

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

AGENDA NO. 10A  
DATE 6/18/2008

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

REGULAR MEETING  
MINUTES  
MAY 21, 2008

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 6:02 p.m., Wednesday, May 21, 2008.

Board members present: President Robert B. Enns, and Directors Shirley Lyon, Bud McHale and Hal Fones

Board members absent: Vice-President Raimondo

Staff present: District Manager Bill Callahan, Administrative Services Officer Bonnie Connelly and Administrative Services Tech. Nancy Martin

Visitors present: Tom Martin, General Manager (Mission Country Disposal), Architect Jon McAlpin (Omni Design Group), Robert Tennent (District employee), and Harry Murphy and Richard McCagno (property owners)

2. PUBLIC COMMENTS

Sanitary District employee, Robert Tennent, designated by District employees to represent their collective interests regarding proposed salary and benefits enhancements, addressed the Board. He asked the Board to consider the following:

- Increasing the PERS retirement benefit formula from 2.0% @ 55 to 2.7% @ 55;
- Make salary equity adjustments determined from the recent salary survey conducted (½ @ 7/1/08, ½ @ 1/1/09);
- Looking at a Cost of Living Adjustment (COLA) annually;
- Increasing Cafeteria Plan spending by up to \$75 to cover the cost of increasing medical, dental and vision insurance premiums;
- Addition of one floater holiday;
- Increasing vacation accrual for longevity starting with 5 years of service, 10 years of service and beyond

President Enns thanked Mr. Tennent and stated that the item would be discussed under Closed Session, Agenda Item 14, with input from the Personnel Committee.

It was the consensus of the Board to address Agenda Item 8 at this time.

8. CONSIDERATION OF PROPOSAL FOR A 3.05% RATE INCREASE FOR SOLID WASTE DISPOSAL FROM MISSION COUNTRY DISPOSAL (SUBJECT TO PROPOSITION 218 HEARING REQUIREMENTS)

Manager Callahan's written report was received. Tom Martin, General Manager at Mission Country Disposal, answered questions from Board members. He related that rising fuel costs are affecting all aspects of business and asked the Board to consider a 3.05% rate increase in solid waste disposal. Director McHale stated property owners have expressed interest in Mission County implementing a Green Waste Program and he asked if Mission Country would consider a once or twice a year pick-up of green waste at a designated location in Cayucos. Mr. Martin responded that a Green Waste Program is not feasible in Cayucos with the minimal amount of green waste generated but suggested that the waste could be picked up during Clean-up Week, which is held twice a year, in the fall and spring.

MOTION: First by Fones with second by McHale to approve Mission Country Disposal's proposal for a 3.05% rate increase in solid waste disposal and to proceed with the 218 process.

VOTE: 4-0

3. CURRENT REPORT ON DISTRICT O&M SHOP PROGRESS WITH JON McALPIN FROM OMNI DESIGN GROUP AND DISCUSSION OF CURRENT SHOP LOCATION

Director McHale stepped down, citing a conflict of interest.

District Manager Callahan reported he and Mr. McAlpin met with Matt Janssen and Kerry Brown with the County Planning and Building Department to discuss a Minor Use Permit (MUP) for the project. They were told that the \$4,000-\$6,000 fee may be waived, and that the time frame for issuance of the permit may be reduced to four months (from six). Callahan and McAlpin will be meeting with County Supervisor, Bruce Gibson, as well. Mr. McAlpin asked the Board for direction to proceed with the project. President Enns asked if it would be more prudent if a building permit were obtained for the entire phased project. McAlpin was in agreement, although he stated it may add a month to the permitting process. Officer Connelly suggested proceeding with the entire project at this time in anticipation of rising construction costs and the availability of labor. President Enns asked Mr. McAlpin to return to the next Board meeting in June with a preliminary layout and elevations and an estimate of costs for the project, including remodeling the existing office. Additionally, Mr. McAlpin would be meeting with Cayucos staff on two occasions before that meeting.

Manager Callahan's written report regarding the temporary relocation of the District O&M shop was received. In light of recent thefts at the Cabrillo location, Board members had suggested staff look into storing District equipment and vehicles at the office location on Ash Ave. Callahan's report included photographs of the area currently being used on Cabrillo Ave. He did not recommend the move, nor did District employee, Robert Tennent. The Board concurred.

Director McHale was reseated.

President Enns stepped down, citing an economic conflict of interest as it relates to lateral policy and the fact that he installs and repairs laterals. Director Fones presided over the meeting in his absence.

6. REVIEW AND DISCUSSION OF DISTRICT POLICIES REGARDING SEWER LATERAL OWNERSHIP AND MAINTENANCE AND DRAFT ORDINANCE NO. 26

Harry Murphy (58 16th Street) and Richard McCagno (52 16th Street) introduced themselves to Board members. It was recently discovered that Mr. Murphy's sewer lateral was not tied into the sewer main in the street but to Mr. McCagno's lateral next door. Mr. Murphy was directed to abandon and cap off his line connected to Mr. McCagno's and to put in a new lateral, tied in at the sewer main in the street. Additionally, staff has indicated that where Mr. Murphy's line was tied into Mr. McCagno's must be capped, as well, which necessitates digging up Mr. McCagno's yard at an estimated cost of \$400. Mr. Murphy feels the District is at fault, in that they conceivably inspected the original tie in, and should be responsible for costs associated with digging up Mr. McCagno's yard and capping the abandoned line where it was tied into Mr. McCagno's line. Manager Callahan suggested he meet with Mr. Murphy and Mr. McCagno for further discussion. Director Fones recommended deferral to District Counsel, Tim Carmel, for direction, for staff to determine realistic costs to dig up and cap the abandoned line at Mr. McCagno's line, to consider District staff doing the work, and for Mr. McCagno to allow access to his yard to assess the situation there.

