



CAYUCOS SANITARY DISTRICT

200 Ash Avenue
PO Box 333
Cayucos, CA 93430-0333
(805) 995-3290

GOVERNING BOARD

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

BOARD OF DIRECTORS REGULAR MEETING AGENDA THURSDAY, APRIL 20, 2023 AT 5:00PM 200 ASH AVENUE, CAYUCOS, CALIFORNIA 93430

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 February 19, 2023 Board of Directors Regular Meeting **Pg. 1**

B. Financial Reports: February 2023

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

C. Financial Reports: March 2023

1. Check Register – Wells Fargo (General Checking Account) **Pg. 10**
2. Check Register – Wells Fargo (CIP Checking Account) **Pg. 12**
3. Cash, Savings, and Investment Report **Pg. 13**
4. Budget vs. Actual Status Report **FY 2022-2023 Pg. 14**
5. Capital Improvement Projects Report **Pg. 15**

4. STAFF COMMUNICATIONS AND INFORMATIONAL ITEMS: No Action Required

A. District Manager's Report: February & March 2023 **Pg. 16**

B. New Will-Serves: February & March 2023

- 724 S Ocean Ave. / Kelly / 064-146-002 / SFR Remodel
- 761 Park Ave. / Wood / 064-081-047 / SFR New
- 2013 Cass Ave. / EVD LLC / 064-182-050 / SFR Remodel
- 3492 Davies Ave. / Schneider / 064-431-030 / Retaining Wall
- 1036 Pacific Ave. / Mariani / 064-151-020 / SFR Remodel

Extended Will-Serves:

None

Finalized Will-Serves:

- 2885 Ocean Blvd. / Malmen / 064-263-008 / SFR New
- 2733 Richard Ave. / Allen / 064-211-041 / SFR New
- 724 S Ocean Ave. / Kelly / 064-146-002 / SFR Remodel

Grants Of License:

None

5. REVIEW AND ACCEPTANCE OF THE MORRO BAY-CAYUCOS JOINT POWERS AGREEMENT AUDITED FINANCIAL STATEMENTS FOR FY 2020/21 Pg. 18

6. DISCUSSION AND CONSIDERATION TO ACCEPT A GRANT OF SEWER EASEMENT FOR 3250 OCEAN BLVD. (064-424-019) Pg. 42

7. DISCUSSION AND CONSIDERATION TO APPROVE A CONTRACT WITH WATER SYSTEMS CONSULTING, INC. IN THE AMOUNT OF \$34,815.00 FOR THE DESIGN OF THE CHANEY AVE. TO TORO CREEK RD. INTERCEPTOR LINE Pg. 48

8. DISCUSSION AND CONSIDERATION TO FORM AN AD HOC COMMITTEE TO EVALUATE RECYCLED WATER OPPORTUNITIES Pg. 54

**9. CLOSED SESSION:
CONFERENCE WITH REAL PROPERTY NEGOTIATOR Pursuant to Government Code Section 54956.8**

Agency Negotiators: District Manager, Rick Koon, and District Counsel, Timothy Carmel
Negotiating Parties: Land Conservancy of San Luis Obispo
Property: APNs 065-022-010, 073-075-018, 073-075-019, and 073-075-020

10. 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.

11. FUTURE SCHEDULED MEETINGS

- May 21, 2023 – Regular Board Meeting
- June 18, 2023 – Regular Board Meeting
- July 20, 2023 – Regular Board Meeting

12. ADJOURNMENT

This agenda was prepared and posted pursuant to Government Code Section 54954.2. The agenda, staff reports or other documentation relating to each item of business referred to on the agenda can be accessed and downloaded from the District's website at <https://www.cayucosd.org/board-of-directors-meetings>

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.



CAYUCOS SANITARY DISTRICT

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

GOVERNING BOARD

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

BOARD OF DIRECTORS REGULAR MEETING MINUTES THURSDAY, FEBRUARY 16, 2023 AT 5:00 P.M. 200 ASH AVENUE, CAYUCOS, CALIFORNIA 93430

1. ESTABLISH QUORUM AND CALL TO ORDER

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

Board members present via GoToMeeting: President Robert Enns, Vice-President Shirley Lyon, Director Hannah Miller, Director Robert Frank and Director John Curti

Staff present via GoToMeeting: District Manager Rick Koon, Administrative Services Manager Amy Lessi and Administrative Accounting Manager Gayle Good

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 January 19, 2023 Board of Directors Regular Meeting

B. Financial Reports: January 2023

1. Check Register – Wells Fargo (General Checking Account)
2. Check Register – Wells Fargo (CIP Checking Account)
3. Cash, Savings, and Investment Report
4. Budget vs. Actual Status Report FY **2022-2023**
5. Capital Improvement Projects 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, Miller-yes, Lyon-yes, Enns-yes

VOTE 5-0 Motion passed

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

4. STAFF COMMUNICATIONS AND INFORMATION ITEMS: No Action Required

A. District Manager's Report: January 2023

B. New Will-Serves:

None

Extended Will-Serves:

- 2765 Santa Barbara Ave. / McKean / 064-204-009 / SFR New
- 47 Fresno Ave. / Page / 064-046-047 / SFR New

Finalized Will-Serves:

- 39, 41 5th St. / Mather / 064-143-008 / MFR New
- 780 Park Ave. / Clark / 064-133-011/ SFR Remodel

Grants of License:

None

Manager Koon gave a summary of the previous month's activities. Director Curti asked when the administrative draft of the consolidation study will be ready for review by the District Board, the Cayucos Water Companies, and SLO County. Manager Koon replied that he hopes to have the draft completed by the end of the February/beginning of March, and anticipates it to be on the March agenda. After the Board has the chance to review and make comments, an updated version will be provided to the Cayucos Water Companies and SLO County.

President Enns requested an update on the appraisal of the assets jointly owned with the City of Morro Bay. Manager Koon informed the Board that the City Manager recently resigned, so delays can be expected. Additionally, he suggested that a Committee Meeting be scheduled to discuss the engineering portion of costs associated with the appraisal. Director Lyon expressed hesitation with regard to waiting for the City of Morro Bay to sort out its staffing issue. Manager Koon added that the issue of delays should also be addressed in a Committee Meeting.

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 AND ACCEPTANCE OF THE CAYUCOS SANITARY DISTRICT FY 2021/22 FINAL AUDIT BY ADAM GUISE OF MOSS, LEVY & HARTZHEIM

Adam Guise presented the audit in its final draft and noted that strong practices and policies implemented by District staff led to the issuance of an unmodified auditing opinion. All backup assurances were present and accuracy was "spot on." He went on to provide a summary of the year's highlights before taking questions from the Board. President Enns asked what the depreciation lifespan of the new plant is, and Mr. Guise replied that it is 40 years, except for the solar plant, which is 25 years.

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

Item 5 was received and accepted.

**6. CLOSED SESSION:
CONFERENCE WITH REAL PROPERTY NEGOTIATOR** Pursuant to Government Code Section 54956.8

Agency Negotiators: District Manager, Rick Koon and District Counsel, Timothy Carmel
Negotiating Parties: Land Conservancy of San Luis Obispo
Property: APN 073-077-021 and portions of 073-077-034 and 073-092-050

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

President Enns announced that the Board would transition to Closed Session at 5:25 p.m.

Board members present during Closed Session: President Robert Enns, Vice-President Shirley Lyon, Director Hannah Miller, Director Robert Frank and Director John Curti

Staff members present during Closed Session: District Manager Rick Koon

Legal Counsel present: District Legal Counsel Tim Carmel

Items to report from Closed Session: Legal Counsel announced that there was no reportable action.

7. CLOSED SESSION:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Pursuant to Government Code Section 54956(d)(2) involving one (1) potential case
Walter v. Cayucos Sanitary District

Open session reconvened at 6:00 p.m.

Items to report from Closed Session: Legal Counsel announced that there was no reportable action.

8. BOARD MEMBER COMMENTS

None

9. FUTURE SCHEDULED MEETINGS

- March 16, 2023 – Regular Board Meeting **(in-person meeting)**
- April 20, 2023 – Regular Board Meeting **(in-person meeting)**
- May 18, 2023 – Regular Board Meeting **(in-person meeting)**

10. ADJOURNMENT

The meeting adjourned at 6:02 p.m.

Minutes Respectfully Submitted By:

X Amy Lessi

Amy Lessi
Administrative Services Manager

Cayucos Sanitary District General Checking - Wells Fargo (Payments Only) February 2023

