

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

AGENDA NO. 204  
DATE 8/15/2007

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

MINUTES  
REGULAR MEETING  
July 18, 2007

OPEN SESSION:

1. ESTABLISH QUORUM AND CALL TO ORDER

President Robert Enns called the meeting to order at 5:30 p.m.

Board members present: President Enns and Directors Fones and Lyon

Board members absent: Vice-President Raimondo and Director McHale

Staff present: District Manager Callahan, Administrative Services Officer Connelly and District Counsel Tim Carmel

Visitors present: There were no visitors

2. PUBLIC COMMENTS

There were no public comments.

3. CLOSE PUBLIC COMMENTS

President Enns closed the meeting to public comments.

4. ANNOUNCEMENT OF CLOSED SESSION ITEMS

President Enns announced closed session at 5:39 p.m.

CLOSED SESSION:

5. CONFERENCE WITH LEGAL COUNSEL – ANITICIPATED LIGITGATION:

Significant exposure to litigation pursuant to government Code Section 54956(b)(1)

One potential case. Arthurs Contracting Inc. v. Cayucos Sanitary District

RECONVENE TO OPEN SESSION:

6. ANNOUNCE ANY ACTIONS TAKEN IN CLOSED SESSION.

There were no actions taken to report.

7. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 6:10 p.m.

Board members present: President Enns and Directors Fones and Lyon. Director McHale arrived at 6:30 p.m.

Staff present: District Manager Callahan, Administrative Services Officer Connelly, Administrative Services Technician Martin and Dave Zevely, Collection System Maintenance Technician  
Visitors present: Dorothy Fones and Eli Zevely

8. PUBLIC COMMENTS

There were no public comments.

9. CONSIDERATION TO ADOPT A WRITTEN HAZARD COMMUNICATION PROGRAM AS A COMPONENT OF THE DISTRICT INJURY, ILLNESS AND PREVENTION PROGRAM

Collection System Maintenance Technician, Dave Zevely, had submitted a written report and a "Draft" Hazard Communication Program Document for the Board's review and answered questions from Board members. President Enns stressed the importance of adequately labeling hazardous substances. Zevely reported that all containers are labeled and that Material Safety Data Sheets are located at each lift station as well as in the District office, shop and District vehicles. Director Lyon asked if the District's liability insurance rates will be reduced by developing the program. Administrative Services Officer Connelly answered that the District is required to have an Injury, Illness and Prevention Program, of which the Hazard Communication Program is a part. SDRMA, the District's insurance carrier, does offer provisions for safety training of which points earned can tentatively reduce rates.

MOTION: First by Lyon with second by Fones to adopt a Written Hazard Communication Program as a component of the District Injury, Illness and Prevention Program.

VOTE: 3-0

10. CONSIDERATION TO AWARD AUDIT SERVICES AGREEMENT TO \_\_\_\_\_  
IN THE AMOUNT OF \$ \_\_\_\_\_ FOR THREE FISCAL YEAR PERIODS, FISCAL  
YEAR 2006-2007 THROUGH FISCAL YEAR 2008-2009

Connelly's written report was received. At the Board's direction she developed a Request for Proposal (RFP) for audit services. After contacting local firms to determine interest and sending out three RFPs, Moss, Levy & Hartzheim, LLP was the only respondent who submitted a proposal. Connelly reported that Moss, Levy & Hartzheim, LLP has conducted the District's annual audit for a number of years and that they provide a high level of service and are reasonably priced. Maximum fees for the three years will be: FY 06/07 - \$3,700; FY 07/08 - \$4,000; FY 08/09 - \$4,300.

MOTION: First by Fones with second by Lyon to enter into a three year Audit Services Agreement (FY 2006-2007 through FY 2008-2009) in the amount of \$12,000 with Moss, Levy & Hartzheim, LLC, CPAs, and authorize the Board President to execute the Agreement.

VOTE: 3-0

Director McHale arrived at 6:30 p.m.

11. CONSIDERATION TO PAY INCREASED ANNUAL COMMERCIAL LIABILITY INSURANCE POLICY PREMIUM PAYMENT TO SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (SDRMA) IN THE AMOUNT OF \$60,104.08

Manager Callahan's written report was received. He reported that the annual premium for liability insurance for the District has increased 100% due to a number of claims the last eight years. Callahan added that SDRMA offers educational DVDs on driver safety, as well as other general safety topics which he anticipates utilizing.

