

GOVERNING BOARD R. Enns, President S. Lyon, Vice-President R. Frank, Director H. Miller, Director J. Curti, Director Pursuant to Government Code Section 54953(e), members of the Board of Directors and staff will participate in this meeting via a teleconference. Members of the public can comment when prompted by unmuting their microphone, and allowing access to their webcam is optional.

### **CAYUCOS SANITARY DISTRICT**

200 Ash Avenue PO Box 333 Cayucos, California 93430-0333 805-995-3290

### BOARD OF DIRECTORS REGULAR MEETING AGENDA THURSDAY, AUGUST 18, 2022 AT 5:00PM 200 ASH AVENUE, CAYUCOS, CALIFORNIA 93430

Please join our meeting from your computer, tablet or smartphone: https://meet.goto.com/AmyLessi/csd-bod-regular-meeting-24

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### 1. ESTABLISH QUORUM AND CALL TO ORDER

### 2. PUBLIC COMMENT:

This is the time the public may address the Board on items other than those scheduled on the agenda. By conditions of the Brown Act the Board may not discuss issues not posted on the agenda, but may set items for future agendas. Those persons wishing to speak on any item scheduled on the agenda will be given an opportunity to do so at the time that agenda item is being considered. When recognized by the Board President, please stand up and state your name and address for the record (though not required). While the Board encourages public comment, in the interest of time and to facilitate orderly conduct of the meeting, the Board reserves the right to limit individual comments to three minutes.

### 3. CONSENT CALENDAR: Recommended 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 July 21, 2022 Board of Directors Regular Meeting Pg. 1

### B. Financial Reports: July 2022

- 1. Check Register Mechanics Bank (General Checking Account) Pg. 4
- 2. Check Register Wells Fargo (General Checking Account) Pg. 5
- 3. Check Register Wells Fargo (CIP Checking Account) Pg. 7
- 4. Cash, Savings, and Investment Report Pg. 8
- 5. Budget vs. Actual Status Report FY 2022-2023 Pg. 9
- 6. Capital Improvement Projects Report Pg. 10

Pursuant to Government Code Section 54953(e), members of the Board of Directors and staff will participate in this meeting via a teleconference. Members of the public can comment when prompted by unmuting their microphone, and allowing access to their webcam is optional.

### 4. STAFF COMMUNICATIONS AND INFORMATIONAL ITEMS: No Action Required

- A. District Manager's Report: July 2022 Pg. 11
- B. New Will-Serves:
  - 71 8<sup>th</sup> St. / Mainwaring / 064-146-036 / MFR Remodel
  - 10 9<sup>th</sup> St. / Fries / 064-153-034 / SFR New
  - **Extended Will-Serves:** 
    - 000 Studio Dr. / Riesner / 064-254-024 / SFR New
    - 2733 Richard Ave. / Allen / 064-211-041 / SFR New
    - 23 Bakersfield Ave. / Corral MH LLC / 064-042-032 / SFR New

### Finaled Will-Serves:

- 2885 Orville Ave. / DeNatale / 064-262-006 / SFR Addition
- 249 Ash Ave. / Crye / 064-095-015 / New Connection

**Grants Of License:** 

None

- 5. DISCUSSION AND CONSIDERATION TO APPROVE A PETITION OF APPLICATION TO LAFCO TO ANNEX PROPERTY (APN 064-405-016) INTO THE CAYUCOS SANITARY DISTRICT Pg. 13
- 6. DISCUSSION AND CONSIDERATION TO APPROVE A PROPOSAL FROM VALBRIDGE PROPERTY ADVISORS FOR PREPARATION OF AN APPRAISAL OF THE JOINTLY OWNED MORRO BAY-CAYUCOS SANITARY DISTRICT WASTEWATER TREATMENT PLANT SITE AND RELATED FACILITIES (APNs: 066-031-032, 066-031-033, and 066-031-034) Pg. 16
- 7. REVIEW, DISCUSSION AND CONSIDERATION OF THE DISTRICT-OFFERED HMO HEALTH PLAN COST AND PLAN CHANGES FOR 2023 Pg. 33
- 8. DISCUSSION AND CONSIDERATION TO ADOPT RESOLUTION 2022-19 TO AUTHORIZE REMOTE TELECONFERENCING MEETINGS IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54953(e) (AB 361) Pg. 36

### 9. BOARD MEMBER COMMENTS

This item provides the opportunity for Board members to make brief announcements and/or briefly report on their own activities related to District business.

### **10. FUTURE SCHEDULED MEETINGS**

- September 15, 2022 Regular Board Meeting
- October 20, 2022 Regular Board Meeting
- November 17, 2022 Regular Board Meeting

### **11. ADJOURNMENT**

### \*\*\*\*\*

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### \*\*\*\*\*

All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the District's office and are available for public inspection and reproduction at cost. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disability Act. To make a request for disability-related modification or accommodation, contact the District at 805-995-3290 as soon as possible and at least 48 hours prior to the meeting date.



GOVERNING BOARD R. Enns, President S. Lyon, Vice-President H. Miller, Director R. Frank, Director J. Curti, Director

### **CAYUCOS SANITARY DISTRICT**

200 Ash Avenue PO Box 333 Cayucos, CA 93430-0333 805-995-3290 AGENDA ITEM: <u>3.A.1</u> DATE: <u>August 18, 2022</u>

ACTION:

### BOARD OF DIRECTORS REGULAR MEETING MINUTES THURSDAY, JULY 21, 2022 AT 5:00 P.M. 200 ASH AVENUE, CAYUCOS, CA 93430

### 1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 5:02 p.m.

Board members present via GoToMeeting: President Robert Enns, Vice-President Shirley Lyon, Director Robert Frank, and Director John Curti (Director Miller joined the meeting at 5:05 p.m.)

Staff present via GoToMeeting: District Manager Rick Koon and Administrative Services Manager Amy Lessi

Guests present via GoToMeeting: Jeff Clarin of Mission Country Disposal (MCD), William Statler of Municipal Finance Consulting

### 2. PUBLIC COMMENT

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

### 3. CONSENT CALENDAR: Recommended to Approve

### A. Regular Meeting Minutes

- 1. Approval of minutes for the June 16, 2022 Board of Directors Regular Meeting
- 2. Approval of minutes for the July 13, 2022 Board of Directors Special Meeting
- B. Financial Reports: June 2022
  - 1. Check Register Mechanics Bank (General Checking Account)
  - 2. Check Register Wells Fargo (General Checking Account)
  - 3. Check Register Wells Fargo (CIP Checking Account)
  - 4. Cash, Savings, and Investment Report
  - 5. Budget vs. Actual Status Report FY 2021-2022
  - 6. Capital Improvement Projects Report
  - 7. Annual Disclosure and Employee Reimbursement Report

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

**MOTION:** 1st by Frank, to approve items on the consent calendar as prepared. Motion was seconded by Curti. **ROLLCALL VOTE:** Frank-yes, Curti-yes, Lyon-yes, Enns-yes **VOTE 4-0** Motion passed

### 4. STAFF COMMUNICATIONS AND INFORMATION ITEMS: No Action Required

### A. District Manager's Report: June 2022

- B. New Will-Serves:
  - 249 Ash Ave. / Crye / 064-095-015 / New Lateral Connection **Extended Will-Serves**:
    - 101 N Ocean Ave. / 101 N Ocean Properties LLC / 064-115-023 / CMMCL New

### **Finaled Will-Serves:**

- 1975 Cass Ave. / Allen / 064-182-059 / SFR Remodel
- 48 12<sup>th</sup> St. /
- Kaus / 064-222-014 / SFR New

### Grants of License:

None

Director Miller joined the meeting at 5:05 p.m. Manager Koon gave a summary of the previous month's activities. Director Frank asked if the District has received any update from PG&E regarding the anticipated credit from the plant's solar field. Manager Koon replied that Admin. Accounting Manager Gayle Good contacted them for an update and was informed that the District shouldn't expect to receive a reimbursement/credit statement until the end of the year. Manager Koon notified the Board that a pump at Lift Station 1 failed and repair of the wet well was required on an emergency basis.

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

### Items 4.A – B were received and accepted.

### 5. PRESENTATION OF REPORT REGARDING MISSION COUNTRY DISPOSAL REQUEST FOR SOLID WASTE RATE INCREASE, DISCUSSION AND CONSIDERATION TO SCHEDULE A PUBLIC HEARING TO CONSIDER REQUESTED RATE INCREASE, AND TO DIRECT STAFF TO PREPARE AND DISTRIBUTE A PROPOSITION 218 NOTICE

Manager Koon briefed the Board with the two staff reports for this item, highlighting 3 key issues: 1.) Scheduling of the Public Hearing for the Prop. 218 process, 2.) Implementation of the new IWMA fee, which became effective July 1, 2022, and 3.) Consideration of the delayed rate implementation fees to be withdrawn from the District's Franchise Fee payouts. Manager Koon pointed out that the supplemental staff report from Legal Counsel indicates it is not necessary for the District to authorize MCD to impose the new IWMA fee, as it is a regulatory fee established by a separate agency and is unrelated to MCD's proposed rate increase.

Subsequently, each Board member raised their individual questions regarding the proposed rate increase, such as negative profits in past years (Director Curti), being grouped together with Cambria (Director Frank), and the effective date (Director Miller). Jeff Clarin, District Manager of MCD, addressed each topic in turn, and Bill Statler of Municipal Finance Consulting went on to provide an in-depth PowerPoint presentation analyzing and justifying the proposed new rates.