Date	Num	Name	Amount
02/02/2023		QuickBooks Payroll Service	-21,719.23
02/03/2023	DD02032301	ARIAS, MANUEL	0.00
02/03/2023	DD02032302	COLLINS, JONATHAN W	0.00
02/03/2023	DD02032305	GOOD, GAYLE	0.00
02/03/2023	DD02032306	HOOVER, SARAH L	0.00
02/03/2023	DD02032307	KOON, RICHARD L	0.00
02/03/2023	DD02032308	LAKEY, NICK E	0.00
02/03/2023	DD02032309	LESSI, AMY M	0.00
02/03/2023	DD02032311	OWENS, JUSTIN D	0.00
02/03/2023	DD02032303	CURTI, JOHN H.	0.00
02/03/2023	23552	ENNS, ROBERT	-182.90
02/03/2023	DD02032304	FRANK, ROBERT W	0.00
02/03/2023	23553	LYON, SHIRLEY A	-91.45
02/03/2023	DD02032310	MILLER, HANNAH P	0.00
02/03/2023	EDD020323	EDD	-1,896.07
02/03/2023	FED020323	US TREASURY	-8,755.86
02/03/2023	PERS020323	CALPERS (RETIREMENT)	-4,637.04
02/03/2023	DEF020323	CALPERS (RETIREMENT)	-1,075.00
02/05/2023	HLTH020523	CALPERS (HEALTH)	-15,476.85
02/06/2023	23554	ABALONE COAST ANALYTICAL, INC.	-3,366.50
02/06/2023	23555	CARMEL & NACCASHA, LLP	-974.21
02/06/2023	23556	CHARTER INTERNET	-939.88
02/06/2023	23557	GONZALES OCCUPATIONAL MEDICINE CENTER	-80.00
02/06/2023	23558	KITZMAN WATER	-50.00
02/06/2023	23559	MINER'S ACE HARDWARE	-383.94
02/06/2023	23560	MISSION COUNTRY DISPOSAL - WRRF	-182.22
02/06/2023	23561	MORRO ROCK MUTUAL WATER CO. UTILITY 782	-93.85
02/06/2023	23562	PACIFIC HEATING AND SHEET METAL	-733.00
02/06/2023	23563	QUICK TECH COMPUTERS	-1,480.00
02/06/2023	23564	SPEEDY COASTAL MESSENGER, INC.	-550.00
02/06/2023	23565	STREAMLINE	-200.00
02/06/2023	23566	COASTAL ROLL OFF SERVICE	-3,628.41
02/06/2023	23567	WELLS FARGO VENDOR FIN SERV	-387.43
02/06/2023	60244423031	ALLIED ADMINISTRATORS FOR DELTA DENTAL	-823.54
02/06/2023	23568	PATHIAN ADMINISTRATORS	-205.72
02/07/2023	23569	DUKE ENERGY/WESTBOUND SOLAR 2	-7,516.42
02/07/2023	23570	PG&E LS#1	-989.46
02/07/2023	23571	PG&E LS#2	-2,353.38
02/07/2023	23572	PG&E LS#3	-264.97
02/07/2023	23573	PG&E LS#4	-737.46
02/07/2023	23574	PG&E LS#5	-3,870.82
02/07/2023	23575	PG&E OFFICE	-240.00
02/07/2023	23576	PG&E WRRF	-4,366.61
02/10/2023	23577	MOSS, LEVY & HARTZHEIM LLP	-2,650.00

Date	Num	Name	Amount
02/14/2023	23578	CALNET3	-437.54
02/14/2023	23579	CSA 10A SLO CO PW LS#3	-212.12
02/14/2023	23580	CSA 10A SLO CO PW LS#4	-212.12
02/14/2023	23581	FIRSTNET (AT&T)	-430.06
02/14/2023	23582	STAPLES ADVANTAGE (Gov. Acct)	-66.48
02/16/2023		QuickBooks Payroll Service	-19,912.95
02/16/2023	23583	ENVIRONMENTAL OPERATING SOLUTIONS, INC.	-6,383.41
02/16/2023	23584	HAMON OVERHEAD DOOR CO.	-936.00
02/16/2023	23585	NELSON'S GARAGE	-1,082.43
02/17/2023	DD02172301	ARIAS, MANUEL	0.00
02/17/2023	DD02172302	COLLINS, JONATHAN W	0.00
02/17/2023	DD02172303	GOOD, GAYLE	0.00
02/17/2023	DD02172304	HOOPER, SARAH L	0.00
02/17/2023	DD02172305	KOON, RICHARD L	0.00
02/17/2023	DD02172306	LAKEY, NICK E	0.00
02/17/2023	DD02172307	LESSI, AMY M	0.00
02/17/2023	DD02172308	OWENS, JUSTIN D	0.00
02/17/2023	EDD021723	EDD	-1,688.74
02/17/2023	FED021723	US TREASURY	-8,094.68
02/17/2023	DEF021723	CALPERS (RETIREMENT)	-1,075.00
02/17/2023	PERS021723	CALPERS (RETIREMENT)	-4,637.04
02/21/2023	23586	HOOPER, SARAH L	-106.25
02/21/2023	23587	EXECUTIVE JANITORIAL	-225.00
02/21/2023	23588	SWRCB/DWOCP	-60.00
02/21/2023	23589	WATER SYSTEMS CONSULTING, INC.	-1,072.50
02/22/2023	23590	MISSION UNIFORM SERVICE	-546.18
02/24/2023	23591	BECK'S WELDING	-275.00
02/24/2023	23592	BRENNTAG PACIFIC, INC.	-1,226.17
02/24/2023	23593	COASTAL COPY, INC	-57.71
02/24/2023	23594	EXXONMOBIL	-735.85
02/24/2023	23595	SOCAL GAS	-85.85
02/27/2023	23596	BUSINESS CARD 4841	-1,484.40
02/27/2023	23597	BUSINESS CARD 8913	-417.53
02/27/2023	23598	CAYUCOS BEACH MUTUAL WATER CO. Jet	-26.72
02/27/2023	23599	MORRO ROCK MUTUAL WATER CO.	-128.38
02/28/2023	19343527201	COLONIAL LIFE INSURANCE PREMIUMS	-52.58
Total Operating Expenses			-\$142,570.91

**Cayucos Sanitary District
CIP Checking - Wells Fargo
(Payments Only)
February 2023**

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
02/06/2023	11545	CARMEL & NACCASHA, LLP	-281.44
02/07/2023	11546	SOUZA CONSTRUCTION, INC.	-87,938.07
02/21/2023	11547	WATER SYSTEMS CONSULTING, INC.	-2,254.31
02/28/2023	11548	TESCO CONTROLS, LLC	-35,027.00
		Total CIP Expenses	<u>-\$125,500.82</u>

Cayucos Sanitary District Cash, Savings and Investment Report February 2023

Bank Accounts	Current Balance	
Wells Fargo General Checking	\$1,052,942	
Wells Fargo CIP	\$358,728	
Wells Fargo Savings (CFF)	\$227,802	
Wells Fargo - USDA	\$421,881	
Petty Cash	\$175	
LAIF	\$8,570	
Total	\$2,070,099	
Investments		
CalTrust	\$2,470,909	
Cetera Cash/MM	\$11,095	
Cetera Treasury/Securities	\$53,445	(Fixed Income)
Total	\$2,535,448	
Grand Total	\$4,605,547	
MCD Wells Fargo Deposit CD	\$25,000	Franchise Deposit on Hold

**Cayucos Sanitary District
FY 22/23 Financial Report
Budget vs. Actual
February 2023**

	Current Month	YTD Actual Rev/Exp	YTD Budget	Approved Budget 22/23	% of Budget
Ordinary Income/Expense					
Income					
4000 · SEWER INCOME	272,170	2,125,675	2,117,433	3,176,150	67%
4100 · WILL SERVE INCOME	375	69,250	58,800	88,200	79%
4200 · RENTAL INCOME	-	66,816	28,400	42,600	157% ¹
4300 · SOLID WASTE INCOME	999	50,134	59,733	89,600	56%
4400 · SLOCO TAX ASSESSMENTS	42,261	735,260	714,800	1,072,200	69%
4500 · SAVINGS INTEREST INCOME	513	3,395	33	50	6791% ²
4600 · INVESTMENT INTEREST	6,171	29,892	5,667	8,500	352%
4700 · OTHER INCOME	45	6,171	3,067	4,600	134%
Total Income	<u>322,533</u>	<u>3,086,593</u>	<u>2,987,933</u>	<u>4,481,900</u>	<u>69%</u>
Expense					
5000 · PAYROLL EXPENSES					
5100 · ADMINISTRATIVE PAYROLL	29,689	249,998	260,533	390,800	64%
5200 · COLLECTIONS PAYROLL	10,295	85,918	117,000	175,500	49%
5300 · TREAT PAYROLL	23,818	204,639	204,200	306,300	67%
5400 · DIRECTOR PAYROLL	800	4,600	5,333	8,000	58%
5500 · VESTED PAYROLL BENEFITS	302	2,392	3,800	5,700	42%
5600 · ADMIN PAYROLL TAXES & BENEFITS	9,878	90,538	91,800	137,700	66%
5700 · COLL PAYROLL TAXES & BENEFITS	4,986	61,006	78,800	118,200	52%
5800 · TREAT PAYROLL TAXES & BENEFITS	10,356	85,995	82,933	124,400	69%
5900 · DIRECTOR PAYROLL TAXES & BENEFITS	61	352	400	600	59%
Total 5000 · PAYROLL EXPENSES	<u>90,186</u>	<u>785,439</u>	<u>844,800</u>	<u>1,267,200</u>	<u>62%</u>
6000 · OPERATING EXPENSES					
6050 · SPECIAL PROJECTS	-	-	8,667	13,000	0%
6100 · ADMIN OPERATING EXPENSES	214,497	726,423	616,567	924,850	79%
6500 · COLLECTIONS OPERATING EXPENSES	8,364	113,380	148,833	223,250	51%
7000 · TREATMENT OPERATING EXPENSES	109,492	1,008,863	1,002,667	1,504,000	67%
Total 6000 · OPERATING EXPENSES	<u>332,352</u>	<u>1,848,667</u>	<u>1,776,733</u>	<u>2,665,100</u>	<u>69%</u>
Total Expense	<u>422,539</u>	<u>2,634,106</u>	<u>2,621,533</u>	<u>3,932,300</u>	<u>67%</u>
Net Ordinary Income	<u>(100,006)</u>	<u>452,487</u>	<u>366,400</u>	<u>549,600</u>	
Net Income	<u>(100,006)</u>	<u>452,487</u>	<u>366,400</u>	<u>549,600</u>	

¹ Rental income in arrears received from CMB

² Changeover to WF resulted in higher interest on checking account.

