



CAYUCOS SANITARY DISTRICT

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

www.CayucosSanitaryDistrict.gov

GOVERNING BOARD

R. Enns, President
J. Curti, Vice-President
J. Smith, Director
J. Clark, Director
J. Billings, Director

BOARD OF DIRECTORS REGULAR MEETING AGENDA THURSDAY, OCTOBER 15, 2026 AT 5:00PM 200 ASH AVENUE, CAYUCOS, CALIFORNIA 93430

1. ESTABLISH QUORUM AND CALL TO ORDER

2. CLOSED SESSION:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2): One potential case.

Subject Matter: Proposed District Annexation No. 21

3. RECONVENE TO OPEN SESSION & REPORT FROM CLOSED SESSION

4. PUBLIC COMMENT

At this time the public may address the Board on items other than those scheduled on this agenda that are within the jurisdiction of the Board (persons wishing to speak on any item scheduled on this agenda will be given the opportunity at the time that agenda item is being considered). When recognized by the Board President, please state your name 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. By conditions of the Brown Act, the Board is prohibited from discussing issues not posted on this agenda, but may set items for future agendas.

5. AGENDA REVIEW AND CONSIDERATION OF ITEMS TO BE DEFERRED

6. CONSENT CALENDAR

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. Meeting Minutes **Pg. 1**

1. Approval of minutes for the September 17, 2026 Board of Directors Regular Meeting

B. Financial Reports: September 2026 **Pg. 5**

1. Cash, Savings, and Investment Report
2. Check Registers – Wells Fargo (General & CIP Checking Accounts)
3. Budget vs. Actual Status Report
4. Capital Improvement Projects Report
5. Quarterly Investment Report (OIP)

7. STAFF COMMUNICATIONS AND INFORMATIONAL ITEMS

A. District Manager's Report: September 2026 [Pg. 14](#)

B. Will-Serve Activity: September 2026

1. New Will-Serves: None

2. Extended Will-Serves

- 147 Ash Ave. / Toman / 064-113-007 / 3 SFR New, 2 ADU New
- 3194 Studio Dr. / Rosen / 064-417-009 / SFR New
- 1210 Pacific Ave. / Smith / 064-227-006 / SFR New

3. Finaled Will-Serves

- 3194 Studio Dr. / Rosen / 064-417-009 / SFR New
- 1685 Cass Ave. / Hall / 064-172-016 / SFR New, JADU New
- 797, 799 Saint Mary Ave. / Del Papa / 064-133-009 / SFR Remodel, ADU New

8. DISCUSSION AND CONSIDERATION TO APPROVE A GRANT OF LICENSE AND AGREEMENT AFFECTING REAL PROPERTY LOCATED AT 3526 GILBERT AVENUE (APN 064-407-008) [Pg. 17](#)

9. DISCUSSION AND CONSIDERATION TO ADOPT RESOLUTION 2026-11 RECOMMENDING CANDIDATES FOR APPOINTMENT TO DISTRICTS 2 AND 3 OF THE CAYUCOS SANITARY DISTRICT BOARD OF DIRECTORS [Pg. 27](#)

10. DISCUSSION AND CONSIDERATION TO APPROVE A 5-YEAR SERVICES AGREEMENT WITH SPECTRUM BUSINESS IN THE AMOUNT OF \$1,945.00 PER MONTH FOR INSTALLATION OF FIBER CONNECTIONS AND ONGOING SERVICE AT THE ADMINISTRATIVE OFFICE AND LIFT STATIONS [Pg. 30](#)

11. 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.

12. FUTURE SCHEDULED MEETINGS

- A. November 19, 2026 – Regular Board Meeting**
- B. December 17, 2026 – Regular Board Meeting**
- C. January 21, 2027 – Regular Board Meeting**

13. 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.cayucossanitarydistrict.gov/meetings>

All staff reports or other documentation relating to each item of business referred to on the agenda are also on file at the District office, available for public inspection or 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.



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AGENDA ITEM:

6.A.1

GOVERNING BOARD

R. Enns, President
J. Curti, Vice-President
J. Smith, Director
J. Clark, Director
J. Billings, Director

BOARD OF DIRECTORS REGULAR MEETING MINUTES THURSDAY, SEPTEMBER 17, 2026 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. and announced that Closed Session Item # 12 (CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION) would be pulled to the first item of business.

Directors Present: President Robert Enns, Vice-President John Curti, Director Justin Smith, and Director Joe Clark

Staff Present: District Manager David Athey and Administrative Services Manager/Board Secretary Amy Lessi

2. PUBLIC COMMENT

None

(12.) CLOSED SESSION

At 5:01 p.m., President Enns announced that the Board would transition to Closed Session.