Board discussion transitioned to payment and reconciliation of the delayed rate implementation fees, resulting in a consensus that they should not be added to the Prop. 218 process, and instead will be deducted from the District's Franchise Fee payouts.

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

**MOTION:** 1st by Miller, to schedule a public hearing for September 15, 2022 to consider a rate increase for solid waste collection and disposal services, to direct Mission Country Disposal staff to prepare and distribute a Proposition 218 Notice, and to have the delayed rate implementation fees be deducted from the District's Franchise Fees. Motion was seconded by Curti.

**ROLLCALL VOTE:** Miller-yes, Curti-yes, Frank-yes, Lyon-yes, Enns-yes **VOTE 5-0** Motion passed

# 6. DISCUSSION AND CONSIDERATION TO ADOPT RESOLUTION 2022-18 TO AUTHORIZE REMOTE TELECONFERENCING MEETINGS IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54953(e) (AB 361)

President Enns opened the meeting to Public Comment. Hearing no comment, President Enns closed Public Comment. **MOTION:** 1st by Frank, to adopt Resolution 2021-18 to authorize remote teleconferencing meetings in accordance with Government Code Section 54953(e) (AB 361). Motion was seconded by Curti. **ROLLCALL VOTE:** Frank-yes, Curti-yes, Miller-yes, Lyon-yes, Enns-yes **VOTE 5-0** Motion passed

### 7. BOARD MEMBER COMMENTS

Director Frank requested that the Proposition 218 notices provide an explanation of the new legislation that necessitated the proposed rate increase, and an itemized breakdown of the proposed rate increase. Manager Koon agreed and affirmed they would.

### 8. FUTURE SCHEDULED MEETINGS

- August 18, 2022 Regular Board Meeting
- September 15, 2022 Regular Board Meeting
- October 20, 2022 Regular Board Meeting

### 9. ADJOURNMENT

The meeting adjourned at 6:59 p.m.

### Minutes Respectfully Submitted By:

X limy Lissi

Amy Lessi Administrative Services Manager

## Cayucos Sanitary District General Checking - Mechanic's Bank (Payments Only) July 2022

AGENDA ITEM: 3.B.1

DATE: Aug. 18, 2022

Date	Num	Name	Amount
07/12/2022	22969	Cayucos Sanitary District Wells Fargo Acct.	-130,000.00
		Total Operating Expenses	-130,000.00

### AGENDA ITEM: 3.B.2

DATE: Aug. 18, 2022

# Cayucos Sanitary District General Checking - Wells Fargo (Payments Only) July 2022

Date	Num	Name	Amount
07/01/2022	23120	CAYUCOS SANITARY DISTRICT WELLS FARGO ACT	-833.67
07/01/2022	23121	CALPERS (RETIREMENT)	-58,976.00
07/01/2022	23122	KITZMAN WATER	-46.00
07/01/2022	23123	QUICK TECH COMPUTERS	-1,480.00
07/01/2022	23124	STREAMLINE	-200.00
07/01/2022	23125	XYLEM WATER SOLUTIONS U.S.A., INC.	-507.00
07/01/2022	23083	POSTMASTER	-681.39
07/05/2022	HLTH070522	CALPERS (HEALTH)	-12,573.29
07/05/2022	60217122181	ALLIED ADMINISTRATORS FOR DELTA DENTAL	-679.19
07/07/2022		QuickBooks Payroll Service	-18,009.70
07/08/2022	23127	LYON, SHIRLEY A	-91.25
07/08/2022	23126	ENNS, ROBERT	-91.25
07/08/2022	EDD070822	EDD	-1,666.71
07/08/2022	FED070822	US TREASURY	-7,646.66
07/08/2022	PERS070822	CALPERS (RETIREMENT)	-4,235.98
07/08/2022	DEF070822	CALPERS (RETIREMENT)	-1,375.00
07/08/2022	23128	ALPHA FIRE & SECURITY ALARM CORP	-105.00
07/08/2022	23129	CALIFORNIA RURAL WATER ASSOCIATION	-1,237.00
07/08/2022	23130	CARMEL & NACCASHA, LLP	-1,360.46
07/08/2022	23131	CAYUCOS LIONESS CLUB	-250.00
07/08/2022	23132	CHARTER INTERNET	-939.48
07/08/2022	23133	COASTAL ROLL OFF SERVICE	-3,787.52
07/08/2022	23134	GRAINGER	-113.98
07/08/2022	23135	HACH	-174.44
07/08/2022	23136	LAFCO	-11,120.05
07/08/2022	23137	MISSION COUNTRY DISPOSAL - WRRF	-182.22
07/08/2022	23138	MORRO ROCK MUTUAL WATER CO. UTILITY 782	-84.68
07/08/2022	23139	SPEEDY COASTAL MESSENGER, INC.	-575.00
07/08/2022	23140	WELLS FARGO VENDOR FIN SERV	-387.43
07/08/2022	23141	PG&E LS#1	-527.62
07/08/2022	23142	PG&E LS#2	-987.10
07/08/2022	23143	PG&E LS#3	-129.43
07/08/2022	23144	PG&E LS#4	-478.45
07/08/2022	23145	PG&E LS#5	-2,601.18
07/08/2022	23146	PG&E OFFICE	-203.20
07/08/2022	23147	PG&E WELL	-10.41
07/09/2022	23148	PATHIAN ADMINISTRATORS	-186.15
07/11/2022	23149	DUKE ENERGY/WESTBOUND SOLAR 2	-42,309.57
07/12/2022	23150	SDRMA	-168,092.45
07/14/2022	23154	GOOD, GAYLE	-58.50
07/15/2022	23152	CALNET3	-401.51
07/15/2022	23153	GRAINGER	-203.91
07/15/2022	23155	FIRSTNET (AT&T)	-371.92
07/18/2022	23156	FIVE STAR CHEMICALS & SUPPLY, LLC	-112.49

Date	Num	Name	Amount
07/18/2022	23157	STAPLES ADVANTAGE (Gov. Acct)	-85.89
07/18/2022	23158	LOMBARD'S AUTOSOUNDS	-1,971.46
07/21/2022		QuickBooks Payroll Service	-19,297.17
07/22/2022	EDD072222	EDD	-1,878.31
07/22/2022	FED072222	US TREASURY	-8,348.74
07/22/2022	PERS072222	CALPERS (RETIREMENT)	-4,545.69
07/22/2022	DEF072222	CALPERS (RETIREMENT)	-1,425.00
07/25/2022	23159	BUSINESS CARD 4841	-1,212.97
07/25/2022	23160	CWEA	-192.00
07/25/2022	23161	EXECUTIVE JANITORIAL	-225.00
07/25/2022	23162	PRO3 AUTOMATION, INC.	-550.00
07/25/2022	23163	SIEMENS (PONTON)	-539.47
07/28/2022	23164	CAYUCOS BEACH MUTUAL WATER CO. #1	-133.44
07/28/2022	23165	CAYUCOS BEACH MUTUAL WATER CO. #2	-120.08
07/28/2022	23166	COASTAL COPY, INC	-33.26
07/28/2022	23167	GRAINGER	-801.21
07/28/2022	23168	MINER'S ACE HARDWARE	-508.54
07/28/2022	23169	MISSION UNIFORM SERVICE	-345.84
07/28/2022	23170	SOCAL GAS	-24.89
07/28/2022	23171	STAPLES ADVANTAGE (Gov. Acct)	-107.70
07/28/2022	23172	UNDERGROUND SERVICE ALERT	-534.36
07/28/2022	23173	XYLEM WATER SOLUTIONS U.S.A., INC.	-507.00
07/31/2022	11315377137	COLONIAL LIFE INSURANCE PREMIUMS	-52.58
		Total Operating Expenses	-\$389,524.84

# Cayucos Sanitary District CIP Checking - Wells Fargo (Payments Only) July 2022



DATE: Aug. 18, 2022

Date	Num	Name	Amount
07/08/2022	11522	Carmel & Naccasha, LLP	-318.36
07/25/2022	11523	Souza Construction, Inc.	-101,481.63
		Total CIP Expenses	-\$101,799.99

# Cayucos Sanitary District Cash, Savings and Investment Report July 2022

AGENDA ITEM: 3.B.4

DATE: Aug. 18, 2022

Bank Accounts	Current Balance	
Mechanic's Bank Checking	\$22,142	
Wells Fargo Checking - new general	\$234,987	
Wells Fargo CIP	\$1,112,091	
Wells Fargo Savings (CFF)	\$218,250	
Mechanic's Bank - USDA	\$0	
Wells Fargo - USDA (new)	\$723,084	
Petty Cash	\$175	
LAIF	\$8,497	
Total	\$2,319,225	
Investments		
CalTrust	\$1,635,059	
Cetera Cash/MM	\$5,503	
Cetera Treasury/Securities	\$58,983	(Fixed Income)
Total	\$1,699,545	
Grand Total	\$4,018,770	