**Cayucos Sanitary District
Capital Improvement Projects Report
FY 22/23
February 2023**

	Current Month	YTD Actual Rev/Exp	Approved Budget 22/23	Percent Used YTD
CAPITAL IMPROVEMENTS				
1536 - Electric Vehicle Purchase	0.00	0.00	45,000.00	0%
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	0.00	0.00	25,000.00	0%
1616 - RWQCB Recycled Water Program	0.00	3,367.50	20,000.00	17%
1650 - WRRF Improvements (Modified 1/19/23)				
1650.3 - IT LS Modem Replacements	0.00	0.00	14,000.00	0%
1650.4 - WRRF Swale Replacement	0.00	0.00	31,000.00	0%
Total Capital Improvements	\$0.00	\$3,367.50	\$225,000.00	1%

**Cayucos Sanitary District
General Checking - Wells Fargo
(Payments Only)
March 2023**

Date	Num	Name	Amount
03/02/2023		QuickBooks Payroll Service	-20,256.07
03/02/2023	23602	KITZMAN WATER	-55.00
03/02/2023	23603	MINER'S ACE HARDWARE	-281.84
03/02/2023	23604	NEW PIG CORPORATION	-256.63
03/02/2023	23605	QUICK TECH COMPUTERS	-1,680.00
03/02/2023	23606	SPEEDY COASTAL MESSENGER, INC.	-595.00
03/02/2023	23607	STREAMLINE	-200.00
03/02/2023	23608	WILLIAM WALTER	-23.71
03/03/2023	DD03032301	ARIAS, MANUEL	0.00
03/03/2023	DD03032302	COLLINS, JONATHAN W	0.00
03/03/2023	DD03032305	GOOD, GAYLE	0.00
03/03/2023	DD03032306	HOOPER, SARAH L	0.00
03/03/2023	DD03032307	KOON, RICHARD L	0.00
03/03/2023	DD03032308	LAKEY, NICK E	0.00
03/03/2023	DD03032309	LESSI, AMY M	0.00
03/03/2023	DD03032311	OWENS, JUSTIN D	0.00
03/03/2023	DD03032303	CURTI, JOHN H.	0.00
03/03/2023	23600	ENNS, ROBERT	-91.45
03/03/2023	DD03032304	FRANK, ROBERT W	0.00
03/03/2023	23601	LYON, SHIRLEY A	-91.45
03/03/2023	DD03032310	MILLER, HANNAH P	0.00
03/03/2023	FED030323	US TREASURY	-8,157.28
03/03/2023	EDD030323	EDD	-1,681.42
03/03/2023	PERS030323	CALPERS (RETIREMENT)	-4,637.04
03/03/2023	DEF030323	CALPERS (RETIREMENT)	-1,075.00
03/05/2023	HLTH030523	CALPERS (HEALTH)	-13,786.07
03/05/2023	60247823059	ALLIED ADMINISTRATORS FOR DELTA DENTAL	-823.54
03/06/2023	23609	ABALONE COAST ANALYTICAL, INC.	-2,796.00
03/06/2023	23610	CHARTER INTERNET	-949.88
03/06/2023	23611	COASTAL ROLL OFF SERVICE	-2,232.28
03/06/2023	23612	MORRO ROCK MUTUAL WATER CO. UTILITY 782	-84.68
03/07/2023	23613	DUKE ENERGY/WESTBOUND SOLAR 2	-9,086.99
03/07/2023	23614	PG&E LS#1	-593.06
03/07/2023	23615	PG&E LS#2	-1,313.37
03/07/2023	23616	PG&E LS#3	-171.01
03/07/2023	23617	PG&E LS#4	-533.32
03/07/2023	23618	PG&E LS#5	-2,392.55
03/07/2023	23619	PG&E OFFICE	-182.60
03/08/2023	23620	BREZDEN PEST CONTROL	-381.00
03/08/2023	23621	CARMEL & NACCASHA, LLP	-4,704.23
03/16/2023		QuickBooks Payroll Service	-19,958.63
03/17/2023	DD03172301	ARIAS, MANUEL	0.00
03/17/2023	DD03172302	COLLINS, JONATHAN W	0.00
03/17/2023	DD03172303	GOOD, GAYLE	0.00

Date	Num	Name	Amount
03/17/2023	DD03172304	HOOPER, SARAH L	0.00
03/17/2023	DD03172305	KOON, RICHARD L	0.00
03/17/2023	DD03172306	LAKEY, NICK E	0.00
03/17/2023	DD03172307	LESSI, AMY M	0.00
03/17/2023	DD03172308	OWENS, JUSTIN D	0.00
03/17/2023	FED031723	US TREASURY	-8,064.74
03/17/2023	EDD031723	EDD	-1,673.03
03/18/2023	23622	PATHIAN ADMINISTRATORS	-205.72
03/21/2023	23623	COASTAL CARPET CLEANERS	-175.00
03/21/2023	23624	EXECUTIVE JANITORIAL	-225.00
03/21/2023	23625	FIRSTNET (AT&T)	-422.02
03/21/2023	23626	NELSON'S GARAGE	-671.40
03/21/2023	23627	WATER SYSTEMS CONSULTING, INC.	-4,281.25
03/21/2023	23628	WELLS FARGO VENDOR FIN SERV	-387.43
03/21/2023	23629	WESTERN ALLIANCE BANK - SERIES B	-645,372.27
03/24/2023	23630	CHERYL SCHIAFONE	-66.39
03/27/2023	23631	ASAP	-11.68
03/27/2023	23632	BUSINESS CARD 4841	-739.52
03/27/2023	23633	BUSINESS CARD 8913	-724.06
03/27/2023	23634	CALNET3	-560.56
03/27/2023	23635	CAYUCOS BEACH MUTUAL WATER CO. #1	-93.36
03/27/2023	23636	CAYUCOS BEACH MUTUAL WATER CO. #2	-133.44
03/27/2023	23637	COASTAL COPY, INC	-21.99
03/27/2023	23638	ESTERO GLASS	-360.00
03/27/2023	23639	EXXONMOBIL	-623.34
03/27/2023	23640	PACIFIC HEATING AND SHEET METAL	-185.00
03/27/2023	23641	SOCAL GAS	-77.54
03/27/2023	23642	TESCO CONTROLS, LLC	-450.00
03/27/2023	23643	LAKEY, NICK E (mileage)	-30.13
03/27/2023	PERS031723	CALPERS (RETIREMENT)	-4,637.04
03/27/2023	DEF031723	CALPERS (RETIREMENT)	-1,075.00
03/28/2023	23644	MISSION UNIFORM SERVICE	-486.70
03/30/2023		QuickBooks Payroll Service	-20,863.83
03/31/2023	DD03312303	GOOD, GAYLE	0.00
03/31/2023	DD03312302	COLLINS, JONATHAN W	0.00
03/31/2023	DD03312301	ARIAS, MANUEL	0.00
03/31/2023	DD03312304	HOOPER, SARAH L	0.00
03/31/2023	DD03312305	KOON, RICHARD L	0.00
03/31/2023	DD03312306	LAKEY, NICK E	0.00
03/31/2023	DD03312307	LESSI, AMY M	0.00
03/31/2023	DD03312308	OWENS, JUSTIN D	0.00
03/31/2023	EDD033123	EDD	-1,872.66
03/31/2023	FED033123	US TREASURY	-8,534.22
03/31/2023	PERS033123	CALPERS (RETIREMENT)	-4,575.45
03/31/2023	DEF033123	CALPERS (RETIREMENT)	-1,075.00
03/31/2023	18291451590	COLONIAL LIFE INSURANCE PREMIUMS	-78.87
		Total Operating Expenses	-\$807,824.74

**Cayucos Sanitary District
CIP Checking - Wells Fargo
(Payments Only)
March 2023**

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
03/06/2023	11459	SOUZA CONSTRUCTION, INC.	-16,133.53
03/21/2023	11550	WATER SYSTEMS CONSULTING, INC.	-1,565.00
03/27/2023	11551	SOUZA CONSTRUCTION, INC.	-42,417.25
		Total CIP Expenses	<u>-\$60,115.78</u>

Cayucos Sanitary District Cash, Savings and Investment Report March 2023

Bank Accounts	Current Balance	
Wells Fargo General Checking	\$549,937	
Wells Fargo CIP	\$367,091	
Wells Fargo Savings (CFF)	\$229,444	
Wells Fargo - USDA	\$499,788	
Petty Cash	\$175	
LAIF	\$8,570	
Total	\$1,655,006	
Investments		
CalTrust	\$2,503,525	
Cetera Cash/MM	\$11,784	
Cetera Treasury/Securities	\$53,315	(Fixed Income)
Total	\$2,568,624	
Grand Total	\$4,223,630	
MCD Wells Fargo Deposit CD	\$25,000	Franchise Deposit on Hold

**Cayucos Sanitary District
FY 22/23 Financial Report
Budget vs. Actual
March 2023**

	Current Month	YTD Actual Rev/Exp	YTD Budget	Approved Budget 22/23	% of Budget
Ordinary Income/Expense					
Income					
4000 · SEWER INCOME	265,377	2,391,051	2,382,113	3,176,150	75%
4100 · WILL SERVE INCOME	375	69,625	66,150	88,200	79%
4200 · RENTAL INCOME	-	66,816	31,950	42,600	157%
4300 · SOLID WASTE INCOME	1,998	52,132	67,200	89,600	58%
4400 · SLOCO TAX ASSESSMENTS	36,194	771,454	804,150	1,072,200	72%
4500 · SAVINGS INTEREST INCOME	544	3,940	38	50	7880%
4600 · INVESTMENT INTEREST	7,386	37,278	6,375	8,500	439%
4700 · OTHER INCOME	(24)	6,147	3,450	4,600	134%
Total Income	311,849	3,398,442	3,361,425	4,481,900	76%
Expense					
5000 · PAYROLL EXPENSES					
5100 · ADMINISTRATIVE PAYROLL	44,101	294,099	293,100	390,800	75%
5200 · COLLECTIONS PAYROLL	15,311	101,229	131,625	175,500	58%
5300 · TREAT PAYROLL	34,962	239,671	229,725	306,300	78%
5400 · DIRECTOR PAYROLL	500	5,100	6,000	8,000	64%
5500 · VESTED PAYROLL BENEFITS	302	2,694	4,275	5,700	47%
5600 · ADMIN PAYROLL TAXES & BENEFITS	12,057	102,596	103,275	137,700	75%
5700 · COLL PAYROLL TAXES & BENEFITS	5,698	66,704	88,650	118,200	56%
5800 · TREAT PAYROLL TAXES & BENEFITS	10,537	96,462	93,300	124,400	78%
5900 · DIRECTOR PAYROLL TAXES & BENEFITS	38	390	450	600	65%
Total 5000 · PAYROLL EXPENSES	123,507	908,945	950,400	1,267,200	72%
6000 · OPERATING EXPENSES					
6050 · SPECIAL PROJECTS	-	-	9,750	13,000	0%
6100 · ADMIN OPERATING EXPENSES	122,033	852,738	693,638	924,850	92%
6500 · COLLECTIONS OPERATING EXPENSES	7,050	120,237	167,438	223,250	54%
7000 · TREATMENT OPERATING EXPENSES	20,986	1,029,850	1,128,000	1,504,000	68%
Total 6000 · OPERATING EXPENSES	150,069	2,002,825	1,998,825	2,665,100	75%
Total Expense	273,576	2,911,770	2,949,225	3,932,300	74%
Net Ordinary Income	38,273	486,672	412,200	549,600	
Net Income	38,273	486,672	412,200	549,600	