Public Comment: None

Directors Present During Closed Session: President Enns, Vice-President Curti, Director Smith, and Director Clark

Staff Present During Closed Session: District Manager David Athey

(13.) RECONVENE TO OPEN SESSION & REPORT FROM CLOSED SESSION

Open Session reconvened at 5:29 p.m.

Items to report from Closed Session: None

3. DISCUSSION AND CONSIDERATION TO ADOPT RESOLUTION 2026-12 IN HONOR AND RECOGNITION OF SHIRLEY LYON'S 20 YEARS OF SERVICE ON THE CAYUCOS SANITARY DISTRICT BOARD OF DIRECTORS

Manager Athey and the Board acknowledged and recounted Director Lyon's many contributions to the CSD Board of Directors and the Cayucos community over the past twenty years.

Public Comment: None

Motion: By Director Curti to adopt Resolution 2026-12 in honor and recognition of Shirley Lyon's 20 years of service on the Cayucos Sanitary District Board of Directors

Second: By Director Clark

Vote: 4-0 Motion passed

4. AGENDA REVIEW AND CONSIDERATION OF ITEMS TO BE DEFERRED

No action was taken.

5. CONSENT CALENDAR

President Enns noted the recent payments to CalPERS (unfunded liability paydown) and the USDA (loan payment).

Public Comment: None

Motion: By Director Curti to approve items on the Consent Calendar as prepared

Second: By Director Clark

Vote: 4-0 Motion passed

6. STAFF COMMUNICATIONS AND INFORMATION ITEMS

Manager Athey gave a summary of the previous month's activities, highlighting the recent inspection of the outfall, new certifications earned by staff members Jon Collins and Justin Owens, and considerations regarding the Toro to Chaney Main Line Replacement project.

Public Comment: Jim Billings expressed support for Manager Athey's proposal to evaluate the feasibility of expanding the EQ basin as an alternative to the approximately \$3 million line replacement project.

Item 4 was received and accepted (no Board action necessary).

7. DISCUSSION AND CONSIDERATION TO APPOINT A DIRECTOR TO FILL THE VACANCY FOR DISTRICT 4 OF THE CAYUCOS SANITARY DISTRICT BOARD OF DIRECTORS

Manager Athey presented the two applications received to fill the District 4 Board vacancy. The Board interviewed both applicants and gave each the opportunity to make a statement.

Public Comment: None

Motion: By President Enns to appoint Jim Billings to fill the vacancy for District 4 of the Cayucos Sanitary District Board of Directors

Second: By Director Clark

Rollcall Vote: Enns – yes, Clark – yes, Smith – yes, Curti – yes; 4-0 Motion passed

Jim Billings was administered the Oath of Office and participated in the remainder of the meeting in his official capacity as a Director.

8. DISCUSSION AND CONSIDERATION TO ADOPT RESOLUTION 2026-11 RECOMMENDING CANDIDATES FOR APPOINTMENT TO DISTRICTS 2 AND 3 OF THE CAYUCOS SANITARY DISTRICT BOARD OF DIRECTORS

President Enns requested to table this item until the next regularly scheduled meeting.

Public Comment: None

No action was taken.

9. DISCUSSION AND DIRECTION REGARDING RECRUITMENT FOR THE WATER RESOURCE RECOVERY FACILITY CHIEF PLANT OPERATOR POSITION AND CONSIDERATION TO MODIFY THE JOB DESCRIPTION FOR SAME

Manager Athey discussed with the Board the option of hiring a Grade III Operator for the CPO position. Director Curti expressed a preference to avoid hiring an interim CPO while a Grade III Operator works toward obtaining Grade IV certification, in order to minimize turnover and the resulting disruption to staff. Director

Smith added that a contracted interim CPO would provide limited day-to-day support in the CPO position, which would increase the workload of existing employees, but would also offer the opportunity to observe how existing staff handle CPO duties. President Enns pointed out that promoting an existing employee would create a pathway for other employees to advance and grow within the organization. Director Billings requested clarification on job posting details. Director Smith requested a revision to the CPO job description: "Possess and maintain at least a Grade ~~III~~ IV Wastewater Treatment Operator certificate issued by the California State Water Resources Control Board or obtain a Grade IV Wastewater Treatment Plant Operator certification by February 5, 2027, extendable to June 5, 2027, subject to District Manager discretion."

Public Comment: None

Motion: By Director Smith to 1.) authorize staff to advertise the CPO position and accept Grade III candidates, with Grade IV certification required by February 5, 2027, extendable to June 5, 2027, subject to District Manager discretion; and 2.) approve the proposed changes to the CPO Job Description, with the discussed revision; and 3.) authorize the District Manager to sign a contract with a firm to perform Chief Plant Operator duties should the need arise

Second: By Director Curti

Vote: 5-0 Motion passed

10. DISCUSSION AND CONSIDERATION TO APPROVE AN AGREEMENT FOR CONSULTANT SERVICES WITH WATER SYSTEMS CONSULTING, INC. (WSC) IN THE AMOUNT OF \$50,632 FOR THE DEVELOPMENT OF A CAPITAL IMPROVEMENT PLAN (CIP)

Manager Athey reviewed WSC's proposal with the Board and discussed the Board's preferred modifications to the scope of services.