MCD Rabobank Deposit CD

\$25,000 Franchise Deposit on Hold

### Cayucos Sanitary District FY 22/23 Financial Report Budget vs. Actual July 2022

AGENDA ITEM: 3.B.5

DATE: <u>Aug. 18, 2022</u>

-	Current Month	YTD Actual Rev/Exp	YTD Budget	Approved Budget 22/23	% of Budget
Ordinary Income/Expense					
Income					
4000 · SEWER INCOME	271,618	271,618	264,679	3,176,150	9%
4100 · WILL SERVE INCOME	16,800	16,800	7,350	88,200	19%
4200 · RENTAL INCOME	-	-	3,550	42,600	0%
4300 · SOLID WASTE INCOME	12,750	12,750	7,467	89,600	14%
4400 · SLOCO TAX ASSESSMENTS	20,279	20,279	89,350	1,072,200	2%
4500 · SAVINGS INTEREST INCOME	17	17	4	50	33%
4600 · INVESTMENT INTEREST	1,984	1,984	708	8,500	23%
4700 · OTHER INCOME	4,534	4,534	383	4,600	99%
Total Income	327,981	327,981	373,492	4,481,900	7%
Expense					
5000 · PAYROLL EXPENSES					
5100 · ADMINISTRATIVE PAYROLL	27,877	27,877	32,567	390,800	7%
5200 · COLLECTIONS PAYROLL	11,316	11,316	14,625	175,500	6%
5300 · TREAT PAYROLL	20,207	20,207	25,525	306,300	7%
5400 · DIRECTOR PAYROLL	400	400	667	8,000	5%
5500 · VESTED PAYROLL BENEFITS	298	298	475	5,700	5%
5600 · ADMIN PAYROLL TAXES & BENEFITS	29,609	29,609	11,475	137,700	22%
5700 · COLL PAYROLL TAXES & BENEFITS	26,381	26,381	9,850	118,200	22%
5800 · TREAT PAYROLL TAXES & BENEFITS	24,869	24,869	10,367	124,400	20%
5900 · DIRECTOR PAYROLL TAXES & BENEFITS	31	31	50	600	5%
Total 5000 · PAYROLL EXPENSES	140,989	140,989	105,600	1,267,200	11%
6000 · OPERATING EXPENSES					
6050 · SPECIAL PROJECTS	-	-	1,083	13,000	0%
6100 · ADMIN OPERATING EXPENSES	124,433	124,433	77,071	924,850	13%
6500 · COLLECTIONS OPERATING EXPENSES	14,420	14,420	18,604	223,250	6%
7000 · TREATMENT OPERATING EXPENSES	85,951	85,951	125,333	1,504,000	6%
Total 6000 · OPERATING EXPENSES	224,804	224,804	222,092	2,665,100	8%
Total Expense	365,792	365,792	327,692	3,932,300	9%
Net Ordinary Income	(37,811)	(37,811)	45,800	549,600	
Income	(37,811)	(37,811)	45,800	549,600	

# Cayucos Sanitary District Capital Improvement Projects Report FY 22/23 July 2022

AGENDA ITEM: 3.B.6

DATE: Aug. 18, 2022

	Current Month	YTD Actual Rev/Exp	Approved Budget 22/23	Percent Used YTD
CAPITAL IMPROVEMENTS				
1536 - Electric Vehicle Purchase			45,000.00	
1601 · Sewer Main Replacements	0.00	0.00	55,000.00	0%
1601.02 - Chaney to LS #5	0.00	0.00	35,000.00	0%
1608 - Main Admin. Building				
1608.4 - Generator Installation			25,000.00	
1616 - RWQCB Recycled Water Program	0.00	0.00	20,000.00	0%
1650 - WRRF Improvements				
1650.2 - Vertical Turbine Effluent Pump	0.00	0.00	45,000.00	0%
Total 1600 CAPITAL IMPROVEMENTS	\$0.00	\$0.00	\$225,000.00	0%



DATE: August 18, 2022

# CAYUCOS SANITARY DISTRICT

- TO: BOARD OF DIRECTORS
- FROM: RICK KOON, DISTRICT MANAGER
- DATE: AUGUST 11, 2022
- SUBJECT: MONTHLY MANAGER'S REPORT: JULY 2022

### ADMINISTRATIVE:

- The District continues with the COVID -19 protection protocols for all employees as required by Cal-OSHA, state and local directives.
- District staff have been busy as other staff are taking turns cycling through various vacations. This will continue through August.
- Staff has transitioned our ACH to Wells Fargo after several formatting issues between our billing system and Wells Fargo.
- District staff has transitioned our bank accounts to Wells Fargo from Mechanics Bank.
- Jon Collins has successfully completed his OIT hours and is taking his Wastewater Treatment 2 test at the end of August.
- In order to comply with AB 361 the Board will need to pass another resolution at the September meeting to continue with remote meetings.

### CAPITAL PROJECTS:

- Knowles Construction finished the emergency repairs to Lift Station 1. The repair has increased the flow by over 100 gpm in one pump. We are waiting on the rebuild of the other pump.
- Longitude 123 is completing the final hookup of the Cathodic Protection System for the outfall.

# **OPERATIONS AND MAINTENANCE** July 2022

### CIP:

• Lift Station 1 – Replace pump 2, replace both pump mounts, and modify wet well base to add clearance for pumps; resulted in a 20% increase in GPM

### **Daily Operations of Note:**

- Pump down, scrape, and bleach wet wells; test backup generators
- Clean WRRF coarse screens
- Pressure wash bio basins, handrails and walkways
- Clean screw press
- Stage vehicles and barricade off stations for 4<sup>th</sup> of July
- Test all alarms at lift stations
- Jet 3003' of main lines
- Target Solutions Training for SDRMA
- Pump out WRRF force main
- Respond to 17 USAs
- Sweep and mop shop
- Use Vactron to remove foam at WRRF; pump to dewatering for disposal
- Trim bushes at office
- Repair Lift Station 5 influent sampler
- Troubleshoot and diagnose pump 2 at Lift Station 1
- Paint components on Lift Station 1 fuel tank
- Install back up cameras on F350 and F550

### Call Outs:

None

# WATER RESOURCE RECOVERY FACILITY July 2022

### **Daily Operations of Note:**

- Completed all monthly, weekly and daily maintenance tasks
- Exercised generator
- Calibrated on-line meters
- Checked eyewash stations and fire extinguishers
- Completed all daily and weekly lab tests
- Solar panel site mowed and panels cleaned by contractor
- Approximately 400,000 gallons treated on the 4<sup>th</sup> of July

### WRRF Effluent:

• 7.69 million gallons



DATE: August 18, 2022

# CAYUCOS SANITARY DISTRICT

- TO: BOARD OF DIRECTORS
- FROM: RICK KOON, DISTRICT MANAGER
- DATE: AUGUST 11, 2022

SUBJECT: DISCUSSION AND CONSIDERATION TO APPROVE A PETITION OF APPLICATION TO LAFCO TO ANNEX PROPERTY (APN 064-405-016) INTO THE CAYUCOS SANITARY DISTRICT

### DISCUSSION:

The Valley property on the corner of Gilbert and Chaney Ave. has submitted their annexation application to LAFCO. At the July 21, 2022, LAFCO Commission meeting, the Commission received notice of a Petition of Application to annex property (APN: 064-405-016) into the Cayucos Sanitary District. Per Government Code Section 56857, that notice to the Commission triggered a 60-day clock (expiring September 19, 2022) to give the District an opportunity to evaluate its service capabilities and decide if they wish to terminate the application.

The lots along this stretch of Gilbert Ave. were never included with the District's service area as there is no way to provide sewer service to the lots, due to their lower grade relative to the District's infrastructure in Day and Chaney Ave. Each of these lots will require a private lift pump and shall connect individually to the District's manholes, located at the intersection of Day & Gilbert Ave. and Chaney & Gilbert Ave. (see attached map).


After considering the following, both District and LAFCO staff agree that the lots can be annexed into the District once they are ready to develop:

- There will be individual, privately maintained laterals for each lot
- The District will place conditions on each individual Intent-to-Serve Application
- On November 19, 2020 the District Board approved a Conditional Intent-to-Serve Letter for the Valley property (attached)
- The District has the treatment capacity to treat the wastewater from this lot and the other lots in this area
- The LAFCO application process will allow a portion of the property tax to go to the District

### **RECOMMENDATION:**

Staff recommends that the Board of Directors approve a Petition of Application to LAFCO to annex property (APN 064-405-016) into the Cayucos Sanitary District.