¹ Rental income in arrears received from CMB

² Changeover to WF resulted in higher interest on checking account

³ Bond market improvement

⁴ Last loan interest payment made for this FY

**Cayucos Sanitary District
Capital Improvement Projects Report
FY 22/23
March 2023**

	Current Month	YTD Actual Rev/Exp	Approved Budget 22/23	Percent Used YTD
CAPITAL IMPROVEMENTS				
1536 - Electric Vehicle Purchase	0.00	0.00	45,000.00	0%
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	0.00	0.00	25,000.00	0%
1616 - RWQCB Recycled Water Program	0.00	3,367.50	20,000.00	17%
1650 - WRRF Improvements (Modified 1/19/23)				
1650.3 - IT LS Modem Replacements	0.00	0.00	14,000.00	0%
1650.4 - WRRF Swale Replacement	0.00	0.00	31,000.00	0%
Total Capital Improvements	\$0.00	\$3,367.50	\$225,000.00	1%



CAYUCOS SANITARY DISTRICT STAFF REPORT

TO: BOARD OF DIRECTORS
FROM: RICK KOON, DISTRICT MANAGER
DATE: APRIL 13, 2023
SUBJECT: MONTHLY MANAGER'S REPORT: FEBRUARY & MARCH

ADMINISTRATIVE

- I would like to thank all staff for their efforts during the past 3 months. Their individual dedication, response, and teamwork in adverse conditions led to avoiding major damage and unwanted discharge throughout our facilities.
- Over the last 3 months we received 30" of rainfall which equated to 41.1 million gallons of treated effluent processed at the plant, close to double our daily flow.
- After each storm, staff reviewed the plant operations and made adjustments in processing settings for high-flow events.
- We now have 149 customers signed up for E-Billing and 628 are on Auto-Pay.
- Staff continues to work with the County Building and Planning Department to assure all building permits are routed to the District for review.
- Staff and District Legal Counsel reviewed the JPA audit and contract renewal for audit services.
- Staff completed the FY 23/24 Draft Fiscal Budget in preparation for the Budget Committee's review, which will then present its recommendations to the Board for approval at the May meeting.

CAPITAL PROJECTS

- Staff is working on several FY 22/23 CIP projects as we move into spring.
- Staff will begin smoke testing areas of the collections system. Door hangers will be placed on the homes within the testing areas.
- Data acquisition for the financial analysis portion of the Consolidation Study is about complete.

OPERATIONS & MAINTENANCE: FEBRUARY & MARCH 2023

Daily Operations of Note

- Pump down, scrape, and bleach wet wells; test backup generators
- Test all alarms at lift stations
- Jet 7022' of main lines
- Target Solutions Training for SDRMA
- Pump out WRRF force main
- Respond to 75 USAs
- Clean gutters at downtown office
- Graffiti removal from Lift Station 1 fencing
- F550 thermostats replacement
- Check and restock first-aid kits
- Clean check valves at Lift Stations 1, 2, and 4
- Install new block heater for Lift Station 3 replacement
- Grease jetter housing
- Re-mark footage on jetter hose
- Replace damaged high-pressure hose on jetter
- Replace damaged locking pin assembly on jetter and paint
- Place sandbags on meeting room door at office
- Lubricate suspension brackets on jetter
- Replace exhaust motor in shop bathroom
- Replace block heater on Lift Station 3 standby generator; topped off coolant
- Topped off coolant on Lift Station 1 standby generator
- PG&E repaired Lift Station 2 incoming power cable which was shorting and corroded
- Clean check valve of P2 at Lift Station 5
- Rebuild flush valve at Lift Station 3 on P1
- Adjust set points at Lift Station 2 and change lead/lag order at Lift Station 4 for storm preparation
- Coordinate with SoCalGas at Lift Stations 2 & 3 in locating our facilities for their repair work
- Replenish and clean eye wash stations and solutions at Lift Stations 1 and 5
- Attend CWEA WDR update webinar

Call Outs

- NL & JC – 3/12/23 – Lift Station 5 high water
- NL – 3/12/23 – customer back up, facility check
- NL – 3/15/23 – Lift Station 2 power failure
- NL – 3/15/23 – Lift Station 5 high level switch
- NL – 3/14/23 – Lift Station 5 wet well level high

Rainfall

- February: 6.2"
- March: 10.7"

WATER RESOURCE RECOVERY FACILITY: FEBRUARY & MARCH 2023

Daily Operations of Note

- Completed all quarterly, 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
- Completed all Monthly Reports
- Finished acid clean-in-place and hypo clean-in-place on MOS tanks
- Began annual oil changes on various equipment
- Fine tuned Membrane System to ramp up and ramp down more smoothly
- Evoqua increased air scour blower setpoint to clean membranes more effectively
- Nick Lakey is now an Operator-in-Training

WRRF Influent

- Notable High Flow Days for February:
 - 2/24/2023: 0.633 MG
 - 2/27/2023: 0.705 MG
- Average Influent for February: 320,140 GPD
- Notable High Flow Days for March:
 - 3/10/2023: 1.328 MG
 - 3/14/2023: 1.098 MG
 - 3/15/2023: 1.112 MG
- Average Influent for March: 561,688 GPD

WRRF Effluent

- 8.8 MG to outfall in February
- Average effluent for February: 316,760 GPD
- 16.9 MG to outfall in March
- Average effluent for March: 545,331 GPD

Morro Bay – Cayucos Wastewater Treatment Facility Joint Powers Agreement



Audited Financial Statements

Year Ended June 30, 2021 and 2020



**Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Financial Statements
Years Ended June 30, 2021 and 2020**

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Independent Auditors' Report

To the Governing Bodies of the
Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statements of net position of the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement as of June 30, 2021 and 2020, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement as of June 30, 2021 and 2020, and the changes in its net position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Uncertainties Regarding Disposal and Dissolution of Facility

As discussed in Note 5, the members of the Joint Powers Agreement intend to construct, and are in the process of constructing, new wastewater treatment and reclamation facilities. Once these new facilities are complete, the Joint Powers Agreement will enter discussions regarding demolition and decommissioning of the old facility, including the sharing of costs for those activities and eventual dissolution of the Agreement. Since the new facilities were not complete as of the audit report date, no liability provision that may result from shared demolition costs of the old facility has been included in these financial statements.

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Governing Bodies

Morro Bay-Cayucos Wastewater Treatment Facility

Joint Powers Agreement

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Governing Bodies

Morro Bay-Cayucos Wastewater Treatment Facility

Joint Powers Agreement

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- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's basic financial statements. The schedule of member balance due accounts is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of member balance due accounts has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2023, on our consideration of the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and

Governing Bodies

Morro Bay-Cayucos Wastewater Treatment Facility

Joint Powers Agreement

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grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's internal control over financial reporting and compliance.

Glenn Burdette Attest Corporation

Glenn Burdette Attest Corporation
San Luis Obispo, California

February 9, 2023

Morro Bay-Cayucos Wastewater Treatment Plant
Joint Powers Authority
Management Discussion and Analysis
Fiscal Years Ending June 30, 2021 and 2020

This section of the City of Morro Bay/Cayucos Sanitary District Wastewater Treatment Plant (Facility) audit report presents a narrative overview and analysis of the financial activities of the Facility, for the fiscal years ended June 30, 2021 and 2020. This discussion and analysis was prepared by the City of Morro Bay's (City) Finance department. Please read it in conjunction with the accompanying basic financial statements.

Ownership and Operation of the Facility

The Facility is located within the incorporated City of Morro Bay city limits on parcels owned by the City and parcels owned by the Cayucos Sanitary District (District). Its purpose is the receiving, processing, and disposing of wastewater and bio-solids.

The Facility is operated under a Joint Powers Agreement (JPA), dated October 25, 1982, which replaced the 1953 JPA, as amended. In this Agreement, ownership of the Facility's capital assets, as well as the real property on which the Facility is located, is defined as 60% City and 40% District. Capital expenditures and operational expenditures are based on the measurement of the flow of wastewater into the Facility. The District has two flow meters on its trunk line into the Facility at the southerly boundary line of the unincorporated Cayucos Township, and the City has one at the Facility. The flow split averaged in fiscal year 20-21 City 79%, District 21%, which has changed from the historical averages of City 75%, District 25%; however, operations are billed on a quarterly basis, and the cost is determined by the quarterly average monthly flow, as specified in the agreement.

In 2003, the City and District began work efforts to replace the existing Facility, agreeing to share in the costs of studying, planning, and designing a new facility to be constructed at the existing site. Activities continued until January 2013, when the California Coastal Commission voted to deny the Coastal Development Permit for the Facility at its existing location.

The two entities attempted to work together to build a jointly owned facility at a different site. In March 2015, the City presented a draft Memorandum of Understanding, stating its desire to own and operate the new facility, with the District as a wholesale wastewater customer, not a joint owner. On April 30, 2015, the District issued Resolution 2015-1, declaring its intention to suspend consideration of participation in a jointly owned wastewater treatment facility. The City and District continue to move forward with each of their own facilities, but the City expressed its interest in the District joining in on the project.

