of the Water Resource Recovery Facility and appreciated the lack of odor and the limited staff required to run the plant.

Item 5 was received and accepted (no Board action necessary).

6. DISCUSSION AND CONSIDERATION TO ADOPT RESOLUTION 2026-09 APPROVING AMENDMENTS TO CAYUCOS SANITARY DISTRICT'S CONFLICT OF INTEREST CODE AS PART OF THE REQUIRED BIENNIAL REVIEW

Manager Athey presented the review of the District's Conflict of Interest Code, noting that there was only one proposed revision to update the designated position title from "Administrative Services Manager" to "Administrative Services Manager/Board Secretary."

Public Comment: None

Motion: By Director Curti to adopt Resolution 2026-09 approving amendments to Cayucos Sanitary District's Conflict of Interest Code as part of the required biennial review

Second: By Director Smith

Rollcall Vote: Curti-yes, Smith-yes, Clark-yes, Enns-yes, Lyon-absent; 4-0 Motion passed

7. DISCUSSION AND CONSIDERATION OF THE DISTRICT-OFFERED HMO HEALTH PLAN COST AND REVIEW OF THE PLAN CHANGES FOR 2027

President Enns noted that two District employees have families with children and expressed a desire to provide medical coverage for their entire families. Director Clark added that providing competitive benefits can help with employee retention.

Public Comment: Jim Billings wondered if there is a limit to how many dependents can be claimed under the family plan, and Manager Athey replied there is no limit.

Motion: By Director Curti to authorize full premium coverage for the Blue Sheild EPO HMO Family Plan at the rate of \$3,062.20 per employee per month

Second: By Director Smith

Vote: 4-0 Motion passed

8. DISCUSSION AND CONSIDERATION TO ADOPT A CALPERS UNFUNDED ACCRUED LIABILITY POLICY AND TO APPROVE A PAYMENT TO CALPERS IN THE AMOUNT OF \$431,750

Manager Athey summarized the unfunded liability issue and the proposed policy to help address it. Director Curti expressed concern about including a fixed payment amount in the policy, and asked if funding for the Toro to Chaney Main Line Replacement Project was considered. Manager Athey responded that the policy states "when practical," so there is no obligation to pay a fixed amount, and confirmed that adoption of the policy will not jeopardize the Project. Director Smith discussed the intent of the "Guidance" section with Manager Athey.

Public Comment: Jim Billings wondered how the District came to be in this position and whether employees are required to make contributions. Manager Athey elaborated on the underlying circumstances of the issue and responded that only the District is required to make payments on this debt, not the employee.

Motion: By Director Curti to adopt a CalPERS Unfunded Accrued Liability Policy and to approve a payment to CalPERS in the amount of \$431,750

Second: By Director Smith

Vote: 4-0 Motion passed

9. DISCUSSION AND CONSIDERATION TO APPROVE A MITIGATION AGREEMENT AND A LANDOWNER ACCESS AGREEMENT RELATED TO THE TORO CREEK RESTORATION PROJECT AND TO AUTHORIZE THE DISTRICT MANAGER TO EXECUTE SAID AGREEMENTS

President Enns requested that a gate be constructed to ensure continued site access.

Public Comment: None

Motion: By Director Smith to approve a Mitigation Agreement and a Landowner Access Agreement related to the Toro Creek Restoration Project and to authorize the District Manager to execute said agreements

Second: By Director Clark

Vote: 4-0 Motion passed

10. DISCUSSION AND CONSIDERATION TO APPROVE AN AMENDMENT TO THE DISTRICT MANAGER'S EMPLOYMENT AGREEMENT APPROVING A COST OF LIVING SALARY ADJUSTMENT

The Board considered an amendment to the District Manager's Employment Agreement to provide a 2.5% cost of living adjustment to his annual base salary, effective July 1, 2026.

Public Comment: None

Motion: By Director Clark to approve an amendment to the District Manager's Employment Agreement approving a cost of living salary adjustment

Second: By Director Curti

Vote: 4-0 Motion passed

11. DISCUSSION AND CONSIDERATION TO ADJUST THE SALARY RANGE FOR THE ADMINISTRATIVE ACCOUNTING MANAGER POSITION

Manager Athey presented the proposed salary adjustment for the Administrative Accounting Manager (AAM) position, including a comparison of salaries and responsibilities among local peer agencies. The Board spoke favorably of Gayle's performance, aptitude, and range of responsibilities, and recognized that she is currently at Step F, the top of the existing salary schedule, leaving no opportunity for further step increases. The Board discussed adjusting the proposed salary schedule so that the proposed Step F rate of \$66.45 per hour would become Step C, thereby providing opportunities for future step increases as Gayle progresses through the schedule.

Public Comment: None

Motion: By Director Smith to adjust the salary schedule for the AAM position and make Step C \$66.45/hour

Second: By Director Curti

Vote: 4-0 Motion passed

12. DISCUSSION AND CONSIDERATION TO ADOPT RESOLUTION 2026-10 AMENDING THE DISTRICT SALARY SCHEDULE

Manager Athey explained that a resolution is required when the District's Salary Schedule is modified.

Public Comment: None

Motion: By Director Curti to adopt Resolution 2026-10 amending the Cayucos Sanitary District Salary Schedule to reflect the increase in the Administrative Accounting Manager position's pay range and the amendment to the District Manager's Employment Agreement

Second: By Director Clark

Rollcall Vote: Curti-yes, Clark-yes, Smith-yes, Enns-yes, Lyon-absent; 4-0 Motion passed

13. DISCUSSION AND DIRECTION REGARDING OUTREACH FOR UNCONTESTED/VACANT BOARD SEATS SUBJECT TO COUNTY APPOINTMENT

President Enns suggested the creation of an Ad Hoc Committee to facilitate recruitment for the vacant Board seats in Divisions 2 and 3 of the CSD voting districts, with interested candidates to be interviewed and considered for appointment at the next regular meeting of the Board.

Public Comment: None

Motion: By Director Smith to appoint President Enns and Director Curti to an Ad Hoc Committee to strategize recruitment for vacant Board positions

Second: By Director Clark

Vote: 4-0 Motion passed

14. BOARD MEMBER COMMENTS

None

15. FUTURE SCHEDULED MEETINGS

16. ADJOURNMENT

The meeting adjourned at 7:13 p.m.

Minutes Respectfully Submitted By:

X  _____

Amy Lessi

Administrative Services Manager/Board Secretary