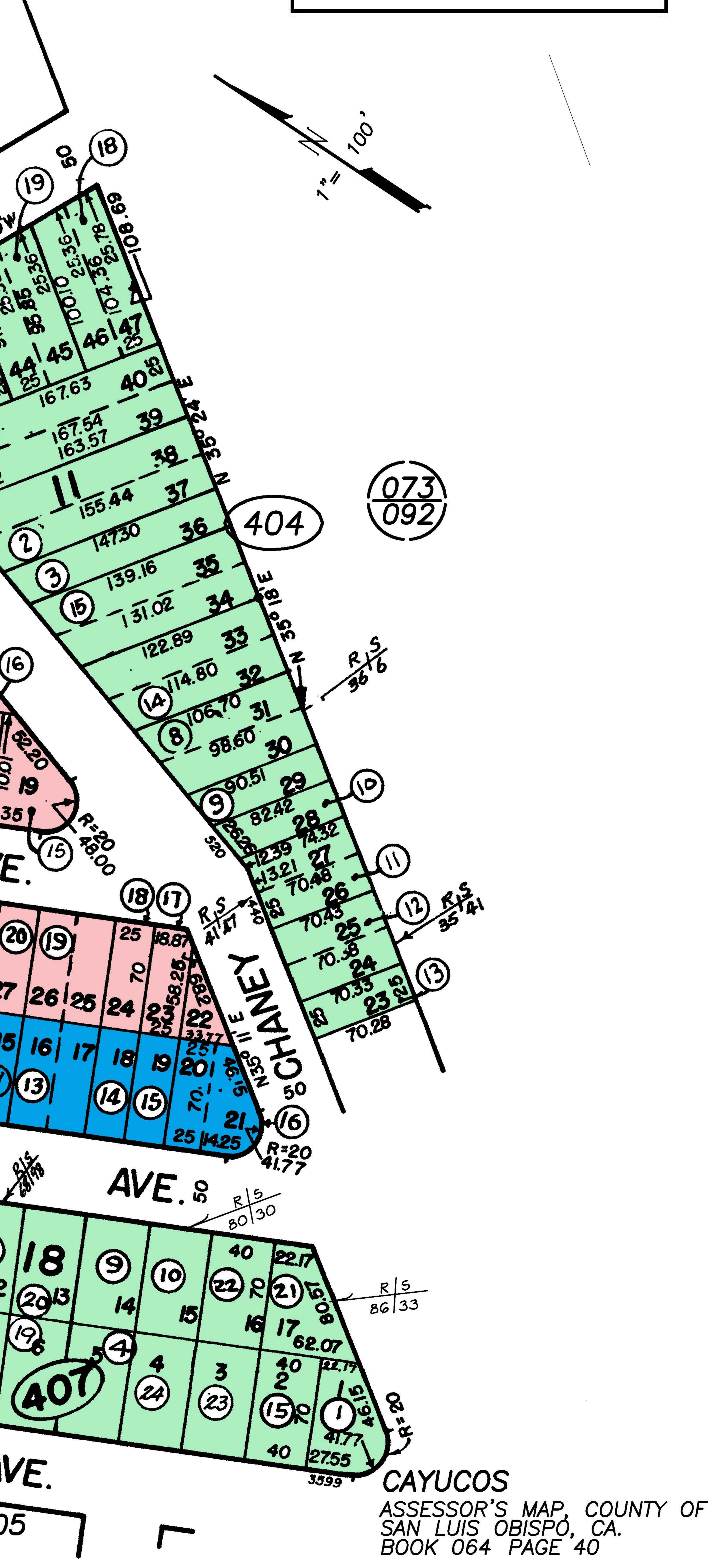


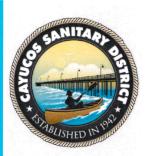
REVISIONS				
<i>I.S.</i>	DATE			
NA	07-15-03			
NA	12-19-03			
NA	03-23-05			

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# AGENDA ITEM: 5

# DATE: August 18, 2022





# **CAYUCOS SANITARY DISTRICT**

### **CONDITIONAL INTENT TO SERVE LETTER**

**Board President Robert Enns** 

Vice President Dan Chivens

Directors Shirley Lyon Hannah Miller **Robert Frank** 

**District Manager** Rick Koon

Mailing Address: P.O. Box 333 Cayucos, Ca 93430

Office: 200 Ash Avenue Cayucos, Ca 93430

Phone: (805) 995-3290

Fax: (805) 995-3673

November 23, 2020
San Luis Obispo County Planning & Building Department
Cayucos Sanitary District

Applicant Name: Address: City, State, Zip:

Date: To:

From:

Don & Marti Valley 3051 Augusta St. Unit 9 San Luis Obispo, CA 93401-8624

**Project Address:** SLO County Permit Number: DRC2019-00262 Project Description: SFR New Assessor's Parcel Number: 064-405-016

3579 Gilbert Ave. Tract: MR1

Block: 21 Lot: 20, 21

We have reviewed the proposed project development and are aware of its potential effects upon the facilities and property (including easements) controlled by the District.

This Conditional Intent to Serve Letter is contingent upon the minor use permit approval by SLO County and the following conditions:

• All parcels in this area shall be annexed into the District with LAFCO approval.

As a condition of annexation into the District, there will be a "buy in cost" in addition to regular Will-Serve fees and Connection and Inspection fees. The buy in cost will have to be determined through a reimbursement agreement between the applicant and the District.

• This parcel and the adjacent parcels will need to install private force mains to get to the sewer in Chaney. In order to do that, this parcel and the others will need to have a 10-foot easement along Gilbert which benefits each parcel. The easement should include the right to access, install and maintain the individual private force mains.

With the installation of the private force mains the best way for all of them to connect to • the District's Chaney main would be at a single connection point in a new manhole. Therefore, the District will require a new manhole to be placed on the Chaney main at the projection of the new 10-foot easement along Gilbert. This condition would be applied to the first project that would tie-in.

Once the above conditions have been met, the applicant shall submit a Will-Serve Application to the District including construction plans with all District conditions shown on the plans.

Approved By:

Rick Koon, District Manager

Date: 11-23-20



DATE: August 18, 2022

# CAYUCOS SANITARY DISTRICT

- TO: BOARD OF DIRECTORS
- FROM: RICK KOON, DISTRICT MANAGER
- DATE: AUGUST 11, 2022

SUBJECT: DISCUSSION AND CONSIDERATION TO APPROVE A PROPOSAL FROM VALBRIDGE PROPERTY ADVISORS FOR PREPARATION OF AN APPRAISAL OF THE JOINTLY OWNED MORRO BAY-CAYUCOS SANITARY DISTRICT WASTEWATER TREATMENT PLANT SITE AND RELATED FACILITIES (APNs: 066-031-032, 066-031-033, and 066-031-034)

### DISCUSSION:

Per discussions from the District's WWTP Ad-Hoc Committee and the Morro Bay Wastewater Committee, a proposal from Valbridge Property Advisors was obtained for the appraisal of our jointly owned facilities. District staff met with Todd Murphey from Valbridge and reviewed the scope of the appraisal. The scope will cover the facilities mentioned in the JPA, which are:

- **1.** The jointly owned land,
- 2. Plant infrastructure and machinery,
- **3.** The outfall, and
- **4.** The joint force main

This appraisal will establish the value of each item and provide a basis for the Committees' continued discussions. Attached please find Morro Bay's edits to the Valbridge proposal for Board discussion.

### **RECOMMENDATION:**

Staff recommends that the Board approve the proposal from Valbridge Property Advisors for preparation of an appraisal of the jointly owned Morro Bay-Cayucos Sanitary District Wastewater Treatment Plant site and related facilities (APNS: 066-031-032, 066-031-033, and 066-031-034).



4915 Calloway Dr., #101 Bakersfield, CA 93312 661-587-1010 phone 661-834-0748 fax valbridge.com

June 29, 2022

Mr. Rick Koon General Manager Cayucos Sanitary District 200 Ash Avenue Cayucos, CA 93430-1003 <u>RKoon@cayucossd.org</u>

### Re: Appraisal Fee and Time Estimate:

Shared Wastewater Treatment Plant (WWTP) Site and Related Facilities APNs 066-331-032, -033, and -034 160 and 180 Atascadero Road and 1700 Embarcadero Morro Bay (San Luis Obispo County), CA 93442

Dear Mr. Koon:

As requested, our firm is providing this *Appraisal Fee and Time Estimate*. Our firm will provide an appraisal and opinion of market value of the above real property interests. The intended use of this appraisal report will be for potential ownership-dissolution and/or sale purposes. The intended users will be the client [Cayucos Sanitary District (CSD)] and the City of Morro Bay (MB). No other uses or users will be intended by the appraiser.

### Scope of Work

We will appraise the 100% fee simple ownership and other interests in portions of the subject property. Our appraisal will consider real property only, with no valuation of personal property, equipment, and/or any business interest. The effective date of value will be current as of the last date of inspection.

The reported value opinions will be subject to certain industry standard definitions, assumptions and limiting conditions, and certifications that will be contained in the report. More specifically, we will develop analyses, opinions, and conclusions and prepare the report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and the requirements of our client(s) as we understand them. A copy of Valbridge Property Advisors | Central California Standard Terms of Appraisal Agreement is attached to this letter and will be an integral part of this assignment.

We shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Central California. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter or appraisal. Client shall hold Valbridge Property Advisors |



Central California or any other party responsible for preparing the report harmless in the event of any lawsuit brought by any third-party, lender, partner or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in the case of lawsuit arising from or in any way involving these appraisal services, client will hold myself, our firm, our appraisal staff, or any other party responsible for preparing the report harmless from and against any liability, loss, cost, or expense incurred or suffered by myself or any other party responsible for preparing the report in such action, regardless of its outcome.

### Market Value Definition

Unless directed otherwise, the market value definition to be used is based on the California Code of Civil Procedures Section 1263.320, Fair Market Value. This represents the market value of a property as if sold in the open market. In certain cases involving municipal-owned facilities, which reflect a very limited market (such as pipeline facilities), Use Value (or Value In Use) has also been used as representative of market value. These are defined as:<sup>1</sup>

**use value**. The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually. See also **value in use**.

**value in use**. The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. See also **use value**.

### Property Overview

The subject property comprises the former Morro Bay/CSD WWTP Site and related facilities, including pipeline infrastructure. Various other uses on the property include previously leased land for concrete plant (Martin Marietta, formerly Hanson Aggregates); leased land for the north portion of Morro Dunes RV Park; City of Morro Bay maintenance yard; open, sandy-beach shoreline; ocean outfall pipeline; and joint trunk main pipeline.