Public Comment: None

Motion: By Director Smith to approve an agreement for consultant services with WSC in a not-to-exceed amount of \$50,632 for the development of a Capital Improvement Plan, excluding the Lift Station Flow Evaluation Project and the Maintenance Record Assessments Project, and including a Solar Battery Backup Project, a Sludge Drying Project, a New EQ Basin Project, and a Toro to Chaney Evaluation Project

Second: By Director Clark

Vote: 5-0 Motion passed

11. DISCUSSION AND CONSIDERATION TO ADOPT A RESERVES POLICY AND TO CONFIRM THE PROPOSED LADDER OF INVESTMENTS STRATEGY BY OPTIMIZED INVESTMENT PARTNERS (OIP)

Manager Athey presented the proposed Reserves Policy and discussed OIP's services, the terms of the investments, and the proposed Ladder Investment Strategy with the Board.

Public Comment: None

Motion: By Director Clark to adopt the proposed Reserves Policy and authorize investment of \$3,000,000 of reserves in OIP's recommended Laddering Investment Strategy and investment type

Second: By Director Smith

Vote: 5-0 Motion passed

12. BOARD MEMBER COMMENTS

None

13. FUTURE SCHEDULED MEETINGS

14. ADJOURNMENT

The meeting adjourned at 7:47 p.m.
Minutes Respectfully Submitted By:

X Amy Lessi

Amy Lessi
Administrative Services Manager/Board Secretary

DRAFT



CAYUCOS SANITARY DISTRICT

Monthly Financial Report

FY 2026/2027

AGENDA ITEM:

6.B.1

Cash, Savings and Investments

September 2026

Bank Accounts	Current Balance
Wells Fargo - General Checking	\$392,264
Wells Fargo - USDA	\$581,380
Petty Cash	\$175
Total	\$973,819
Investment Accounts	
CalTrust	\$4,414,265
US Bank	\$3,054,693
LAIF	\$1,652
Total	\$7,470,610
Grand Total	\$8,444,429

MCD Wells Fargo Deposit CD (Franchise Deposit)	\$25,000
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Check Registers - Checks Issued September 2026

Date	Num	Name	Amount
09/08/2026	25549	COLLINS, J - testing fee	-53.00
09/08/2026	25550	AMAZON - safety, office supplies	-1,752.19
09/08/2026	25551	AUTOZONE, INC.	-165.95
09/08/2026	25552	COASTAL ROLL OFF SERVICE	-3,940.45
09/08/2026	25553	CULLIGAN OF MORRO BAY	-129.00
09/08/2026	25554	MINER'S ACE HARDWARE	-119.65
09/08/2026	25555	MISSION COUNTRY DISPOSAL - WRRF	-339.42
09/08/2026	25556	STAPLES ADVANTAGE	-61.64
09/10/2026	25558	PATHIAN ADMINISTRATORS	-240.15
09/10/2026	25559	CAL FIRE STATE FIRE MARSHAL	-100.00
09/10/2026	25560	CARMEL & NACCASHA, LLP	-6,579.00
09/10/2026	25561	CONTRACTORS MAINTENANCE SERVICES	-42.09
09/10/2026	25562	MISSION UNIFORM SERVICE	-686.63
09/10/2026	25563	MORRO ROCK MUTUAL WATER CO. UTILITY 782	-93.85
09/10/2026	25564	SPEEDY COASTAL MESSENGER, INC.	-695.00
09/10/2026	25565	SPICE INTEGRATION CORP.	-4,128.00
09/16/2026	25566	OWENS, J - testing fee & mileage	-324.89
09/16/2026	25567	MISSION COUNTRY DISPOSAL	-2,007.38
09/16/2026	25568	ROBEN, P - boots	-113.10
09/16/2026	25569	COLLINS, J - tuition reimbursement	-1,220.00
09/16/2026	25570	CALNET3	-475.15
09/16/2026	25571	FIRSTNET (AT&T)	-620.05
09/16/2026	25572	ON CALL DIAGNOSIS MOBILE MECHANIC LLC	-550.00
09/16/2026	25573	POLYDYNE INC.	-4,785.50
09/16/2026	25574	SDRMA	-1,264.63
09/25/2026	25575	ENNS, R	-182.10
09/28/2026	25576	BREZDEN PEST CONTROL	-270.00
09/28/2026	25577	BUSINESS CARD - sm tools, equip repair	-1,445.11
09/28/2026	25578	BUSINESS CARD - CSDA conference	-514.89
09/28/2026	25579	BUSINESS CARD - office supplies	-266.99
09/28/2026	25580	BUSINESS CARD - op hardware	-248.71
09/28/2026	25581	COAST ELECTRONICS	-54.35
09/28/2026	25582	COUNTY OF SLO - PUBLIC WORKS DEPT.	-360.00
09/28/2026	25583	EXXONMOBIL	-920.97
09/28/2026	25584	MOSS, LEVY & HARTZHEIM LLP	-2,000.00
09/28/2026	25585	SLOCTC ASH	-146.16
09/28/2026	25586	SOCAL GAS	-24.16
09/28/2026	25587	USA BLUE BOOK	-351.75
09/28/2026	25588 - CIP	WATER SYSTEMS CONSULTING, INC.	-5,718.00
09/28/2026	25589	XYLEM WATER SOLUTIONS U.S.A., INC.	-6,868.92
Total Issued Checks			-\$49,858.83