In April 2016, the City sent a letter to the District, again expressing its preference to include the District as a potential customer in a regional facility. The District issued a response, respectfully declining to pursue this project with the City.

**Morro Bay-Cayucos Wastewater Treatment Plant
Joint Powers Authority
Management Discussion and Analysis
Fiscal Years Ending June 30, 2021 and 2020**

The current Facility remains operational and is being maintained to remain compliant with discharge regulations until the District and the City construct separate wastewater treatment facilities. In 2019 the District broke ground on their new treatment plant and the City proceeded through the Proposition 218 process to establish new rates to support construction on their new Wastewater Reclamation Facility (WRF). In addition, the City has approved the Environmental Impact Report and identified the preferred location of the WRF on South Bay Boulevard and officially started construction in March 2020.

Financial Highlights

The Facility utilizes two funds, one for operations and one for capital improvement spending. Both funds are proprietary or *business-type* activities.

In the 2020/21 fiscal year, no new statements from the Governmental Accounting Standards Board (GASB) were required to be implemented in the Facility's statements.

The following outlines financial highlights for the year:

- At June 30, 2021, the Facility's net position remains at zero as all assets have been fully depreciated.
- Operating expenditures increased during the 2020/21 fiscal year by \$50,813 (3.3%). There were fewer maintenance and repair projects in 2020/21 than 2019/20 due to the new plant construction and labor costs increased slightly due to increased pension and unfunded accrued liability costs.
- There was no major maintenance spending included in operating expenditures.
- At this time, the existing Facility is being maintained and repaired to ensure compliance with the Regional Water Quality Control Board requirements for discharge. As stated above, the Facility will operate until both separately owned wastewater treatment facilities are constructed and operational. The Cayucos Sanitary District Water Resource Recovery Facility is expected to be operational in September 2021, and the City of Morro Bay Water Reclamation Facility is expected to be operational by early 2023.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Facility's financial statements. Under Governmental Accounting Standards Board (GASB) Statement No. 34, component units of the primary government (City), which have only business activities, may present enterprise fund financial statements as follows: 1) statements of net position; 2) statements of revenues, expenses, and changes in net position; and 3) statements of cash flows.

Morro Bay-Cayucos Wastewater Treatment Plant
Joint Powers Authority
Management Discussion and Analysis
Fiscal Years Ending June 30, 2021 and 2020

The Facility's basic financial statements are prepared on an accrual basis of accounting, in accordance with generally accepted accounting principles. The basic financial statements begin on page 12 of this report. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 16 of this report.

Condensed Statements of Net Position

The following table presents the condensed net position of the Facility as of the fiscal years ending June 30:

Condensed Statement of Net Position
June 30, 2021, 2020 and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets:			
Current assets	\$ 85,478	\$ 81,377	\$ 89,697
Total assets	<u>85,478</u>	<u>81,377</u>	<u>89,697</u>
Liabilities:			
Current liabilities	85,478	81,377	89,697
Total liabilities	<u>85,478</u>	<u>81,377</u>	<u>89,697</u>
Net Position:			
Net investment in capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Net position. At June 30, 2021, the Facility's net position remained at zero. Net position of the Facility equals net capital assets less liabilities. The Facility's operations and capital expenditures are fully funded by its members. The zero net position is due to all assets being fully depreciated as of June 30, 2018. The Facility is not making any further capital improvement but is doing the required maintenance to remain in compliance with discharge requirements. Once the new, separately owned facilities construction is complete and functional, the jointly owned Facility will be decommissioned.

**Morro Bay-Cayucos Wastewater Treatment Plant
Joint Powers Authority
Management Discussion and Analysis
Fiscal Years Ending June 30, 2021 and 2020**

Condensed Statements of Changes in Net Position

The following table presents the condensed changes in net position of the Facility for the years ending June 30:

**Condensed Statement of Changes in Net Position
June 30, 2021, 2020 and 2019**

	2021	2020	2019
Operating revenues	\$ 1,797,363	\$ 1,739,963	\$ 1,677,219
Operating expenditures	1,607,216	1,556,403	1,647,140
Operating income	<u>190,147</u>	<u>183,560</u>	<u>30,079</u>
Nonoperating revenue and expense	<u>(190,147)</u>	<u>(183,560)</u>	<u>(30,079)</u>
Change in net position	-	-	-
Net position - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net position - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Operating revenues and expenditures. Operating revenues increased during the 2020/21 fiscal year by \$57,400 and expenditures increased during the 2020/21 fiscal year by \$50,813. Revenues increase correspondingly as more expenses are billed to the joint venture partners. The difference between operating revenues and operating expenses is the transfer out to the general and internal service funds in accordance with the cost allocation plan.

Non-operating revenue and expense. The expense of \$190,147 represents the cost allocation charged to the facility from the General Fund and Risk Management and Information Technology Internal Service Funds. The increase of \$6,587 between years represents the cost providing administrative, legal, finance, risk management and information technology support (which includes including personnel, equipment, and maintenance support). The increase is due to increased costs of insurance. In fiscal year 2017/18 and prior the joint venture was only charged for costs from the IT Technology internal service fund through this line \$30,079. Finance department costs in prior years were billed once a year and charged to the contract services line and the new other administrative and risk management costs were not billed in those years.

Operating revenues increased from fiscal years 2018/19 to 2019/20 by \$62,744 (3.6%) as the reimbursement billings went down based on reduced operating expenses. Operating expenditures decreased from fiscal years 2018/19 to 2019/20 by \$90,737 (5.5%). The largest reduction was in contractual services costs decreasing by \$111,121, due to no large repair projects to the existing plant as new facilities will become operational soon. As of June 30, 2021, all depreciable assets have been fully expensed.

Morro Bay-Cayucos Wastewater Treatment Plant
Joint Powers Authority
Management Discussion and Analysis
Fiscal Years Ending June 30, 2021 and 2020

Major repair and maintenance projects completed during the previous three fiscal years were:

- 2020/21 - None
- 2019/20 - None
- 2018/19 - None

Capital Assets

The Facility’s investment in capital assets, as of June 30, 2021, is at zero, net of accumulated depreciation. This investment in capital assets includes the building, machinery and equipment, and vehicles.

Capital Assets
June 30, 2021, 2020 and 2019

	2021	2020	2019
Plant	\$ 12,764,471	\$ 12,764,471	\$ 12,764,471
Machinery and equipment	1,499,740	1,499,740	1,499,740
Vehicles	64,517	64,517	64,517
Less accumulated depreciation	<u>(14,328,728)</u>	<u>(14,328,728)</u>	<u>(14,328,728)</u>
Capital assets, net of accumulated depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The capital assets of the facility are declining in value. Repairs to the Facility capital assets are ongoing, but on an *as needed* basis, to keep the Facility operational and compliant, until the new separately owned facilities are completed and operational. Once the Facility is no longer needed, it will be decommissioned. Additional information on capital assets can be found in Note 4 on page 19.

Next Year’s Budget and Plans

- The total 2021/22 budget is \$2.6 million for operations of the Facility.
- For the 2021/22 fiscal year, no major maintenance spending was identified.

Requests for Information

This financial report is designed to provide a general overview of the Treatment Plant’s finances. Questions, concerning any of the information provided in this report, or requests for additional financial information, should be addressed to:

City of Morro Bay
Finance Department
595 Harbor Street
Morro Bay, CA 93442

Financial Statements

Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Statements of Net Position
June 30, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Accounts receivable	\$ 17,124	\$ 17,384
Due from members, net	60,067	54,712
Prepaid expenses	8,287	9,281
Total current assets	85,478	81,377
Total assets	85,478	81,377
Liabilities		
Current liabilities:		
Accounts payable	57,454	53,565
Accrued liabilities	28,024	27,812
Total current liabilities	85,478	81,377
Total liabilities	85,478	81,377
Net Position	-	-
Total net position	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Fees	\$ 1,797,363	\$ 1,739,963
Operating expenses:		
Salaries	393,594	431,518
Employee costs	355,329	309,162
Other allocated payroll costs	84,257	81,624
Operating supplies	220,873	221,497
Repairs and maintenance	9,147	12,125
Contractual services	56,918	68,265
Professional services	55,730	42,826
Communications	12,133	12,463
Utilities/waste disposal	266,028	218,216
Insurance	129,241	136,824
Licenses, fees and permits	23,966	21,883
Total expenses	<u>1,607,216</u>	<u>1,556,403</u>
Operating income	<u>190,147</u>	<u>183,560</u>
Nonoperating revenue and expenses		
Transfers out	<u>(190,147)</u>	<u>(183,560)</u>
Total nonoperating revenue and expenses	<u>(190,147)</u>	<u>(183,560)</u>
Change in net position	<u>-</u>	<u>-</u>
Net position - beginning of year	<u>-</u>	<u>-</u>
Net position - end of year	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash received from members	\$ 1,792,268	\$ 1,749,748
Payments to employees	(393,382)	(426,469)
Other payments	<u>(1,208,739)</u>	<u>(1,139,719)</u>
Net cash provided by operating activities	<u>190,147</u>	<u>183,560</u>
 Cash flows from non-capital financing activities:		
Transfers to other funds	<u>(190,147)</u>	<u>(183,560)</u>
Net cash used in non-capital and financing activities	<u>(190,147)</u>	<u>(183,560)</u>
 Net change in cash	-	-
 Cash and cash equivalents - beginning of year	<u>-</u>	<u>-</u>
 Cash and cash equivalents - end of year	<u>\$ -</u>	<u>\$ -</u>
 Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 190,147	\$ 183,560
Changes in operating assets and liabilities:		
Accounts receivable	260	(4,744)
Due from members	(5,355)	14,529
Prepaid expense	994	(1,465)
Accounts payable	3,889	(13,369)
Accrued liabilities	<u>212</u>	<u>5,049</u>
Net cash provided by operating activities	<u>\$ 190,147</u>	<u>\$ 183,560</u>

The accompanying notes are an integral part of these financial statements.

Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Notes to Financial Statements
June 30, 2021 and 2020

Note 1: Nature of Business

The Morro Bay-Cayucos Wastewater Treatment Facility (Facility) began operations in 1953 under the authorization of a joint construction and operation agreement dated June 16, 1953 between City of Morro Bay (City) and Cayucos Sanitary District (District). This agreement has subsequently been amended by both parties, and the current authorization is under a joint powers agreement for the ownership, operation, and maintenance of the wastewater treatment facilities dated October 25, 1982, for the purpose of providing treatment for each member's wastewater. Operating expenses are allocated to each member based on actual wastewater flow percentages. The Facility is governed jointly by the City Council of Morro Bay and the Board of Directors of the Cayucos Sanitary District. The Facility is considered a joint venture between the City and the District.

Note 2: Summary of Significant Accounting Policies

Reporting Entity

For financial reporting purposes, the Facility operates under a joint powers agreement and is engaged only in business-type activities. The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred.

The Facility accounts for its operation as an Enterprise Fund. Enterprise Funds are used to account for operations which are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, which are collected by each member of the joint powers agreement and contributed to the Facility based upon actual quarterly wastewater flow percentages.

Financial Records

The books and records of the Facility are maintained by the City.

Budgets and Budgetary Accounting

An annual budget is adopted by the governing bodies at the start of each year. Any changes or revisions to that budget throughout the year must be approved by the governing bodies.

Morro Bay-Cayucos Wastewater Treatment Facility

Joint Powers Agreement

Notes to Financial Statements

June 30, 2021 and 2020

Page 2

Note 2: Summary of Significant Accounting Policies (Continued)

Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

All Facility transactions are made through the City's pooled cash account. A year-end net position allocation adjustment is made to the members due to/from accounts so that the Facility does not record any cash balances in the financial statements at year end.

Accounts Receivable

The Facility's accounts receivable is primarily comprised of receivables from the entities that will be used to pay liabilities incurred. Accounts receivable are written off in full when the receivable is deemed uncollectible. Management assessed the need for an allowance for uncollectible accounts receivable, based on prior experience and management's analysis of possible bad debts, and determined that no allowance was necessary at June 30, 2021 and 2020.

Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual costs are not available. Depreciation has been provided over the estimated useful life of the asset using the straight-line method. The estimated useful lives are as follows:

Treatment Facilities	30 years
Equipment	5-19 years

Compensated Absences

The accrual for vacation time earned but not taken by staff employees was calculated based on actual vacation days and applied to the individual employees' hourly rate.

Morro Bay-Cayucos Wastewater Treatment Facility

Joint Powers Agreement

Notes to Financial Statements

June 30, 2021 and 2020

Page 3

Note 2: Summary of Significant Accounting Policies (Continued)

Net Position

The Facility's net position is required to be classified for accounting and reporting purposes into the following net position categories:

- Net investment in capital assets includes capital assets net of accumulated depreciation and amortization, deferred outflows of resources, less the outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted consists of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Facility cannot unilaterally alter. The Facility does not have any assets in this category.
- Unrestricted consists of all other categories of net position. Unrestricted may be designated for use by management of the Facility. These designations limit the area of operations for which expenditures of net position may be made and require that unrestricted net position be used to support future operations in these areas. The Facility does not have any assets in this category.

As the Facility does not have any unrestricted funds, they have not adopted a policy of utilizing restricted, expendable funds, when available, prior to unrestricted funds.

Note 3: Due From/To Members

Amounts due from/(to) members at June 30, are as follows:

	<u>2021</u>	<u>2020</u>
Members:		
City of Morro Bay	\$ (33,100)	\$ (108,147)
Cayucos Sanitary District	<u>93,167</u>	<u>162,859</u>
Total	<u>\$ 60,067</u>	<u>\$ 54,712</u>

Morro Bay-Cayucos Wastewater Treatment Facility

Joint Powers Agreement

Notes to Financial Statements

June 30, 2021 and 2020

Page 4

Note 4: Capital Assets

At June 30, 2021, capital assets consisted of the following:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>
Depreciable capital assets				
Plant	\$ 12,764,471	\$	\$	\$ 12,764,471
Machinery and equipment	1,499,740			1,499,740
Vehicles	64,517			64,517
Total depreciable assets	<u>14,328,728</u>			<u>14,328,728</u>
Less accumulated depreciation	<u>(14,328,728)</u>			<u>(14,328,728)</u>
Net depreciable capital assets	<u>-</u>			<u>-</u>
Capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

At June 30, 2020, capital assets consisted of the following:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2020</u>
Depreciable capital assets				
Plant	\$ 12,764,471	\$	\$	\$ 12,764,471
Machinery and equipment	1,499,740			1,499,740
Vehicles	64,517			64,517
Total depreciable assets	<u>14,328,728</u>			<u>14,328,728</u>
Less accumulated depreciation	<u>(14,328,728)</u>			<u>(14,328,728)</u>
Net depreciable capital assets	<u>-</u>			<u>-</u>
Capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Notes to Financial Statements
June 30, 2021 and 2020
Page 5

Note 5: Commitments and Contingencies

On April 30, 2015, after various attempts on the part of both parties to the joint powers agreement to work on either replacing or relocating the existing facility, the District adopted Resolution No. 2015-1 – A Resolution of the Board of Directors of the Cayucos Sanitary District Declaring its Intentions to Independently Pursue Alternatives for Wastewater Treatment and Water Reclamation (Resolution). The Resolution asserts the District’s intention to suspend consideration of participation in the new Morro Bay Water Reclamation Facility Project and independently pursue alternatives for wastewater treatment and reclamation of water that will maximize its resources and provide the greatest benefit to the Cayucos community. The District has completed construction on a new facility which was operable as of September 2021. Construction of the City’s new facility is nearing completion and it is anticipated to be operable in fiscal year 2022-23.

The City and District have continued to pay for their share, as specified in the existing joint powers agreement, of the operation and maintenance expenses of the existing facility. Once both separate facilities are operational, the parties will enter discussions regarding demolition and decommissioning of the old facility, and once complete, the eventual dissolution of the JPA and sharing costs accordingly. As of the date of the audit report, the associated costs for decommissioning the old facility were not yet estimable, and so were not recorded in these financial statements in accordance with GASB issued Statement No. 83, Certain Asset Retirement Obligations, which addresses accounting and financial reporting for certain asset retirement obligations.

Note 6: Subsequent Events

Events subsequent to June 30, 2021, have been evaluated through February 9, 2023, which is the date the financial statements were available to be issued. Management did not identify any subsequent events that required disclosure.



**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors of
Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's basic financial statements, and have issued our report thereon dated February 9, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's internal control. Accordingly, we do not express an opinion on the effectiveness of Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

21

SAN LUIS OBISPO
1150 Palm Street
San Luis Obispo, CA 93401
p 805 544 1441
f 805 544 4351

PASO ROBLES
102 South Vine Street, Ste. A
Paso Robles, CA 93446
p 805 237 3995
f 805 239 9337

SANTA MARIA
2222 South Broadway, Ste. A
Santa Maria, CA 93454
p 805 922 4010
f 805 922 4286

Board of Directors

Morro Bay-Cayucos Wastewater Treatment Facility

Joint Powers Agreement

Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Morro Bay-Cayucos Wastewater Treatment Facility Joint Powers Agreement's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Glenn Burdette Attest Corporation

Glenn Burdette Attest Corporation
San Luis Obispo, California

February 9, 2023

Supplementary Information

Morro Bay-Cayucos Wastewater Treatment Facility
Joint Powers Agreement
Schedule of Member Balance Due Accounts
For the Period July 1, 2020 through June 30, 2021

Operating costs are allocated to the City of Morro Bay and the Cayucos Sanitary District based on actual average quarterly flow percentages. The average quarterly flow percentages, and the average quarterly operating costs charged to the City of Morro Bay and the Cayucos Sanitary District for the period July 1, 2020 through June 30, 2021 are presented below. Capital and other costs are allocated based on the contractual percentage.

	Percentage			Expenditures		
	City of Morro Bay	Cayucos Sanitary District	Total	City of Morro Bay	Cayucos Sanitary District	Total
Balance due from/(to) members at June 30, 2020, net				\$ (108,147)	\$ 162,859	\$ 54,712
Operating Expenditures:						
July 1 - September 30, 2020	79.13%	20.87%	100.00%	363,291	95,827	459,118
October 1 - December 31, 2020	79.80%	20.20%	100.00%	347,298	87,913	435,211
January 1 - March 31, 2021	78.37%	21.63%	100.00%	309,746	85,465	395,211
April 1 - June 30, 2021	77.65%	22.35%	100.00%	394,343	113,479	507,822
Subtotal				1,414,678	382,684	1,797,362
Other costs:						
Funds advanced by City at year end to cover negative cash position				(33,100)		(33,100)
Receivable accrual for land lease income and/or pending payments at year end					(17,124)	(17,124)
Receivable accrual for land lease income and/or pending payments at year end						-
Miscellaneous timing adjustments						-
Total expenses July 1, 2020 through June 30, 2021				1,381,578	365,560	1,747,138
Amounts reimbursed July 1, 2019 through June 30, 2020, net				(1,306,531)	(435,252)	(1,741,783)
Total change in balance due from/(to) members at June 30, 2021				75,047	(69,692)	5,355
Balance due from/(to) members at June 30, 2021, net				\$ (33,100)	\$ 93,167	\$ 60,067

See independent auditors' report.



CAYUCOS SANITARY DISTRICT STAFF REPORT

TO: BOARD OF DIRECTORS
FROM: RICK KOON, DISTRICT MANAGER
DATE: APRIL 13, 2023
SUBJECT: DISCUSSION AND CONSIDERATION TO ACCEPT A GRANT OF SEWER EASEMENT FOR 3250 OCEAN BLVD. (064-424-019)

DISCUSSION

On September 23, 1968 the County abandoned the easterly portion of the Acacia Street right-of-way that dead-ends at the freeway. This abandonment allowed the adjacent lots to move their property lines to the old center line. An exception to the abandonment is a 25' provision reserved for utilities, which includes the District's main.