The WWTP site includes an obligation to remove the existing facilities and restore the site to be usable for an alternative use.

### Property Size Estimate

The approximate acreage estimate for the WWTP site portions is summarized as follows (subject to future confirmation):

Lot(s)	ID	Acres
1	"Speedway Site"	1.38±
2 and 5a	Former WWTP	5.60±
3 and 5b	Maintenance Yard and Expansion	1.00±
4 and 5c	Former Concrete Plant Site and Expansion	2.84
Total		10.82±

### CITY OF MORRO BAY AND CAYUCOS SANITARY DISTRICT WWTP AREA BREAKDOWN

<sup>1</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, 2015, *Appraisal Institute* 



The approximate acreage is shown as  $10.82\pm$  acres. It is notable that the notation on the San Luis Obispo County Assessor's map for APNs 066-331-032 and -034 totals  $16.90\pm$  acres, plus the acreage for APN 066-331-033 (not shown on the Assessor's map) is approximated at 2.84 acres, for a total of  $19.74\pm$  acres. The variation between  $19.74\pm$  and  $10.82\pm$  acres is significant and appears to be primarily the acreage of the beach portion based on the mean high tide line. We request a property size/acreage confirmation for purposes of this appraisal.

### Appraisal Assignment

This assignment includes valuing various assets mostly jointly owned by the City of Morro Bay and the Cayucos Sanitary District. The properties to be valued are summarized in the following table:

Com- ponent	Asset Type	Appraised Interest(s)*	Land Identification	Ownership (MB/CSD)	Acres	Comments
1a	Beach, Roadway, and Leased RV Park Land	FS	Lot 1	60%/40%	1.38±	"Speedway Site"
1b	Former WWTP Land	FS	Lots 2 and 5a	60%/40%	5.60±	Former WWTP
1c	Maintenance Yard Land	FS	Lots 3 and 5b	100%/0%	1.00±	
1d	Former Hanson Aggre- gates/Martin Marietta Lease Site Land	FS	Lots 4 and 5c	60%/40%	2.84±	Former concrete batch plant
2	Former WWTP Plant and Infrastructure	FS	Lots 2 and 5a	65%/35%	n/a	WWTP facilities; substantial poten- tial removal cost
3	Outfall Pipeline	FS and E	Crosses Lot 1	65%/35%	n/a	18-inch pipeline
4	Joint Trunk Main	E	Atascadero Road, Private, and Caltrans		n/a	18-inch clay pipe not in use
Total					<b>10.82</b> ±	-

### CITY OF MORRO BAY AND CAYUCOS SANITARY DISTRICT JOINT FACILITIES APPRAISAL

### **Pipeline Assumed Easements**

The Outfall Pipeline and Joint Trunk Main are buried pipelines. These pipelines may or may not have existing easements in place. For appraisal purposes, please provide the length of the pipelines and an assumed easement area/square footage for each of these pipelines.

### Engineering Consultant Support

Aspects of this assignment will benefit from pipeline replacement costs and remaining useful life estimates provided by a civil engineer, as well as other possible factors. The appraiser will work with an engineering consultant, as needed. Any engineering fees will be paid by the client.

### \* FS = Fee Simple; LF = Leased Fee; E = Easement



### Land Planning Support

The market value of the subject property is affected by the potential redevelopment and permitted future uses of the property. The appraiser will consult with the City of Morro Bay Planning Department and/or work with a land-planning consultant, as needed. Any land-planning consultant fees will be paid by the client.

### WWTP Facilities Removal and Site-Remediation Costs

Please provide a current cost estimate to remove the existing WWTP facilities and remediate the site to enable redevelopment to an alternative use.

### Appraisal Report Deliverable

We will provide a PDF of our narrative appraisal report.

### Appraisal Services Fee Budget

Our appraisal services fee for this complex assignment is based on 15 days x \$2,500 per day =  $\frac{37,500}{100}$ . We request a 50% retainer of  $\frac{18,750}{100}$  (invoice is attached).

### Staffing

This appraisal report will be completed by Valbridge Property Advisors | Central California Senior Appraiser Todd O. Murphy, MAI, ARA, with support from our appraisal staff.

### Appraiser's Competency

The lead appraiser (Todd O. Murphy MAI, ARA) has experience appraising complex properties in Morro Bay, coastal-oriented and oceanfront properties, industrial properties, and municipal facilities. The appraiser has <u>not</u> completed an appraisal of a former WWTP and related facilities and pipelines. The appraiser will attempt to gain competency in this valuation assignment in order to provide credible assignment results. This includes consultation with appraisers and/or a civil engineer or other special-ists.

### Completion Schedule

Our schedule will permit completion of our report within 5 to 6 months from your authorization to proceed and receipt of the requested materials.

### Authorization to Proceed

If this proposal is acceptable, authorize Valbridge Property Advisors | Central California to proceed with the appraisal by signing below and returning it via e-mail to Karla Caro (kcaro@valbridge.com). Alternatively, you may mail a hard copy to the address listed in this letter. Upon receipt of the signed engagement and retainer, Todd O. Murphy, MAI, ARA, from our office will be in contact with you to arrange a property inspection.

© 2022 VALBRIDGE PROPERTY ADVISORS | Central California

We look forward to working with you on this assignment.

Sincerely,

Mululc Ra

Michael C. Burger, MAI, R/W-AC Senior Managing Director California Certified-General Appraiser #AG003817 <u>mburger@valbridge.com</u>

MCB:TOM:kc:jsi

Attachments

### Accepted By:

Mr. Rick Koon

Date

### **REQUIRED ITEMS**

- \$18,750 retainer payable to SLO Appraisals Inc. dba Valbridge Property Advisors | Central California
- Copy of most current title report
- Copy of current acreage estimate for Components 1a, 1b, 1c, and 1d
- Copy of assumed easement areas for Components 3 and 4
- Copies of any updated leases currently in effect
- Copies of any relevant technical reports that have been prepared on the ranch (engineering, geology, biology, land-use planning investigations, feasibility studies, land surveys, building inspection reports, development feasibility and cost estimates, water well reports, Phase I environmental assessment, remediation cost estimates, etc.) originals will be returned
- Copy of current WWTP removal and site-remediation costs





### STANDARD TERMS OF APPRAISAL ASSIGNMENT

- 1. Acceptance of this agreement assumes that our client will provide all necessary information needed for the appraisal on a timely and truthful basis and assumes that the client will provide sufficient access to the property to be appraised. A delay in receipt of information may delay completion of the assignment.
- 2. Appraiser shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The appraisal report will not constitute a survey of the property appraised. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. Nor does it certify that tenants have complied with all requirements necessary to obtain use and occupancy permits.
- 3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Central California (also known in the document as "Valbridge | Central California") will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
- 4. The Americans with Disabilities Act (ADA) became effective in 1992. We will not make a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we will not consider possible non-compliance with the requirements of ADA in determining the opinion of value of the property.
- 5. The fee quoted is based on our understanding of the assignment as outlined in the scope of work. Changes in scope will be billed at our normal hourly rates. If any employee of Valbridge | Central California is asked or required to appear and/or testify at any meeting, deposition, trial, or other proceeding about the preparation, conclusions, or agreement, client shall compensate appraiser for the time spent in appearing and/or testifying and in preparing to testify according to the appraiser's then current hourly rate, plus expenses.
- 6. The fee and estimated time are subject to change if the property is not as outlined in our proposal or if issues come to light during the course of our investigation which, in our opinion, <u>necessitates</u> such change. If the client places an assignment "on hold," then reactivates the appraisal, an additional charge may apply due to inefficiency created.
- 7. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Michael Burger & Associates and MB Appraisals, Inc. Neither Valbridge Property Advisors, Inc., nor any of its affiliates have been engaged to provide this report. Valbridge Property Advisors, Inc., does not provide valuation services and has taken no part in the preparation of this report.