Check Registers - ACH/EFT Payments September 2026

Date	Num	Name	Amount
09/02/2026	EFT71368	POSTMASTER	-743.99
09/04/2026	EFT28580	POSTMASTER	-222.00
09/05/2026	HLTH090526	CALPERS (HEALTH)	-20,049.82
09/05/2026	ACH590113	ALLIED ADMINISTRATORS FOR DELTA DENTAL	-959.37
09/10/2026		QuickBooks Payroll Service	-29,249.59
09/11/2026	PERS091126	CALPERS (RETIREMENT)	-7,914.30
09/11/2026	DEF091126	CALPERS (RETIREMENT)	-2,108.00
09/11/2026	EDD091126	EDD	-2,469.62
09/11/2026	FED091126	US TREASURY	-11,034.18
09/14/2026	EFT00006	INTUIT (QUICKBOOKS)	-98.00
09/15/2026	EFT79420	CALPERS (RETIREMENT)	-70.00
09/16/2026	EFT866881	PG&E LS#1	-794.21
09/21/2026	EFT 390268	CALPERS (RETIREMENT)	-350.00
09/22/2026	EFT868791	PG&E WRRF	-3,605.17
09/22/2026	EFT870591	PG&E LS#3	-231.91
09/22/2026	EFT870191	PG&E LS#2	-1,526.70
09/22/2026	EFT871101	PG&E LS#4	-853.19
09/22/2026	EFT872351	PG&E OFFICE	-445.25
09/22/2026	EFT871721	PG&E LS#5	-4,277.16
09/22/2026	EFT873041	PG&E WELL	-37.82
09/24/2026		QuickBooks Payroll Service	-30,025.36
09/25/2026	PERS092526	CALPERS (RETIREMENT)	-7,914.30
09/25/2026	DEF092526	CALPERS (RETIREMENT)	-2,108.00
09/25/2026	EDD092526	EDD	-2,552.38
09/25/2026	FED092526	US TREASURY	-11,452.48
09/29/2026	ACH7379901	ABALONE COAST ANALYTICAL, INC.	-3,017.20
09/29/2026	ACH7379902	CHARTER INTERNET	-953.59
09/29/2026	ACH7379903	EXECUTIVE JANITORIAL	-225.00
09/29/2026	ACH7379904	REC SOLAR	-12,740.61
09/29/2026	EFT104229	WELLS FARGO VENDOR FIN SERV	-236.07
09/30/2026	EFT108610	COLONIAL LIFE INSURANCE PREMIUMS	-52.58
Total Issued ACH			-\$158,317.85

Transfers Between Accounts September 2026

Date	Description	Amount
09/15/2026	Transfer from General Chkg to USDA Loan Acct	-77,907.72
09/18/2026	Transfer from CalTrust to US Bank	-3,000,000.00
09/21/2026	Transfer from LAIF to CalTrust	-3,563,000.00
Total Transfers		-\$6,640,907.72

Budget vs. Actual September 2026

AGENDA ITEM:

6.B.3

	Current Month	YTD Actual Rev/Exp	Approved Budget 26/27	% of Budget
Ordinary Income/Expense				
Income				
Sewer Income	266,478	801,920	3,235,900	25%
Will Serve Income	50	17,700	88,200	20%
Rental Income	16,924	16,924	3,600	470% *
Solid Waste Income	-	29,324	169,500	17%
SLOCO Tax Assessments	23,803	57,373	1,367,600	4%
Banking Interest Income	53	474	2,500	19%
Investment Interest	8,683	36,327	90,000	40%
Other Income	7,510	7,510	-	0%
Total Income	323,501	967,553	4,957,300	20%
Expenses				
Payroll Expenses				
Administrative Payroll	34,919	122,808	422,990	29%
Collections Payroll	18,612	63,377	267,300	24%
WRRF Payroll	37,814	132,242	545,000	24%
Director Payroll	700	1,500	8,000	19%
Vested Benefits	324	972	4,400	22%
Admin Payroll Taxes & Benefits	9,118	28,737	119,300	24%
Admin PERS Retirement	3,821	42,264	75,400	56% **
Collections Payroll Taxes & Benefits	6,876	21,267	107,700	20%
Coll PERS Retirement	1,354	33,980	49,800	68% **
WRRF Payroll Taxes & Benefits	10,721	33,544	156,400	21%
WRRF PERS Retirement	4,304	43,779	85,900	51% **
Director Payroll Taxes & Benefits	54	115	700	16%
Total Payroll & Benefits	128,617	524,585	1,842,890	28%
Operating Expenses				
Administrative Operating Expenses	14,140	50,994	210,750	24%
LAFCO	-	14,642	15,400	95% ***
Loan Interest Paid	-	197,378	391,000	50% ***
Insurance - Worker's Comp	-	43,339	46,000	94% ***
Insurance - Commercial	-	46,781	65,000	72% ***
Total Admin Operating Expenses	14,140	353,134	728,150	48%
Collections Operating Expenses	20,811	46,001	262,800	18%
Treatment Operating Expenses	76,833	348,576	1,468,600	24%
Total Operating Expenses	111,784	747,712	2,459,550	30%
Total Expenses	240,401	1,272,297	4,302,440	30%
Net Income	83,100	(304,744)	654,860	

* Received prior year rent remittance from CMB for Morro Dunes RV Park

** Unfunded liability is payable in July

*** SDRMA Insurance (Worker's Comp & Commercial), LAFCO and USDA interest payments are payable in July and August.

Month 3 of 12; Target 25% of Budget

Capital Improvement Projects Budget **September 2026**

AGENDA ITEM:

6.B.4

	Current Month	YTD Actual Rev/Exp	Approved Budget 26/27	% of Budget
Collection Improvements				
Sewer Main Repairs	0	0	50,000	0%
Chaney to Lift Station 5 Main Replacement	5,718	7,057	100,000	7%
Spare Pump - Lift Station 2	0	0	50,000	0%
Main Admin				
Capital Improvements Plan	0	0	60,000	0%
WRRF Improvements				
Replacement Vehicle	0	0	65,000	0%
Ocean Outfall & Diffuser Inspection	0	0	65,000	0%
Total Capital Improvements	\$ 5,718	\$ 7,057	\$ 390,000	2%



CAYUCOS SANITARY DISTRICT STAFF REPORT

AGENDA ITEM:
6.B.5

TO: BOARD OF DIRECTORS

FROM: OPTIMIZED INVESTMENT PARTNERS

DATE: OCTOBER 15, 2026

SUBJECT: INVESTMENT REPORT FOR THE MONTH ENDED SEPTEMBER 30, 2026

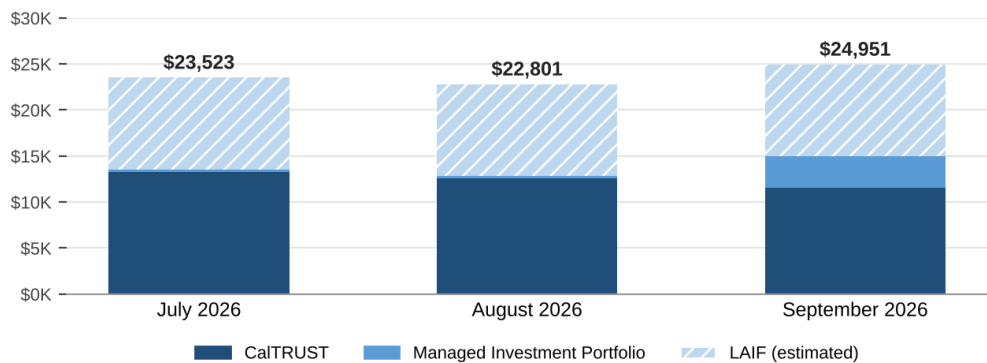
DISCUSSION

The total cash and investment portfolio book value (cost) held by the District as of September 30, 2026, was \$8,478,584, an increase of \$3,344,380 from March 31, 2026, the date of the last report, primarily due to approximately \$3.8 million in proceeds from the District's sale of property. The District has designated approximately \$4 million for a capital project and restricted reserves, and approximately \$3.7 million is available for the laddered portfolio, of which \$3 million was invested in September.

As of September 30, 2026, the Weighted Yield to Maturity on the Managed Investment Portfolio was 5.03%, and the Weighted Average Maturity was 3.02 years.