The District's main is located 5' north of the old centerline. As was relayed to the new owner of 3250 Ocean Blvd., the District only requires a standard 10' easement for access and maintenance of its facilities.

This is similar to previous Board acceptances of new, better-defined easements within old and abandoned rights-of-way.

RECOMMENDATION

Staff recommends that the Board of Directors accept the Grant of Sewer Easement for 3250 Ocean Blvd. (064-424-019).

RECORDING REQUESTED BY:

CAYUCOS SANITARY DISTRICT

AND WHEN RECORDED MAIL TO:

CAYUCOS SANITARY DISTRICT

200 Ash Avenue
P.O. Box 333
Cayucos, California 93430

(THIS SPACE FOR RECORDER'S USE ONLY)

GRANT OF SEWER EASEMENT

ASSESSOR'S PARCEL NO: 064-424-019

For valuable consideration, receipt of which is hereby acknowledged, Hanan Azeem, a single man ("Grantor"),

HEREBY GRANTS to the Cayucos Sanitary District, a California special district ("Grantee"), in the County of San Luis Obispo, State of California, a nonexclusive, irrevocable, permanent easement and right of way for access to install, lay, construct, reconstruct, maintain, operate, repair, and remove sewer pipelines and other sewer facilities, including any or all appurtenances thereto, together with the right of ingress and egress, in, over, under, along and across all that real property situated in the County of San Luis Obispo, State of California, described and depicted as follows:

See Exhibits "A" and "B" attached hereto and incorporated herein.

Reserving unto the Grantor herein, and his heirs and assigns, the continued use of the herein described parcel of land subject to the following conditions:

The erecting of buildings, masonry walls, decks and other structures and obstructions of any kind; the planting of trees; the changing of the surface grade; and the installation of privately owned pipelines shall be prohibited, except by a Grant of License duly issued by the District Manager.

Grantor: Hanan Azeem

By: [Signature]
Hanan Azeem

Date: 3/31/2023

This is to certify that the interest in real property conveyed by this instrument to the Cayucos Sanitary District, a California special district, is hereby accepted by the undersigned officer on behalf of the Cayucos Sanitary District, pursuant to authority conferred by the Board of Directors, and the Grantee consents to recordation thereof by its duly authorized officer.

District Manager: [Signature]
Rick Koon

Date: 04-03-23

EXHIBIT A

Legal Description

A portion of Acacia Avenue of Morro Strand Unit No. 3 as shown on map filed in Book 3 of Maps at page 112, records of San Luis Obispo County, California described as follows;

The Southeasterly 10.00 feet and the Southwesterly 10.00 feet of the Northwesterly half of that portion of Acacia Street abandoned by the San Luis Obispo County Board of Supervisors Resolution No. 68-451 recorded in Book 1491, Page 40 of Official Records of said County.

The sidelines of the above-described parcel should be lengthened and/or shortened to intersect adjacent course sidelines and property boundaries.

The above-described parcel is graphically shown on Exhibit B attached hereto and made a part hereof.

* * *



EXHIBIT "B"

3 MB 112
PORTION
BLOCK 46

PORTION LOT 11

1/2" REBAR
LS 4562 PER
21 CR 103

N64°52'09"E 53.16'R2
N64°55'00"E 53.45'M

1/2" REBAR
LS 4562 PER
21 CR 103

STATE HWY 1

PORTION
LOT 12

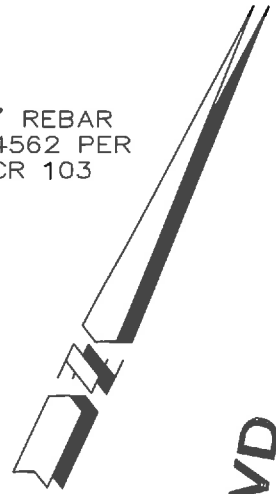
DOC #2004-010110 (D1)

PORTION
LOT 13

70.00'M, CFR&D1
N25°12'19"W 95.00'M
N25°08'00"W 95.00'CFR

71.04'M
71.17'R
71.18'D1

N14°43'00"W 96.59'CFR
N14°48'19"W 96.46'M



OCEAN BLVD

N64°46'55"E M 40.62'M
N64°52'00"E R 40.23'D1

10.00'
25.00'M&R
N25°12'19"W
15.00'

10' WIDE
SEWER
EASEMENT

S25°12'19"E

N64°46'55"E 27.87'

25.42'M&CFR

ACACIA
AVE.

5/8" REBAR
LS 5702 PER
104 RS 64

N64°46'55"E 36.03'

1" IRON PIPE
LS 5702 PER
27 CR 27

ABANDONED PORTION
OF ACACIA AVENUE
PER 1491 OR 40

GRAPHIC SCALE



(IN FEET)
1 inch = 20 ft.

SEWER EASEMENT IN ACACIA AVE
IN BLOCK 46 MORRO STRAND No. 3
SAN LUIS OBISPO COUNTY, CA

N:\2022\22-384 3250 Ocean Blvd - Cayucos\C3D\S Ocean & Acacia-new sewer easement.dwg, 8.5X11 EXH, Nov 29, 2022 2:56pm, RCassera



MICHAEL B. STANTON, PLS 5702
3559 SOUTH HIGUERA ST.
SAN LUIS OBISPO, CA 93401
805-594-1960

November 29, 2022

JOB #22-384

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of San Luis Obispo)

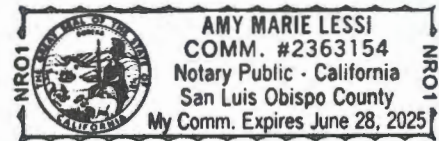
On March 31, 2023 before me, Amy Marie Lessi, Notary Public,
(here insert name and title of the officer)

personally appeared Hanan Azeem

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature

Amy Lessi

(Seal)

Optional Information

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____

containing _____ pages, and dated _____

The signer(s) capacity or authority is/are as:

- Individual(s)
 Attorney-in-Fact
 Corporate Officer(s) _____
Title(s)

- Guardian/Conservator
 Partner - Limited/General
 Trustee(s)
 Other: _____

representing: _____
Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information	
Method of Signer Identification	
Proved to me on the basis of satisfactory evidence: <input type="radio"/> form(s) of identification <input type="radio"/> credible witness(es)	
Notarial event is detailed in notary journal on: Page # _____ Entry # _____	
Notary contact: _____	
Other	
<input type="checkbox"/> Additional Signer(s)	<input type="checkbox"/> Signer(s) Thumbprint(s)
<input type="checkbox"/> _____	

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of San Luis Obispo)

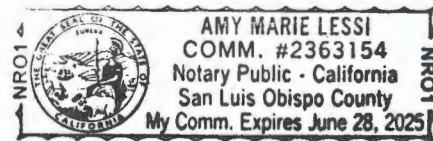
On April 3, 2023 before me, Amy Marie Lessi, Notary Public,
(here insert name and title of the office)

personally appeared Richard L Koon

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Amy Lessi

(Seal)

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Notary contact: _____	
Other	
<input type="checkbox"/> Additional Signer(s)	<input type="checkbox"/> Signer(s) Thumbprint(s)
<input type="checkbox"/>	



CAYUCOS SANITARY DISTRICT STAFF REPORT

TO: BOARD OF DIRECTORS

FROM: RICK KOON, DISTRICT MANAGER

DATE: APRIL 13, 2023

SUBJECT: DISCUSSION AND CONSIDERATION TO APPROVE A CONTRACT WITH WATER SYSTEMS CONSULTING, INC. IN THE AMOUNT OF \$34,815.00 FOR THE DESIGN OF THE CHANEY AVE. TO TORO CREEK RD. INTERCEPTOR LINE

DISCUSSION

This project is incorporated within the District's FY 22/23 CIP Budget with a \$35,000 limit.

The project is intended to reduce system inflows and infiltration in the two existing 12" VCP gravity mainlines serving Lift Station 5. The two 12" lines would be replaced with a single large diameter (36") sewer mainline which will provide additional equalization volume for efficient treatment plant operations and replace suspected areas of inflow and infiltration along the Caltrans right-of-way.

This proposal is anticipated to cover preliminary engineering and Caltrans coordination efforts for a 50% design. Once we know Caltrans design requirements, a final design cost for engineering and preparation of the construction documents, including preliminary costs, will be developed and presented to the Board for approval.

RECOMMENDATION

Staff recommends that the Board of Directors approve a contract with Water Systems Consulting, Inc. in the amount of \$34,815.00 for the design of the Chaney Ave. to Toro Creek Rd. Interceptor Line.