President Enns was reseated.

4. CONSIDERATION TO APPROVE A BUDGET REVISION REQUEST FROM BOYLE ENGINEERING IN THE AMOUNT OF \$3,000.00 FOR GENERAL ENGINEERING SERVICES

Manager Callahan's written report was received recommending approval of the budget revision requested.

MOTION: First by Fones with second by McHale to approve a budget revision request of \$3,000.00 from Boyle Engineering for general engineering services. VOTE: 4-0

5. REVIEW AND DISCUSSION OF DRAFT BUDGET AND CAPITAL IMPROVEMENT PLAN FOR THE 2008-2009 FISCAL YEAR

Manager Callahan's Capital Improvement Plan (CIP) was received. Officer Connelly's "Draft" FY 08/09 Budget with a comparison of the Revenue Rate Plan Projected CIP Budget for FY 08/09 were received. Callahan recommended scheduling a Budget/CIP subcommittee meeting before the regular June Board meeting. President Enns indicated he has concerns with the proposed CIP and would like to see an earlier five year Projected CIP Budget for comparison purposes. A tentative date of June 2 was set up, with committee member Enns and Director Fones in the place of committee member Raimondo who has a prior commitment on that date.

7. STAFF COMMUNICATIONS AND INFORMATION ITEMS (No action required):

A. District Manager's Report (Callahan) – April 2008

Manager Callahan's written report was received. There were no questions.

B. Administrative Services Officer's Report (Connelly) – April 2008  
Officer Connelly's written report was received. She related she and Manager Callahan attended a CSDA meeting May 8 at which County Auditor-Controller Gere Sibbach spoke on State budget woes and the possibility of significant cuts in property tax revenues for special districts.

C. Operations and Maintenance Report – April 2008  
Maintenance Tech Dave Zevely's written report was received. President Enns suggested staff continue flow monitoring during peak dry weather to aid in locating areas of inflow and infiltration (I&I).

D. Summary of Meeting with David LaCaro RWQBC (Callahan) – April 2008  
Manager Callahan's written report was received. He met with Morro Bay staff and Mr. LaCaro who is managing the Wastewater Treatment Plant (WWTP) permit renewal. Mr. LaCaro indicated the permit hearing will tentatively be held in December.

#### 9. CONSENT CALENDAR

- A. Minutes of Regular Board Meeting of April 16, 2008
- B. Minutes from Personnel Committee special Meeting of April 7, 2008
- C. Approval to Pay Outstanding Bills as of May 21, 2008

Administrative Services Tech Nancy Martin pointed out that Agenda Item 9C contained an erroneous entry. The correct total of outstanding bills should be \$18,899.99.

MOTION: First by McHale with second by Lyon to approve Agenda Items 9A and 9B, and Agenda Item 9C as amended. VOTE: 4-0

#### 10. BOARD MEMBER COMMENTS

There were no comments made.

#### 11. MEETINGS, CONFERENCES, AND SEMINARS:

- A. Morro Bay-Cayucos Wastewater Treatment Plant (JPA) Meeting, Wednesday, May 28, 2008 Hosted By Morro Bay, Location: Morro Bay Veterans Hall at 6 p.m.
- B. SCDA Local Chapter Annual Meeting, July 11, 2008 Tentative Location: Avila Veterans Hall

#### 12. SCHEDULE AGENDA ITEMS FOR THE JUNE 18, 2008 BOARD MEETING

- "Draft" Budget and CIP for FY 08/09
- O&M Shop and Office Remodel Project
- Sewer Lateral Ownership and Maintenance Policy

#### 13. ANNOUNCEMENT OF CLOSED SESSION ITEMS

President Enns announced Closed Session at 8:05 p.m.

CLOSED SESSION:

14. CONFERENCE WITH LABOR NEGOTIATOR pursuant to Government code Section 54957.6(a) Agency Designated Representative: District Manager; Unrepresented: All 6 District Employees
15. PUBLIC EMPLOYEE PERFORMANCE EVALUATION pursuant to Government code Section 54957 Title: District Manager

RECONVENE TO OPEN SESSION:

16. ANNOUNCE ANY ACTIONS TAKEN IN CLOSED SESSION

The meeting reconvened to Open Session at 9:35 p.m.

ITEM 14. MOTION: First by Fones with second by Lyon to approve the following enhancements to District employees' salaries, retirement and benefits:

- PERS Employer Retirement Contribution benefit formula of 2.5% @ 55 effective 7/1/08
- Salary Equity Adjustments (50% effective 7/1/08 and 50% effective 7/1/09)
- Cost of Living Adjustment (COLA) of 3.25% effective 7/1/08
- Increase Cafeteria Plan spending account by lesser of actual premium increases (medical, dental, vision) or \$75 per month per employee effective 1/1/09. All employees receiving cash back in lieu of insurance to provide proof of existing health insurance coverage.
- Addition of one floating holiday

VOTE: 4-0

ITEM 15. There was no action to report.

17. ADJOURNMENT

The meeting adjourned at 9:40 p.m.

Minutes recorded by: *Nancy Martin*  
Nancy Martin