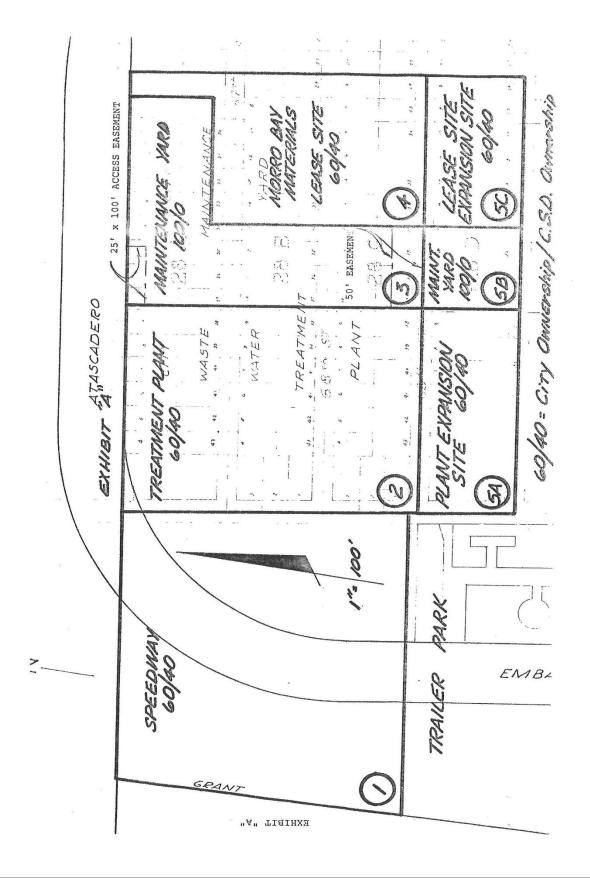
- 8. If any claim in filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers, or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitle to consequential, special, or other damages, except only for direct compensatory damages and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide the report.
- 9. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., for quality control purposes. Valbridge Property Advisors, Inc., will maintain the confidentiality of the report and associated work files.
- 10. Our standard payment policy is as follows: the balance is due upon presentation of the invoice; if payment is not made within 30 days of date, due interest at the rate of 1.5% per month will be added to the principal from the due date to date payment is received, and you shall pay all expenses of collection, including court costs and attorney fees. If the client requests a draft, the fee is due upon delivery of the draft, Valbridge | Central California shall be under no obligation to continue work on an assignment that is not paid current. The fee for this appraisal is not contingent upon the valuation of the property, the funding of any loan, or outcome of litigation. Any opinions we may have expressed about the outcome of your matter or case are expressions of our opinions only and do not constitute any guarantee about the outcome.
- 11. Should the assignment be terminated prior to completion, you agree to pay for time and costs incurred prior to our receipt of written notice of cancellation.
- 12. If this assignment includes a provision for work performed on an hourly billing basis, such work is subject to periodic adjustment to our then-current rates. Valbridge | Central California shall provide 30 days' notice to client prior to any rate increase. If client chooses not to consent to the increased rates, client may terminate Valbridge | Central California services by written notice effective when received by Valbridge | Central California.
- 13. If this assignment includes a provision for work on an hourly billing basis, client acknowledges that Valbridge | Central California has not committed to any total fee amount to be incurred by client under this agreement.
- 14. You and Valbridge | Central California both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge | Central California and the client cannot agree on the arbitrator, the presiding head of the Kern County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge | Central California; Michael Burger & Associates and MB Appraisals, Inc.; or any of its employees in connection with or in any way relating to this assignment, the maximum amount of damages recoverable from Valbridge | Central California for this assignment, and under no circumstances shall any claim for consequential damages be made.

<sup>© 2022</sup> VALBRIDGE PROPERTY ADVISORS | Central California

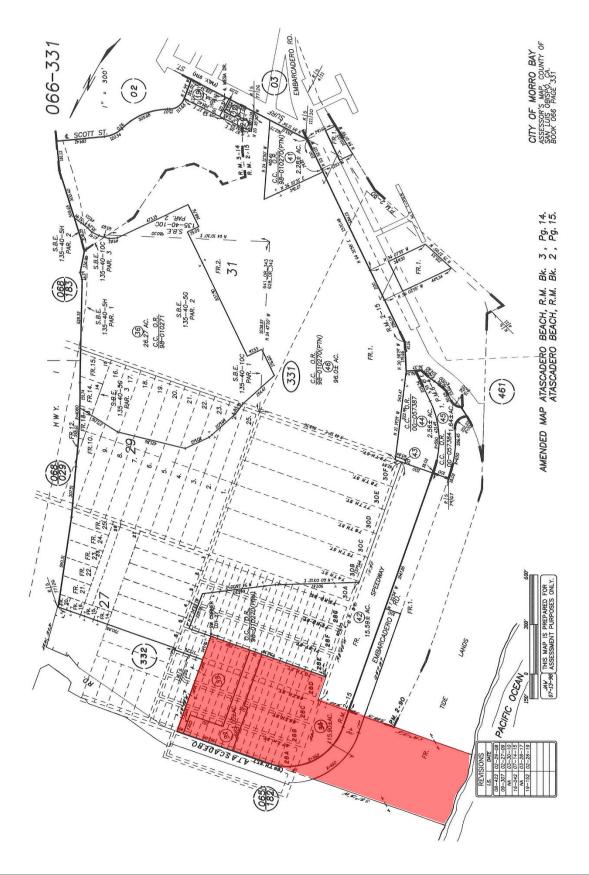


- 15. Valbridge | Central California shall have no obligation, liability, or accountability to any third party. Any party who is not the "Client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge | Central California. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge | Central California and its employees harmless in the event of any lawsuit brought by any third party, lender, partner or part owner in any form of ownership, or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge | Central California harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge | Central California in such action, regardless of its outcome.
- 16. Distribution of this report is at the sole discretion of the client, but third parties not listed as an intended user on the face of the appraisal or engagement letter may <u>not</u> rely upon the contents of the appraisal. In no event shall client give a third party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
- 17. This agreement contains the entire agreement of the parties. No other agreement, statement, or promise made on or before the effective date of this agreement will be binding on the parties. This agreement may only be modified by subsequent agreement of the parties.











4915 Calloway Dr., #101 Bakersfield, CA 93312 661-587-1010 phone 661-834-0748 fax valbridge.com

June 29, 2022

Mr. Rick Koon General Manager Cayucos Sanitary District 200 Ash Avenue Cayucos, CA 93430-1003 <u>RKoon@cayucossd.org</u>

### Re: Appraisal Fee and Time Estimate:

Shared Wastewater Treatment Plant (WWTP) Site and Related Facilities APNs 066-331-032, -033, and -034 160 and 180 Atascadero Road and 1700 Embarcadero Morro Bay (San Luis Obispo County), CA 93442

Dear Mr. Koon:

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**use value**. The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually. See also **value in use**.

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### Property Overview

The subject property comprises the former Morro Bay/CSD WWTP Site and related facilities, including pipeline infrastructure. Various other uses on the property include previously leased land for concrete plant (Martin Marietta, formerly Hanson Aggregates); leased land for the north portion of Morro Dunes RV Park; City of Morro Bay maintenance yard; open, sandy-beach shoreline; ocean outfall pipeline; and joint trunk main pipeline.

The WWTP site includes an obligation to remove the existing facilities and restore the site to be usable for an alternative use.

### **Property Size Estimate**

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Total		10.82±

### CITY OF MORRO BAY AND CAYUCOS SANITARY DISTRICT WWTP AREA BREAKDOWN

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The approximate acreage is shown as  $10.82\pm$  acres. It is notable that the notation on the San Luis Obispo County Assessor's map for APNs 066-331-032 and -034 totals  $16.90\pm$  acres, plus the acreage for APN 066-331-033 (not shown on the Assessor's map) is approximated at 2.84 acres, for a total of  $19.74\pm$  acres. The variation between  $19.74\pm$  and  $10.82\pm$  acres is significant and appears to be primarily the acreage of the beach portion based on the mean high tide line. We request a property size/acreage confirmation for purposes of this appraisal.

### Appraisal Assignment

This assignment includes valuing various assets mostly jointly owned by the City of Morro Bay and the Cayucos Sanitary District. The properties to be valued are summarized in the following table:

Com- ponent	Asset Type	Appraised Interest(s) <sup>*</sup>	Land Identification	Ownership (MB/CSD)	Acres	Comments
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4	Joint Trunk Main	E	Atascadero Road, Private, and Caltrans		n/a	18-inch clay pipe not in use
Total					10.82±	<i>N</i>

### CITY OF MORRO BAY AND CAYUCOS SANITARY DISTRICT JOINT FACILITIES APPRAISAL

### **Pipeline Assumed Easements**

The Outfall Pipeline and Joint Trunk Main are buried pipelines. These pipelines may or may not have existing easements in place. For appraisal purposes, please provide the length of the pipelines and an assumed easement area/square footage for each of these pipelines.

### Engineering Consultant Support

Aspects of this assignment will benefit from pipeline replacement costs and remaining useful life estimates provided by a civil engineer, as well as other possible factors. The appraiser will work with an engineering consultant, as needed. Any engineering fees will be paid by the client

The approiser shall select a civil engineer (5) for this work in consultation with the clients.

\* FS = Fee Simple; LF = Leased Fee; E = Easement



### Land Planning Support

The market value of the subject property is affected by the potential redevelopment and permitted future uses of the property. The appraiser will consult with the City of Morro Bay Planning Department and/or work with a land-planning consultant, as needed. Any land-planning consultant fees will be paid by the client 5e

### WWTP Facilities Removal and Site-Remediation Costs

Please provide a current cost estimate to remove the existing WWTP facilities and remediate the site to enable redevelopment to an alternative use.

### Appraisal Report Deliverable

We will provide a PDF of our narrative appraisal report.

### Appraisal Services Fee Budget

Our appraisal services fee for this complex assignment is based on 15 days x \$2,500 per day =  $\frac{37,500}{10}$ . We request a 50% retainer of  $\frac{18,750}{10}$  (invoice is attached).

### <u>Staffing</u>

This appraisal report will be completed by Valbridge Property Advisors | Central California Senior Appraiser Todd O. Murphy, MAI, ARA, with support from our appraisal staff.

### Appraiser's Competency

The lead appraiser (Todd O. Murphy MAI, ARA) has experience appraising complex properties in Morro Bay, coastal-oriented and oceanfront properties, industrial properties, and municipal facilities. The appraiser has <u>not</u> completed an appraisal of a former WWTP and related facilities and pipelines. The appraiser will attempt to gain competency in this valuation assignment in order to provide credible assignment results. This includes consultation with appraisers and/or a civil engineer or other special-ists.

