



AGENDA ITEM: 3.A.1
DATE: May 21, 2020
ACTION: APPROVED

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

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

REGULAR MEETING
MINUTES
Thursday, April 16, 2020
5:00 p.m.

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 5:03p.m.

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

Staff present via GoToMeeting: District Manager Rick Koon, and Billing Clerk Amy Nelson.

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

2. PUBLIC COMMENTS

Enns opened the meeting to Public Comments.

Julie Tacker – Los Osos – observed that with regard to COVID-19, other districts have adopted new policies and procedures to help navigate these uncertain times and suggested that CSD should too. She expressed concern over the District’s lack of by-laws. She also suggested that the District post its entire Board packet on the District website before each meeting.

Hearing no further 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 February 20, 2020 Board of Directors Regular Meeting.

B. Financial Reports: February 2020

1. Check Register – Rabobank (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 2019-2020**
4. Capital Improvement Projects Report

C. Financial Reports: March 2020

1. Check Register – Rabobank (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 2019-2020**
4. Capital Improvement Projects Report

Director Miller requested to pull item 3.A.1 for separate consideration, as she had a correction to the minutes.

President Enns opened the meeting to Public Comments.

Julie Tacker noticed the packets didn't include the financials for February. She questioned several items listed on the March expenditures, and expressed her dissatisfaction with the fees that were paid to Carmel and Naccassha.

Hearing no further comments, President Enns closed Public Comment.

Miller requested a correction on item 7 of the February draft minutes to read "the Ad Hoc committee met several times, with some meetings including District Counsel and Manager. After conducting research, the Ad Hoc committee recommends approval of the contract before you."

President Enns opened the meeting to Public Comments.

Julie Tacker pointed out there was a correction to the salary schedule and wants the minutes to reflect that the change was made.

Hearing no further comments, President Enns closed Public Comment.

MOTION: 1st by Lyon, to approve items 3.B and 3.C on the consent calendar as prepared. Motion was seconded by Chivens.

VOTE 5-0 Motion passed

Motion: 1st by Miller, to approve item 3.A.1 on the consent calendar with corrections noted. Motion was seconded by Frank.

VOTE 5-0 Motion passed

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

A. District Manager's Report – February 2020 and March 2020

B. Monthly Customer Satisfaction Survey Submissions – None

C. Will Serves – New

Gottlieb, APN 064-484-001, 871 N Ocean Ave.. – SFR New

Riley, APN 064-201-072, 2651 Richard Ave. – SFR New

Borek, APN 064-221-013, 34 11th St. – SFR Addition

Payton, APN 064-232-028, 48 18th St. – SFR New

Rittger, APN 064-264-011, 225 Hacienda Dr. – SFR New

Will Serves – Renewed

Wolowodiuk, APN 064-154-020, 1073 Pacific Ave. – SFR New

Smith, APN 064-225-009, 1501 Pacific Ave. – SFR Addition

Lawrence, APN 064-129-004, 162 J St. – SFR Addition
Crowley, APN 064-449-008, 3596 Studio Dr. – SFR New

Will Serves – Finaled

Circle M Enterprises, APN 064-143-011, 449 Pacific Ave. – SFR New

Wagenen, APN 064-134-008, 460 Saint Mary Ave. – SFR Addition

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

None

Manager Koon gave a verbal report for the month of March's Admin and Operations departments' activities. Admin staff is continuing cross-training of their respective duties. The District continues to work with the Trust for Public Lands and the Land Conservancy in preparation of the sale of 6SW and 6N, which will be done by May 30th. Koon met with a State appraiser regarding the Toro Creek lots, and attended the Cayucos Land Conservancy's Town Hall meeting. The District submitted a claim to Caltrans for the damage done to Lift Station 5 force main, which was denied by the contractor because he thinks the damage was caused by a backhoe. The District will continue to work with Caltrans on this matter. The Unemployment Department found in favor of the District with regards to the release of our trainee. He reminded the Board that Form 700s are due in April. The office is closed to the public due to COVID-19, pursuant to County health recommendations. The USDA is still remotely working with the District to process draws. In May, Morro Bay City Council should approve starting the LAFCO application for the Panorama Lots and annexation and detachment of Toro Creek Lots. The Toro Creek pipeline is out to bid, and bids are expected to come back on May 6th.

President Enns opened the meeting to Public Comments.

Julie Tacker recommended that the District update its website to state that the District Office is closed to the public.

Items 4 A through C were received and accepted.

5. DISCUSSION AND CONSIDERATION TO APPROVE PAYMENT OF MORRO BAY INVOICE FOR 2ND QUARTER OF FY 2019-2020 IN THE AMOUNT OF \$95,362.07

Koon stated the flow rate for the second quarter is 20.81%.

Enns pointed out that this is the lowest number he's ever seen since he's been on the board.

President Enns opened the meeting to Public Comments.

Hearing no comments, President Enns closed Public Comment.

MOTION: 1st by Lyon, to approve payment of Morro Bay invoice for 2nd quarter of FY 2019-2020 in the amount of \$95,362.07. Motion was seconded by Frank.

VOTE 5-0 Motion passed

6. DISCUSSION AND CONSIDERATION OF ESTABLISHMENT OF AN AD HOC COMMITTEE TO EVALUATE AND IDENTIFY POSITIONS TO BE CREATED AND ACTIONS NECESSARY TO INTEGRATE OPERATIONS OF THE CAYUCOS SUSTAINABLE WATER FACILITY INTO THE DISTRICT'S ORGANIZATIONAL STRUCTURE

Koon said the completion of the plant is still on track for December 2020. Prior to next fiscal year's budget, we will need to identify operational expenses, staffing requirements, etc. An Ad Hoc committee is necessary to calculate a draft estimate of these expenses for budget approval in June.