During the month, no investments matured. The District purchased nine securities totaling \$3,165,000 par at a cost of \$2,982,508, with a weighted yield to maturity of 5.02%, funded by a \$3,000,000 transfer from CalTRUST. The District also transferred \$3,563,000 from LAIF to the CalTRUST Liquidity Fund.

Monthly Interest Earnings, Fiscal Year 2026-27



Fiscal year-to-date interest earnings are \$71,275.

Yields as of September 30, 2026

Account	Yield
Managed Investment Portfolio (bonds)	5.03%
CalTRUST Medium-Term Fund	3.97%
LAIF	3.91%
CalTRUST Liquidity Fund	3.88%
U.S. Bank money market	3.50%

Summary of Cash and Investments as of September 30, 2026

Portfolio Assets	Par Value (1)	Market Value (2)	Book Value (3)	% of Portfolio
Managed Investments				
U.S. Bank Custodial Cash Account	\$61,328	\$61,328	\$61,328	0.72%
Federal Agency Bonds/Notes	600,000	599,190	600,168	7.08%
Corporate/Medium-Term Notes	2,565,000	2,366,486	2,382,340	28.10%
Asset Backed/Mortgage-Backed Securities	27,866	27,690	28,406	0.34%
<i>Managed Investments Subtotal</i>	<i>\$3,254,194</i>	<i>\$3,054,693</i>	<i>\$3,072,242</i>	<i>36.24%</i>
Pooled Investments				
CalTRUST Funds	4,414,265	4,414,265	4,414,265	52.06%
State of CA Local Agency Investment Fund	1,652	1,652	1,652	0.02%
<i>Pooled Investments Subtotal</i>	<i>\$4,415,917</i>	<i>\$4,415,917</i>	<i>\$4,415,917</i>	<i>52.08%</i>
<i>Investment Portfolio Subtotal</i>	<i>\$7,670,111</i>	<i>\$7,470,610</i>	<i>\$7,488,159</i>	<i>88.32%</i>
Cash/Time Deposits	990,425	990,425	990,425	11.68%
Total Cash & Investments Held by District	\$8,660,536	\$8,461,036	\$8,478,584	100.00%

Notes: (1) Par value is the principal amount of the investment on maturity. (2) Market values contained herein are received from sources we believe are reliable; however, we do not guarantee their accuracy. (3) Book value is par value of the security plus or minus any premium or discount on the security.

Investment Holdings and Yields

Security	Maturity	Par Value	Book Value	Market Value	Yield to Maturity	September Interest Earned
Federal Farm Credit Bank 4.500%	09/23/2027	600,000.00	600,168.00	599,190.00	4.47%	367.55
John Deere Capital 4.650%	09/11/2028	300,000.00	298,329.00	297,588.00	4.95%	202.31
Intuit 5.125%	09/15/2028	300,000.00	300,675.00	299,454.00	5.00%	205.94
Coca-Cola 2.125%	09/06/2029	300,000.00	276,939.00	275,805.00	4.96%	188.17
Caterpillar 2.600%	09/19/2029	345,000.00	321,674.55	320,225.55	5.07%	223.42
Cummins 1.500%	09/01/2030	370,000.00	321,137.80	318,581.10	5.26%	231.41
Target 2.650%	09/15/2030	300,000.00	272,757.00	270,174.00	5.21%	194.67
Archer-Daniels-Midland 4.829%	09/01/2031	300,000.00	293,142.00	290,385.00	5.36%	215.24
Toyota Motor Credit 1.900%	09/12/2031	350,000.00	297,685.50	294,273.00	5.37%	218.99
Agency mortgage pools (6)	2027–2033	27,866.03	28,406.34	27,689.86	5.00–7.50%	140.57
Money market / cash	Daily	61,327.59	61,327.59	61,327.59	—	1,271.70
Total Managed Portfolio		3,254,193.62	3,072,241.78	3,054,693.10	5.03%	3,459.98

The nine notes settled September 25, so September interest covers five days; a full month of interest on the nine notes is about \$12,700.

Interest Earnings Detail, Fiscal Year 2026-27

Month	CalTRUST	Managed Investment Portfolio	LAIF (estimated)	Total
July 2026	\$13,274.00	\$276.77	\$9,972.18	\$23,522.95
August 2026	12,552.52	276.79	9,972.18	22,801.49
September 2026	11,518.66	3,459.98	9,972.19	24,950.83
Fiscal Year-to-Date	\$37,345.18	\$4,013.55	\$29,916.55	\$71,275.28

Interest earnings do not include capital gains or losses. LAIF interest earnings are estimated. Actual earnings information will not be available until approximately 10/15/26.

Prepared by Optimized Investment Partners, LLC from September 2026 custodial, CalTRUST, LAIF and Wells Fargo statements. Market prices provided by U.S. Bank. Yield and maturity figures cover the managed bonds only.