### **Completion Schedule**

Our schedule will permit completion of our report within 5 to 6 months from your authorization to proceed and receipt of the requested materials.

### Authorization to Proceed

If this proposal is acceptable, authorize Valbridge Property Advisors | Central California to proceed with the appraisal by signing below and returning it via e-mail to Karla Caro (kcaro@valbridge.com). Alternatively, you may mail a hard copy to the address listed in this letter. Upon receipt of the signed engagement and retainer, Todd O. Murphy, MAI, ARA, from our office will be in contact with you to arrange a property inspection.

Date



We look forward to working with you on this assignment.

Sincerely,

unic R

Michael C. Burger, MAI, R/W-AC Senior Managing Director California Certified-General Appraiser #AG003817 <u>mburger@valbridge.com</u>

MCB:TOM:kc:jsi

Attachments

Accepted By:

Mr. Rick Koon lude signature line for Morro Boy here **REQUIRED I** 

 \$18,750 retainer payable to SLO Appraisals Inc. dba Valbridge Property Advisors | Central California

- Copy of most current title report
- Copy of current acreage estimate for Components 1a, 1b, 1c, and 1d
- Copy of assumed easement areas for Components 3 and 4
- Copies of any updated leases currently in effect
- Copies of any relevant technical reports that have been prepared on the ranch (engineering, geology, biology, land-use planning investigations, feasibility studies, land surveys, building inspection reports, development feasibility and cost estimates, water well reports, Phase I environmental assessment, remediation cost estimates, etc.) originals will be returned
- Copy of current WWTP removal and site-remediation costs



### STANDARD TERMS OF APPRAISAL ASSIGNMENT

- 1. Acceptance of this agreement assumes that our client will provide all necessary information needed for the appraisal on a timely and truthful basis and assumes that the client will provide sufficient access to the property to be appraised. A delay in receipt of information may delay completion of the assignment.
- 2. Appraiser shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The appraisal report will not constitute a survey of the property appraised. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. Nor does it certify that tenants have complied with all requirements necessary to obtain use and occupancy permits.
- 3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Central California (also known in the document as "Valbridge | Central California") will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
- 4. The Americans with Disabilities Act (ADA) became effective in 1992. We will not make a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we will not consider possible non-compliance with the requirements of ADA in determining the opinion of value of the property.
- 5. The fee quoted is based on our understanding of the assignment as outlined in the scope of work. Changes in scope will be billed at our normal hourly rates. If any employee of Valbridge | Central California is asked or required to appear and/or testify at any meeting, deposition, trial, or other proceeding about the preparation, conclusions, or agreement, client shall compensate appraiser for the time spent in appearing and/or testifying and in preparing to testify according to the appraiser's then current hourly rate, plus expenses.
- 6. The fee and estimated time are subject to change if the property is not as outlined in our proposal or if issues come to light during the course of our investigation which, in our opinion, <u>necessitates</u> such change. If the client places an assignment "on hold," then reactivates the appraisal, an additional charge may apply due to inefficiency created.
- 7. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Michael Burger & Associates and MB Appraisals, Inc. Neither Valbridge Property Advisors, Inc., nor any of its affiliates have been engaged to provide this report. Valbridge Property Advisors, Inc., does not provide valuation services and has taken no part in the preparation of this report.

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AGENDA ITEM: 7

DATE: August 18, 2022

# **CAYUCOS SANITARY DISTRICT**

- TO: BOARD OF DIRECTORS
- FROM: RICK KOON, DISTRICT MANAGER
- DATE: AUGUST 18, 2022

SUBJECT:REVIEW AND DISCUSSION OF THE DISTRICT-OFFERED<br/>HMO HEALTH PLAN COST AND PLAN CHANGES FOR 2023

### **DISCUSSION**:

Each year the Board reviews the costs of the medical insurance premiums and selects the plan and coverage limits. For 2022, the Board approved Blue Shield Access+ coverage for an employee and one dependent.

For the second year in a row, the Blue Shield Access+ plan premiums have decreased. CalPERS has approved a reduction of 6.40%, which will result in an overall decrease of \$783.49 to the District's monthly premium.

### **RECOMMENDATION:**

Staff recommends the Board make no changes to the medical plan coverage for 2023 and continue with Blue Shield Access+ for the employee and a dependent.

# AGENDA ITEM: 7

DATE: August 18, 2022

# Statewide 2023 HMO Premiums (PSPM)

# July Board of Administration Offsite Final Proposed Premiums

		2022 <sup>1</sup>			<b>2023</b> <sup>2</sup>			
Basic Plans	Single	Single 2-Party		Single	2-Party	Family	Percent Change	
Anthem Blue Cross Select HMO	\$ 848.08	\$ 1,696.16	\$ 2,205.01	\$ 903.85	\$ 1,807.70	\$ 2,350.01	6.58%	
Anthem Blue Cross Traditional HMO	1,198.07	2,396.14	3,114.98	1,116.65	2,233.30	2,903.29	(6.80%)	
Blue Shield Access+ HMO	900.22	1,800.44	2,340.57	842.61	1,685.22	2,190.79	(6.40%)	
Blue Shield Trio HMO	742.70	1,485.40	1,931.02	760.71	1,521.42	1,977.85	2.42%	
Health Net Salud y Más	486.51	973.02	1,264.93	631.89	1,263.78	1,642.91	29.88%	
Health Net SmartCare	1,007.13	2,014.26	2,618.54	993.39	1,986.78	2,582.81	(1.36%)	
Kaiser Permanente	804.67	1,609.34	2,092.14	852.68	1,705.36	2,216.97	5.97%	
Kaiser Permanente Out of State	1,138.95	2,277.90	2,961.27	1,155.43	2,310.86	3,004.12	1.45%	
Sharp Performance Plus	699.21	1,398.42	1,817.95	764.96	1,529.92	1,988.90	9.40%	
UnitedHealthcare SignatureValue Alliance	818.03	1,636.06	2,126.88	841.72	1,683.44	2,188.47	2.90%	
UnitedHealthcare SignatureValue Harmony	737.35	1,474.70	1,917.11	722.28	1,444.56	1,877.93	(2.04%)	
Western Health Advantage HMO	741.26	1,482.52	1,927.28	760.17	1,520.34	1,976.44	2.55%	
Basic HMO Weighted Average 4.35							4 35%	

Basic HMO Weighted Average

4.35%

	2022						
Medicare Advantage Plans <sup>3</sup>	Single	2-Party	Family	Single	2-Party	Family	Percent Change
Anthem Medicare Preferred PPO	\$ 360.19	\$ 720.38	\$ 1,080.57	\$ 413.59	\$ 827.18	\$ 1,240.77	14.83%
Blue Shield Medicare PPO	353.11	706.22	1,059.33	361.90	723.80	1,085.70	2.49%
Kaiser Permanente Senior Advantage	302.53	605.06	907.59	283.25	566.50	849.75	(6.37%)
Kaiser Permanente Senior Advantage Summit	N/A	N/A	N/A	336.29	672.58	1,008.87	N/A
Kaiser Permanente Senior Advantage Out of State	295.52	591.04	886.56	274.03	548.06	822.09	(7.27%)
Sharp Direct Advantage HMO	263.85	527.70	791.55	249.79	499.58	749.37	(5.33%)
UnitedHealthcare Group Medicare Advantage PPO	294.65	589.30	883.95	299.68	599.36	899.04	1.71%
UnitedHealthcare Group Medicare Advantage Edge PPO	347.21	694.42	1,041.63	357.70	715.40	1,073.10	3.02%
Western Health Advantage MyCare Select HMO	314.94	629.88	944.82	331.11	662.22	993.33	5.13%
Medicare Advantage Weighted Average							(3.23%)

	2023						
Combination Plans	Subscriber in M & 1 Dependent in B	Subscriber in M, Subscriber in M & 1 Dependent in B & 2+ Dependents in B 1 Dependent in M		Subscriber in B & 1 Dependent in M	Subscriber in B & 2+ Dependents in M	Subscriber in B, 1 Dependent in B & 1 Dependent in M	
Anthem Blue Cross Select and Medicare Supplement	\$ 1,317.44	\$ 1,859.75	\$ 1,369.49	\$ 1,317.44	\$ 1,731.03	\$ 1,859.75	
Anthem Blue Cross Traditional and Medicare Supplement	1,530.24	2,200.23	1,497.17	1,530.24	1,943.83	2,200.23	
Blue Shield Access+ and Medicare	1,204.51	1,710.08	1,229.37	1,204.51	1,566.41	1,710.08	
Blue Shield Trio and Medicare	1,122.61	1,579.04	1,180.23	1,122.61	1,484.51	1,579.04	
Kaiser Permanente and Senior Advantage	1,135.93	1,647.54	1,078.11	1,135.93	1,419.18	1,647.54	
Kaiser Permanente and Senior Advantage Summit	1,188.97	1,700.58	1,184.19	1,188.97	1,525.26	1,700.58	
Kaiser Permanente and Senior Advantage Out of State	1,429.46	2,122.72	1,241.32	1,429.46	1,703.49	2,122.72	
Sharp Direct Advantage	1,014.75	1,473.73	958.56	1,014.75	1,264.54	1,473.73	
UnitedHealthcare Alliance and Medicare Advantage	1,141.40	1,646.43	1,104.39	1,141.40	1,441.08	1,646.43	
UnitedHealthcare Alliance and Medicare Advantage Edge	1,199.42	1,704.45	1,220.43	1,199.42	1,557.12	1,704.45	
UnitedHealthcare Harmony and Medicare Advantage	1,021.96	1,455.33	1,032.73	1,021.96	1,321.64	1,455.33	
UnitedHealthcare Harmony and Medicare Advantage Edge	1,079.98	1,513.35	1,148.77	1,079.98	1,437.68	1,513.35	
Western Health Advantage and Medicare Advantage	1,091.28	1,547.38	1,118.32	1,091.28	1,422.39	1,547.38	

<sup>1</sup>2022 Premium reflects the first year of the two-year risk mitigation phase-in. <sup>2</sup>2023 Premium reflects the second year (full impact of risk mitigation) of the two-year risk mitigation phase-in.