Director Miller and Director Lyon expressed interest in forming the committee.

President Enns opened the meeting to Public Comments.

Julie Tacker took note that WSC has worked on an outline of what the staffing might look like, and wondered if there was a rough estimate of the cost associated with the outline?

Hearing no further comments, President Enns closed Public Comment.

President Enns appointed Director Miller and Director Lyon as the Ad Hoc Committee.

7. DISCUSSION AND CONSIDERATION TO APPROVE QUITCLAIM DEED ELIMINATING REPURCHASE RIGHTS FOR LOT 6SW HELD BY CHEVRON LAND AND DEVELOPMENT COMPANY

President Enns stated that items 7, 8 and 9 go together, and asked Manager Koon for an overview.

Koon stated that these three items all have to do with the closing of escrow for Lot 1, between Chaney St. and Toro Creek Rd. With reference to Lot 6SW, Chevron (CLDC) had a stipulation that they wanted the Panorama Lots to be in the City of Morro Bay's sphere of influence (SOI), ultimately to be annexed. The City, CLDC, the Trust for Public Lands and the District signed a Memorandum of Understanding (MOU) on the steps required to proceed with the SOI. Since then, the City has progressed sufficiently enough that the CLDC is willing to remove the repurchase agreement as a requirement.

President Enns opened the meeting to Public Comments.

Hearing no comments, President Enns closed Public Comment.

MOTION: 1st by Chivens, to approve quitclaim deed eliminating repurchase rights for lot 6SW held by Chevron Land and Development Company. Motion was seconded by Miller.

VOTE 5-0 Motion passed.

8. DISCUSSION AND CONSIDERATION TO APPROVE QUITCLAIM DEED ELIMINATING EASEMENT RIGHTS OWNED BY CHEVRON LAND AND DEVELOPMENT COMPANY APPURTENANT TO LOT 1

In 2016 when the District bought Lots 8 and 10, CLDC retained utility and access easements for the benefit of the remaining CLDC Lots over Lot 8. Lot 1 is a named beneficiary of those easements. After the Land Conservancy purchases Lot 1 on April 30, 2020, CLDC will no longer need the easements for Lot 1. Item 8 will eliminate Chevron's land and development easements.

President Enns opened the meeting to Public Comments.

Hearing no comments, President Enns closed Public Comment.

MOTION: 1st by Miller, to approve quitclaim deed eliminating easement rights owned by Chevron Land and Development Company appurtenant to Lot 1. Motion was seconded by Frank.

VOTE 5-0 Motion passed.

9. DISCUSSION AND CONSIDERATION TO AWARD THE LIFT STATION 5 CONSTRUCTION CONTRACT AND TO APPROVE THE CONSTRUCTION CONTRACT (STIPULATED PRICE)

Manager Koon stated that the bids for the construction of Lift Station 5 were received on April 7th. The engineer's estimate was just over \$1.5 million. 8 bids were received and read. The apparent low bid was \$2.6 million, with the rest grouped between \$3.2 and \$3.7 million. On April 11th, a letter was received from the apparent low bidder saying that they had made a mistake and they withdrew their bid. With the cost being roughly 73% over the engineer's estimate, and after talking with WSC and the bidders, the recommendation is to cut costs by roughly \$1.2 million by modifying the design and going out to bid again. The goal is to have the bids back by the June board meeting.

Director Chivens and Lyon stated that they agree it is a good time to re-bid.

Director Miller agreed, especially considering the uncertainty of today's economy.

President Enns asked if there is any way we can guarantee a price for specific inventory items, or purchase them directly, to help control cost? Koon replied that pumps might be the only applicable category of inventory items, as everything else is part of an assembly and can't be purchased directly.

President Enns opened the meeting to Public Comments.

Julie Tacker stated that she finds the WSC report "troubling" and "sloppy". It was also her opinion that Value Engineering should have been done before the bid package was developed, so that you are having the lowest price project going out to bid. She went on to say that this approach gives WSC another "big fat check" to re-write another package, go out to bid again, and WSC and Mr. Koon should be held accountable.

Hearing no further comment, Public Comments was closed.

MOTION: 1st by Lyon, to reject all bids, direct staff and WSC to modify the design, incorporate Value Engineering, and rebid the project. Motion was seconded by Chivens.

VOTE 5-0 Motion passed

10. CAYUCOS SUSTAINABLE WATER PROJECT STATUS UPDATE

Koon informed the Board that construction at the site is still taking place during the COVID-19 shelter-in-place order as it is an exempt public works project, though the workers are following social distancing health recommendations.

The pre-purchase contract equipment has already been manufactured and is going to be shipped soon. The generator is currently in production and remains on schedule. Some material suppliers have shut down, however, and contractors are looking for other sources when inventory is not readily available.

The controls system is being put out to design, but Koon anticipates some interruption in the electronics supply chain. Dylan Wade of WSC agreed that they haven't seen any real financial or time impacts yet, but predicts there will be some delays arising due to COVID-19. They will be flexible, adapt, and keep

the Board informed. Dylan went on to say that the entire work force is grateful to have a job during these times.

President Enns thanked Dylan and asked him to let the work force know that the Board appreciates that they are on the front lines, staying on schedule.

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

11. 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

12. FUTURE SCHEDULED MEETINGS.

- May 21, 2020 – Regular Board Meeting
- June 18, 2020 – Regular Board Meeting
- July 16, 2020 – Regular Board Meeting

13. ADJOURNMENT

The meeting adjourned at 5:57p.m.

Minutes Respectfully Submitted By:

X 

Amy Nelson
Billing Clerk