

CAYUCOS SANITARY DISTRICT

200 Ash Avenue
PO Box 333, Cayucos, CA 93430-0333
805-995-3290
805-995-3673(fax)

GOVERNING BOARD

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

BUDGET AND FINANCE COMMITTEE SPECIAL MEETING MINUTES MONDAY, JUNE 2, 2008, 2:45 P.M.

Budget & Finance Committee Members Present:
Robert Enns, Board President
Hal Fones, Director

Staff Members Present:
Bill Callahan, District Manager
Bonnie Connelly, Admin. Svcs. Officer
Nancy Martin, Admin. Svcs. Tech.

1. CALL MEETING TO ORDER

The committee meeting was opened at 2:59 p.m.

2. PUBLIC COMMENTS

There were no public comments.

3. DISCUSS AND REVIEW PROPOSED DISTRICT BUDGET AND CAPITAL IMPROVEMENT PROJECTS FOR THE 2008-2009 FISCAL YEAR

- A. CAPITAL IMPROVEMENT PROJECTIONS
- B. PROPOSED BUDGET

Manager Callahan's written Capital Improvement and Special Project Proposal was received along with Budget Notes for FY 08/09. Additionally, Officer Connelly provided adjusted "draft" budget figures after the Board approved an enhanced salary, retirement and benefits package in May for District "at will" employees. Maintenance and Operations (M&O) Special Projects were also adjusted. Connelly reported that WWTP Upgrade Project expenditures of approximately \$245,000.00 are expected, in addition to the \$537,543.00 included in the "draft" budget. President Enns inquired about Revenue Rate Plan projections and how the figures relate to the "draft" FY 08/09 budget. The Revenue Rate Plan projected a \$3.2M District loan to be acquired in FY 07/08. That loan, however, was not necessary since the district did not acquire property nor building for relocation of a District M&O shop. Connelly stated that the additional Treatment Plant capital expenditures were not foreseen and therefore could create budget deficiencies. She added that the O&M Shop Project has not been factored into the budget and that the District should try to stay within the parameters of the Revenue Rate Plan since sewer user rates were established in accordance with that document prepared for the WWTP Upgrade Project.

Enns stated he has concerns with proposed Capital Improvement Projects and Special Projects (CIP) and recommended deferring the following projects:

- 1) The Sewer System Master Plan (\$50,000.00). Continue the Inflow and Infiltration (I&I) study with videoing and flow monitoring before beginning the comprehensive study.
- 2) Lift Station #2 and #5 Assessment (\$20,000.00). Manager Callahan indicated air valves may improve operations at Lift Station #2 and asked for approval of assessment of Lift Station #2.
- 5) Main Street Capacity Enhancement Project (\$118,000.00). This project is a carryover from FY 07/08.
- 7) Lift Station #5 Motor Control Center (MCC) (\$40,000.00). This project is a carryover from FY 07/08.

CIP recommended for funding include:

- 3) Phase III Sewer Line Replacement. This project is a carryover from FY 07/08. In light of projected WWTP expenditures the project request had been reduced from \$400,000.00 to \$100,000.00.
- 4) Manhole Reconditioning (\$18,500.00).
- 6) District Shop (\$93,000.00). President Enns proposed securing a loan mid-year if needed to continue the project.
- 8) Lift Station #3 Reconstruction (\$60,000.00). This project is a carryover from FY 07/08.
- 9) Trailer Mounted Sewer Jetter with Detachable CCTV System (\$40,000.00). Manager Callahan anticipates significant savings in annual sewer line cleaning services as well as the ability to access defective lines that the current District camera is unable to.

There was agreement between President Enns and Director Fones on the CIP projects to go forward with and those to be deferred for the time being. It was suggested by Director Fones that the CIP projects to be included in the budget be earmarked as Category "A" projects and those being conditionally deferred be earmarked Category "B" projects.

4. ADJOURNMENT

The meeting adjourned at 4:30 p.m.

Minutes recorded by: *Nancy Martin*
Nancy Martin