<sup>3</sup>Kaiser Out of State is available outside of California. Sharp is available in Region 2 only. All other plans are available in all three regions.

# **Regional 2023 HMO Health Premiums (PSPM)**

# July Board of Administration Offsite Final Proposed Premiums

	<b>2022<sup>1</sup> 2023<sup>2</sup></b>								
Basic Plans	Single	2-Party	Family	Single	2-Party	Family	Percent Change		
	Bas	ic Premium	s - Region	1					
Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mariposa,									
Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo,									
Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tuolumne, Yolo and Yuba									
Anthem Blue Cross Select HMO	\$1,015.81	\$2,031.62	\$2,641.11	\$1,128.83	\$2,257.66	\$2,934.96	11.13%		
Anthem Blue Cross Traditional HMO	1,304.00	2,608.00	3,390.40	1,210.71	2,421.42	3,147.85	(7.15%)		
Blue Shield Access+ HMO	1,116.01	2,232.02	2,901.63	1,035.21	2,070.42	2,691.55	(7.24%)		
Blue Shield Trio HMO	898.54	1,797.08	2,336.20	888.94	1,777.88	2,311.24	(1.07%)		
Health Net SmartCare	1,153.00	2,306.00	2,997.80	1,174.50	2,349.00	3,053.70	1.86%		
Kaiser Permanente	857.06	1,714.12	2,228.36	913.74	1,827.48	2,375.72	6.61%		
UnitedHealthcare SignatureValue Alliance	1,020.28	2,040.56	2,652.73	1,044.07	2,088.14	2,714.58	2.33%		
Western Health Advantage HMO	741.26	1,482.52	1,927.28	760.17	1,520.34	1,976.44	2.55%		
Basic Premiums - Region 2									
Fresno, Imperial, Inyo, Kern, Kings, Madera, Orange, San Diego, <mark>San Luis Obispo</mark> , Santa Barbara, Tulare and Ventura									
Anthem Blue Cross Select HMO	\$712.43	\$1,424.86	\$1,852.32	\$765.37	\$1,530.74	\$1,989.96	7.43%		
Anthem Blue Cross Traditional HMO	1,007.13	2,014.26	2,618.54	935.12	1,870.24	2,431.31	(7.15%)		
Blue Shield Access+ HMO	900.22	1,800.44	2,340.57	842.61	1,685.22	2,190.79	<mark>(6.40%)</mark>		
Blue Shield Trio HMO	742.70	1,485.40	1,931.02	760.71	1,521.42	1,977.85	2.42%		
Health Net Salud y Más	548.26	1,096.52	1,425.48	698.91	1,397.82	1,817.17	27.48%		
Health Net SmartCare	845.69	1,691.38	2,198.79	834.65	1,669.30	2,170.09	(1.31%)		
Kaiser Permanente	706.02	1,412.04	1,835.65	756.21	1,512.42	1,966.15	7.11%		
Sharp Performance Plus	699.21	1,398.42	1,817.95	764.96	1,529.92	1,988.90	9.40%		
UnitedHealthcare SignatureValue Alliance	775.09	1,550.18	2,015.23	793.63	1,587.26	2,063.44	2.39%		
UnitedHealthcare SignatureValue Harmony	782.74	1,565.48	2,035.12	781.58	1,563.16	2,032.11	(0.15%)		
	Bas	ic Premium	s - Region	3					
	Los Angele	es, Riverside	and San Ber	nardino					
Anthem Blue Cross Select HMO	\$676.48	\$1,352.96	\$1,758.85	\$737.91	\$1,475.82	\$1,918.57	9.08%		
Anthem Blue Cross Traditional HMO	935.57	1,871.14	2,432.48	942.73	1,885.46	2,451.10	0.77%		
Blue Shield Access+ HMO	779.87	1,559.74	2,027.66	738.29	1,476.58	1,919.55	(5.33%)		
Blue Shield Trio HMO	668.13	1,336.26	1,737.14	661.49	1,322.98	1,719.87	(0.99%)		
Health Net Salud y Más	463.87	927.74	1,206.06	606.34	1,212.68	1,576.48	30.71%		
Health Net SmartCare	764.96	1,529.92	1,988.90	755.29	1,510.58	1,963.75	(1.26%)		
Kaiser Permanente	719.78	1,439.56	1,871.43	754.64	1,509.28	1,962.06	4.84%		
UnitedHealthcare SignatureValue Alliance	771.85	1,543.70	2,006.81	790.46	1,580.92	2,055.20	2.41%		
UnitedHealthcare SignatureValue Harmony	714.28	1,428.56	1,857.13	713.55	1,427.10	1,855.23	(0.10%)		
	Basic	Premiums	- Out of Sta	ate					
Kaiser Permanente Out of State	\$1,138.95	\$2,277.90	\$2,961.27	\$1,155.43	\$2,310.86	\$3,004.12	1.45%		

<sup>1</sup>2022 Premium reflects the first year of the two-year risk mitigation phase-in.

<sup>2</sup>2023 Premium reflects the second year (full impact of risk mitigation) of the two-year risk mitigation phase-in.

HMO Medicare Advantage Regional premiums are the same as the HMO Medicare Advantage Statewide premiums.

### **RESOLUTION 2022-19**

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAYUCOS SANITARY DISTRICT MAKING FINDINGS IN ACCORDANCE WITH AB 361 AND GOVERNMENT CODE SECTION 54953(e), AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF THE CAYUCOS SANITARY DISTRICT

WHEREAS, on March 4, 2020 Governor Newsom declared a State of Emergency in the State of California pursuant to Government Code Section 8625 as a result of the threat of the Coronavirus (COVID-19) pandemic; and

WHEREAS, subsequently, in March 2020, in response to the COVID-19 pandemic, Governor Newsom issued Executive Orders N-25-20 and N-29-20. These orders suspended certain elements of the Brown Act and specifically allowed for legislative bodies as defined by the Brown Act to hold their meetings entirely electronically with no physical meeting place. On June 11, 2021, Governor Newsom issued Executive Order N-08-21, which provided that the provisions in Executive Order N-29-20 suspending certain elements of the Brown Act would continue to apply through September 30, 2021; and

WHEREAS, on September 16, 2021 Governor Newsom signed AB 361, which added subsection (e) to Government Code section 54953 of the Brown Act, and makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition of AB 361 is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the State caused by conditions as described in Government Code section 8558; and

WHEREAS, there has been a significant increase in COVID-19 cases in San Luis Obispo County due primarily to the Delta variant of SARS-CoV-2, the virus that causes COVID-19. Emerging evidence indicates that the Delta variant is far more transmissible than prior variants of the virus, causes more severe illness, and that even fully vaccinated individuals can spread the virus to others; and

WHEREAS, the Board of Directors now desires to adopt a Resolution finding that the requisite conditions exist for the legislative bodies of the Cayucos Sanitary District, as defined in the Brown Act, to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cayucos Sanitary District as follows:

1. The above recitals are true, correct and are incorporated herein by this reference.

- 2. In accordance with the requirements of Government Code Section 54953(e)(3), the Board of Directors of the Cayucos Sanitary District hereby finds and determines that it has reconsidered the circumstances of the State of Emergency and that the State of Emergency continues to exist and to directly impact the ability of the members to meet safely in person due to the COVID-19 pandemic, and its continued spread in San Luis Obispo County and Cayucos through the Delta and Omicron variants of SARS-CoV-2, which are both far more transmissible than prior variants of the virus, and that even fully vaccinated individuals can spread the virus to others, and therefore holding meetings in person would present imminent risks to the health or safety of attendees.
- 3. The District Manager and legislative bodies of the Cayucos Sanitary District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public remote teleconferencing meetings in accordance with the requirements of Government Code section 54953(e) and other applicable provisions of the Brown Act.
- 4. This Resolution shall take effect immediately upon its adoption and shall be effective for thirty (30) days after its adoption, subject to being extended for an additional 30 day period by the Board of Directors adoption of a subsequent resolution in accordance with Government Code section 54953(e)(3) to further extend the time during which the legislative bodies of the Cayucos Sanitary District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of Government Code section 54953.

PASSED AND ADOPTED this 18<sup>th</sup> day of August, 2022.

Ayes: Nays: Absent: Abstain:

> Robert Enns, President Board of Directors

ATTEST:

APPROVED AS TO FORM:

Rick Koon District Manager Timothy J. Carmel District Counsel