Task No. Task Description	WSC								ALL FIRMS
	Project Manager	Project Engineer	CAD Drafter	Clerical/Admin	WSC Labor Hours	WSC Labor Fee	Expenses	WSC Fee	Total Fee
	Dylan Wade	Kendall Stahl	Paul D'Santi						
<i>Billing rates, \$/hr</i>	\$335	\$210	\$190	\$170					
0 Project Management and Coordination									
0.1 Project Administration	4			8	12	\$ 2,700	\$ -	\$ 2,700	\$ 2,700
0.2 Quality Assurance/Quality Control	4				4	\$ 1,340	\$ -	\$ 1,340	\$ 1,340
0.3 Kick-Off Meeting	1	2			3	\$ 755	\$ -	\$ 755	\$ 755
0.4 Meeting #1 - 50% Draft Design Review	1	2			3	\$ 755	\$ -	\$ 755	\$ 755
SUBTOTAL	10	4	0	8	22	\$ 5,550	\$ -	\$ 5,550	\$ 5,550
1 Preliminary Engineering									
1.1 Data Collection and Review		6			6	\$ 1,260	\$ -	\$ 1,260	\$ 1,260
1.2 Encroachment Permits	6	16			22	\$ 5,370	\$ 100	\$ 5,470	\$ 5,470
1.3 Utility Research	1	12			13	\$ 2,855	\$ -	\$ 2,855	\$ 2,855
1.4 Base Map Preparation and Site Visit		4	8		12	\$ 2,360	\$ -	\$ 2,360	\$ 2,360
SUBTOTAL	7	38	8	0	53	\$ 11,845	\$ 100	\$ 11,945	\$ 11,945
2 Construction Documents									
2.1 Pipeline Design	4	10	12		26	\$ 5,720	\$ 100	\$ 5,820	\$ 5,820
2.2 Specifications	1	2			3	\$ 755	\$ -	\$ 755	\$ 755
2.3 Opinion of Probable Construction Cost	1	6			7	\$ 1,595	\$ -	\$ 1,595	\$ 1,595
2.4 50% Draft Design Submittal		20	25		45	\$ 8,950	\$ 200	\$ 9,150	\$ 9,150
SUBTOTAL	6	38	37	0	81	\$ 17,020	\$ 300	\$ 17,320	\$ 17,320
COLUMN TOTALS	23	80	45	8	156	\$ 34,415	\$ 400	\$ 34,815	\$ 34,815

10% mark-up on direct expenses; 15% mark-up for sub-contracted services, Standard mileage rate \$0.625 per mile (or current Federal Mileage Reimbursement Rate)

Scope of Services

Chaney to Toro Pipeline Replacement Project

The Cayucos Sanitary District desires to reduce system inflows and infiltration by replacing the two feedlines serving Lift Station 5 with a single large diameter sewer trunkline. This will provide additional equalization volume and replace a suspected area on inflows and infiltration. This proposal is anticipated to cover preliminary engineering and Caltrans coordination efforts. Subsequent efforts with additional budget will be required for the detailed design (90%) and construction phase.

TASK 0.0 PROJECT MANAGEMENT & COORDINATION

0.1 Project Administration

- WSC will provide project administration and coordination with the Cayucos Sanitary District, Caltrans, subconsultants, and the County.
- WSC will prepare monthly invoices. Project management is assumed to cover a 6-month duration covering the preliminary design phase of the project.

0.2 Quality Assurance/Quality Control

- WSC senior technical staff will be responsible for executing the Quality Assurance and Quality Control (QA/QC) program.
- WSC senior technical staff will provide comprehensive QC reviews of deliverables prior to submittal to CSD for review. Anticipated deliverables are described in subsequent tasks.

0.3 Kick-Off Meeting

- WSC will plan, organize, and conduct one (1) one-hour kick-off meeting. The purpose of the kick-off meeting will be to: (1) establish roles and responsibilities; (2) review scope, schedule, and deliverables; (3) review available data and establish data needs; (4) review points of connection, bypass strategy, alignment constraints, known utility coordination; and (5) discuss CSD's preferences for design plans, Technical Specifications, and Front-End Documents.
- WSC anticipates attendance of the Project Manager and Project Engineer for a one-hour meeting in person plus travel and preparation time.

0.4 Meeting #1 – 50% Draft Design Review

- WSC will plan, organize, and conduct Meeting #1. The purpose of the meeting is to discuss the Draft Design Submittal and Technical Specifications. WSC anticipates the meeting will be held approximately ten (10) business days after the Draft Design is submitted. Discussion topics will include the points of connection, utility conflicts, additional potholing (if necessary), proposed pipeline alignment, technical specification preferences, Caltrans permitting constraints and any other comments or preferences CSD would like to incorporate. The review will be followed by a discussion of the next steps and design completion schedule. Draft agendas will be provided prior to the meeting.

Deliverable: Draft agendas, meeting minutes, and decision logs

TASK 1.0 PRELIMINARY ENGINEERING

1.1 Data Collection and Review

- WSC will gather and review record maps of existing sewer lines. WSC will review digital copies of all available record drawings within the project area within one (1) week of receipt.

1.2 Encroachment Permits

- WSC will assist CSD with preparation of application materials as required to submit for a Caltrans permit and the discussions with Caltrans staff regarding the status of this pipeline.
- WSC will lead the application for the California Department of Transportation Encroachment Permit for the project.
- WSC will prepare and submit (1) encroachment permit package with required supporting technical documentation for:
The Chaney to Toro Pipeline replacement project including any bypass or highlines required.
- WSC assumes CSD will directly pay any Caltrans permit fees. WSC assumes that the contractor will prepare Storm Water Pollution Prevention Plan (SWPPP) and traffic control plans to Cal Trans standards as required by Contract Documents prepared during subsequent phases of work.

1.3 Utility Research

- WSC will use the utility list obtained from the Design DigAlert to contact agencies and utilities who may have facilities in the project area. WSC anticipates requesting plans from the following utility companies: City of San Luis Obispo Whale Rock Pipeline; Pacific Gas and Electric (PG&E); SoCal Gas; Charter Communication; Cayucos Sanitary District (Sewer); County of San Luis Obispo, Pacific Bell; and others as appropriate.

Deliverable: PDF copies of utility drawings received. PDF of correspondence with Utility Agencies.

1.4 Base Map Preparation and Site Visit

- WSC will prepare a base map in ArcGIS using data provided by the Cayucos Sanitary District, record drawings obtained from utility companies, and aerial and street view imagery available in the public domain.
- WSC will conduct a site visit of the project area to verify the information depicted on the utility location maps and plans, where possible. Additional evidence of existing utilities or necessary corrections observed during the site visit will be field measured and the base map will be updated to reflect the approximate locations.

Task 1.0 Assumptions: WSC will use standard County of San Luis Obispo details and as such is not obtaining site specific geotechnical engineering information nor performing a site survey. WSC will incorporate standard manhole and other material preferences provided by CSD into the design plans and specifications.

TASK 2.0 CONSTRUCTION DOCUMENTS

2.1 Pipeline Design

- WSC will prepare plans at scale of 1" = 30' horizontal for approximately 2,800 LF of 36-inch pipeline between Lift Station 5 and Chaney Avenue including the existing CSD wastewater pipelines.

- The plans will include the following elements: new pipelines will be located in Caltrans right of way assuming that similar to the Toro Creek Bridge project the Cayucos Sanitary District pipelines predate the construction of Highway 1; the alignment of the proposed pipelines dimensioned offset from relevant features (such as right-of-way); connections to the existing system at both Chaney and Lift Station 5; locations for any new system appurtenances; and pipe centerline stationing to identify the locations of pertinent features on the plan and profile view as well as to aid in collecting accurate as-built information during construction.

2.2 Specifications

- WSC will prepare a list of anticipated technical specifications in 50 Division CSI format including Division 01 General specification and required technical specifications. It is assumed the Front-End Documents for this project will be based on the previous CSWP EJCDC documents.

2.3 Opinion of Probable Construction Cost

- WSC will prepare and submit an opinion of probable construction cost with the 50% Design submittal. The estimates will be prepared to a Class 3 estimate in accordance with AACE International standards.

2.4 50% Draft Design Submittal

- WSC will submit the 50% Draft Design Submittal (preliminary plan and profile, base map, list of specifications, and 50% opinion of probable construction cost) for review.
- The preliminary drawings will include the proposed alignment for the new sewer trunkline, manholes, as well as points of connection to the existing system and facilities to be abandoned. WSC will conduct Meeting #1 - 50% Draft Design Review Meeting with CSD staff to discuss the Draft Design Submittal and receive comments. Design drawings and specifications will be revised according to CSD's comments prior to inclusion in Caltrans permitting materials.

Deliverable: One (1) PDF submittal of 50% draft plans, specifications, and probable construction cost estimate. Two (2) full-size hardcopies of the plans and two (2) half-size hardcopies of the plans.

Task 2.0 Assumptions: Plan sets will be on 22" x 34" paper, and the presentation and layout of the plans will consider the functionality of half-size (11" x 17") plans. All drawings shall be in native AutoCAD 2018 format and per WSC CAD standards. WSC understands that the scope of the project lies entirely within street and Caltrans right-of-way and existing Public Utility Easements and that no easement or property acquisition is required. Scope assumes open cut construction for the entirety of this alignment, jack and bore or directional drilling would require additional engineering beyond this scoped effort.

Anticipated Sheet List

#	Sheet	Name	50% Submittal	90% Submittal (Not included in this effort)	Final (Not included in this effort)
	T-1	Title, Vicinity Map, and Location Map	Prelim	Update	Final
	G-1	Sheet Index and Key Map	Prelim	Update	Final
	G-2	Legend Abbreviations and Symbols	Prelim	Update	Final
	G-3	General, Civil, and Mechanical Construction Notes	Prelim	Update	Final
	C-1	Pipeline Plan & Profile (1) & Chaney tie in locations	Prelim	Update	Final
	C-2	Pipeline Plan & Profile (2)	Prelim	Update	Final
	C-3	Pipeline Plan & Profile (3)	Prelim	Update	Final
	C-4	Pipeline Plan & Profile (4)	Prelim	Update	Final
	C-5	Pipeline Plan & Profile (5)	Prelim	Update	Final
	C-6	Pipeline Plan & Profile (6) & Lift Station 5 tie in location	Prelim	Update	Final
	C-7	Civil Details 1	--	Update	Final
	SD-1	Standard Details Sheet 1	--	Update	Final
	SD-2	Standard Details Sheet 2	--	Update	Final



CAYUCOS SANITARY DISTRICT STAFF REPORT

TO: BOARD OF DIRECTORS
FROM: RICK KOON, DISTRICT MANAGER
DATE: APRIL 13, 2023
SUBJECT: DISCUSSION AND CONSIDERATION TO FORM AN AD HOC COMMITTEE TO EVALUATE RECYCLED WATER OPPORTUNITIES

DISCUSSION

As part of this year's tasks for the Recycled Water Program, the District needs to evaluate potential recycled water opportunities and receive stakeholder input on other possible recycled water use options.

The Ad Hoc Committee shall consist of two Board members and the District Manager. The Ad Hoc Committee will report back to the Board on their recommendations.

RECOMMENDATION

Staff recommends that the Board of Directors form an Ad Hoc Committee to evaluate recycled water opportunities.