MOTION: First by Fones with second by Lyon to authorize payment of the annual commercial liability insurance policy premium with SDRMA in the amount of \$60,104.08.

VOTE: 4-0

12. CONSIDERATION TO ADOPT RESOLUTION NO. 2007-3: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAYUCOS SANITARY DISTRICT CONFIRMING REPORT OF DISTRICT CLERK RELATIVE TO UNPAID SEWER CHARGES AND LEVYING ASSESSMENTS

MOTION: First by Fones with second by McHale to adopt Resolution No. 2007-3 confirming a July 13, 2007 transmittal of a preliminary report of delinquent accounts to the County for collection on the tax roll.

ROLLCALL VOTE: Enns (yes), Raimondo (absent), Fones (yes), Lyon (yes), McHale (yes)

A public hearing to receive appeals is scheduled for August 15, 2007 then, with any changes, additions or deletions, transmittal to the County by August 17, 2007.

13. CONSIDERATION TO ADOPT RESOLUTION NO. 2007-4: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAYUCOS SANITARY DISTRICT CONFIRMING REPORT OF DISTRICT CLERK RELATIVE TO UNPAID SOLID WASTE COLLECTION AND DISPOSAL CHARGES AND LEVYING ASSESSMENTS

MOTION: First by Fones with second by McHale to adopt Resolution No. 2007-4 confirming a July 13, 2007 transmittal of a preliminary report of delinquent accounts to the County for collection of the tax roll.

ROLLCALL VOTE: Enns (yes), Raimondo (absent), Fones (yes), Lyon (yes), McHale (yes)

A public hearing to receive appeals is scheduled for August 15, 2007 then, with any changes, additions or deletions, transmittal to the County by August 17, 2007.

14. CONSIDERATION TO UTILIZE THE SERVICES OF BRANDIS TALLMAN LLC TO PROCURE FINANCING IN THE APPROXIMATE AMOUNT OF \$3.2 MILLION FOR PROPERTY ACQUISITION AND CAPITAL IMPROVEMENT PROJECTS

There was no action to be taken. Administrative Services Officer Connelly reported she has been in communication with Brandis Tallman LLC, who secured financing for the Lift Station 2 Reconstruction Project in 2004 and gave a presentation in February 2007 that included recommendations for financing future projects. The District is presently looking for a property to purchase to house the District vehicles and maintenance shop. Manager Callahan stated there was nothing new to report regarding property acquisition at this time.

15. ANNUAL REVIEW OF THE CAYUCOS SANITARY DISTRICT INVESTMENT POLICY FOR THE FISCAL YEAR 2006/2007

Connelly's written report was received. The District is obligated by statute to do an annual review of its investment policy. After reviewing the California Government Code, staff determined no changes to the District Investment Policy are required. President Enns reported that Vice-President Raimondo, as part of the Investment Team, is the District's liaison with Karen Shanley, District Financial Advisor. Board members commended Shanley on her handling of District reserves.

MOTION: First by McHale with second by Fones to accept the Investment Policy for FY 2006/2007.

VOTE: 4-0

16. STAFF COMMUNICATIONS AND INFORMATION ITEMS (NO ACTION REQUIRED)

17. CONSENT CALENDAR

- A. Minutes of Regular Meeting June 20, 2007
- B. Approval to Pay Outstanding Bills as of July 18, 2007

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

VOTE: 4-0

18. BOARD MEMBER COMMENTS

President Enns gave a brief recap of the WWTP Technical Advisory Committee Meeting held July 10, 2007 in Morro Bay. Topics discussed at the committee meeting included capacity and flow related language in the JPA, potential site locations and alternative disinfection methods for the for the treatment plant upgrade.

19. MEETINGS, CONFERENCES AND SEMINARS:

Board members discussed meeting prior to the August 15, 2007 Board meeting and Public Hearing; Monday, August 13, 2007 at 11a.m. was the tentative date and time.

20. SCHEDULE AGENDA ITEMS FOR THE AUGUST 15, 2007 BOARD MEETING/PUBLIC HEARING

21. ADJOURNMENT

MOTION: First by Fones with second by Lyon for the meeting to adjourn at 7:38 p.m.

VOTE: 4-0

Minutes recorded by: *Nancy Martin*  
Nancy Martin