CAYUCOS SANITARY DISTRICT STAFF REPORT

TO: BOARD OF DIRECTORS
FROM: DAVID ATHEY, DISTRICT MANAGER
DATE: OCTOBER 15, 2026
SUBJECT: MONTHLY MANAGER'S REPORT: SEPTEMBER 2026

ADMINISTRATIVE

El Niño Prep: Governor Newsom preemptively declared a State of Emergency Proclamation (SOE) on September 21st which directs State agencies to fast track permitting and coordination between agencies, including the Coastal Commission. District staff is preparing for the potential heavy rains this winter as much as possible:

- **Prefilling sandbags** – Staff currently has about 50 full bags. We will continue to fill sandbags as time permits. Sandbags will be used to protect facilities and direct runoff around District facilities as needed.
- **Evaluating manholes that could be inundated with water** – Prioritized manholes include the Chaney Ave. to Toro Creek Rd. deep sewer manholes that are in the drainage gutter. These manhole lids will be covered with plastic and sandbagged.
- **Surge/flood protection of Lift Station 2** – Currently evaluating a sandbag dike around the control cabinet and wet well and some type of K-rail or concrete block wall to attenuate wave action (outside the lift station footprint). All flood and surge protection will be deployed prior to major winter storms. State Parks has been contacted and will be providing the District with a Right of Entry Agreement to allow K-rail installation.
- **Emergency supplies for Operations staff** – Cots, emergency blankets, self-heating MREs, lanterns, and manual water pumps have been procured. Water will be staged at each work location.
- **Raingear** – All raingear is now in working order.
- **Emergency access to the WRRF** – We are currently working with Chevron to obtain permission to travel through Chevron Property in the event of an emergency and Toro Creek Road is closed. District staff has provided comments to Chevron on the agreement. The agreement should be finalized by next month.
- **Equipment maintenance** – Pumps and equipment are being tested and repaired as needed.
- **WRRF maintenance** – We have put down crushed rock in the gravel areas of the plant, and will be painting equipment and slurry sealing the road prior to the rainy season.
- **WRRF Stress Testing** – Treatment staff conducted a maximum flow test of the treatment plant on Wednesday, October 8. Staff stored approximately 500,000 gallons of treated wastewater in the equalization basin. Staff released this water into the headworks to approximate peak storm flows encountered in January 2023. The test was meant as a way of preparing staff for the alarms and associated difficulties with treating high wastewater flows. The stress test went well with staff handling all alarms and high flow conditions. The treatment plant maintained effluent discharge compliance throughout the test.

Cemetery Project: The Cemetery project is currently stalled with the County. The Board of Supervisors has authorized a General Plan Amendment allowing “Public Facilities” in the Agricultural Zone. County staff had originally planned a hearing for the General Plan Amendment but failed to notify the Cemetery District’s representative about the hearing. Therefore, the amendment hearing was postponed without a follow-up hearing date. The Cemetery District is meeting next week to decide on the next steps in the General Plan Amendment process. The Cemetery District is considering changing its General Plan Amendment request from allowing Public Facilities in agricultural zoning to writing specific planning area standards that would allow cemetery uses. An update on the Cemetery District Board’s decision and County’s response will be provided next month.

Marine Mammal Center: The Marine Mammal Center (MMC) will be resubmitting its Conditional Use Application package to the County during the week of October 12. The MMC has received a lease extension from Vistra to December 31, 2027. MMC is hopeful that they will submit building permits in November/December 2026. MMC is estimating that construction will start next February and will wrap up in November/December 2027.

CAPITAL PROJECTS

- **Chaney to Toro Project:** Staff is working to evaluate existing pumping data to see if we can determine the inflow and infiltration (I&I) that occurs in this line segment. Staff is also getting quotes for flow monitoring equipment that would be deployed on manholes to monitor flow in these lines and other sewer lines around the community.

OPERATIONS & MAINTENANCE: SEPTEMBER 2026

CIP: None

Daily Operations of Note:

- Pumped down, scraped, and bleached wet wells; cleaned probes and tested generators
- Conducted weekly alarm testing at all lift stations
- Jetted 6,129 feet of main lines
- Participated in Vector Training Solutions for SDRMA
- Responded to and marked 38 USAs
- Had Xylem out at Lift Station 5 to service and inspect all four of our pumps; swapped out one of the low flow pumps to be sent off for repair with the spare we had in storage
- Discussed plans for sending off second low flow pump for similar repairs, once first low flow pump is returned to us
- Requested and received bids for the repair of 75’ of main line on 15th Street, an area with bad joint issues (roots in every joint)
- Applied for an encroachment permit through the County for the work on 15th Street; Mike Johnson Construction will be performing the work
- Refortified all the manholes that rely on sandbags to protect them from dirt/debris getting into or burying them
- Compiled flow numbers from Lift Stations 2, 4 and 5 to show that while we have infiltration throughout the system, when it rains, much of the ground water infiltration comes from the basin that feeds Lift Station 2
- Discussed the upcoming storms and plans for how to best keep the ocean out of Lift Station 2 with the District Manager
- Provided the District Manager with dimensions of the existing concrete wall that surrounds part of Lift Station 2; we are looking into different options for protecting the station
- Moved a lot of sand around Lift Station 2 to both help with drainage and to fill up sandbags to use during the upcoming storms and tidal surges
- Tested trash pump at Lift Station 2 to see how much water we could pump with it
- Landscaped at all lift stations and the shop area
- Hedge trimmed near Lift Stations 1 and 2 as well as the shop

- Weed whacked and weed sprayed at Lift station 1 and N Ocean Ave. easement for better access
- Polished all cabinets at each lift station
- Began filling sandbags to store at Lift Station 2 until needed for upcoming storm surges

Call Outs: None

WATER RESOURCE RECOVERY FACILITY: SEPTEMBER 2026

Daily Operations of Note:

- Completed all quarterly, monthly, weekly, and daily maintenance tasks
- Exercised generator and fire pump
- Calibrated on-line meters
- Checked eyewash stations and fire extinguishers
- Completed all daily and weekly lab tests
- Completed all Monthly Reports
- Continued weed abatement activities throughout the month, fixed irrigation leaks
- September 1: Started pumping out Aeration Basin #1 to Equalization Basin
- September 2: Emptied out Aeration Basin #1; inspected all diffusers, piping and tank coatings; all looks good
- September 2: Filled Aeration Basin #1 back up from Equalization Basin
- September 3: J. Collins took and passed Fire Pump Testing exam
- September 8: MOS #1 into Acid Clean in Place mode
- September 9: MOS #1 into Hypo Clean in Place mode
- September 11: Force Main Flush
- September 11: All wheels replaced on dewatering gates; originals were sticking due to corrosion
- September 14: New tote of polymer for dewatering was delivered
- September 16: S.P.I.C.E. onsite for quarterly computer maintenance
- September 21: Acid Cleaned UV reactor #1
- September 24: Force Main Flush
- September 25: S.P.I.C.E. set alarms from SCADA to both text and call operators to add reliability
- September 28: Finished replacing tubing on all 3 MOS turbidimeter pumps
- September 30: Fixed very small leak at headworks odor control pressure gauge

Callouts: None

WRRF Influent

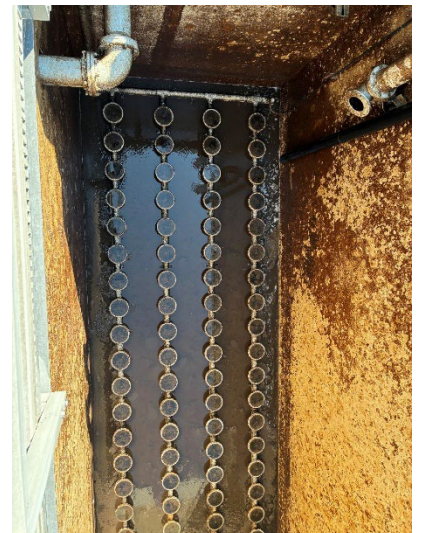
- Highest flow day September 6: **302,612 gallons**
- Average influent for September: **217,871 gallons per day**
- Total influent for September: **6.54 million gallons**

WRRF Effluent

- Highest flow day September 6: **318,914 gallons**
- Average effluent for September: **237,928 gallons per day**
- Total effluent for September: **7.14 million gallons**
- Average recycled water use (in-plant): **64,600 gallons per day**



Aeration Basin #1 partially drained down



Aeration Basin #1 diffusers



CAYUCOS SANITARY DISTRICT STAFF REPORT

TO: BOARD OF DIRECTORS

FROM: DAVID ATHEY, DISTRICT MANAGER

DATE: OCTOBER 15, 2026

**SUBJECT: DISCUSSION AND CONSIDERATION TO APPROVE A GRANT OF
LICENSE AND AGREEMENT AFFECTING REAL PROPERTY
LOCATED AT 3526 GILBERT AVENUE (APN 064-407-008)**

BACKGROUND

Mr. Singh-Kaler (Applicant), represented by Architect John McAlpin (Agent), is requesting a Grant of License to allow existing deck encroachments to remain in a District easement. The easement is located along the rear property line at 3526 Gilbert Avenue. The encroachments consist of decks on the first and second residential story as shown in Attachment 1. There are also retaining walls beneath the deck for support as shown in Attachment 2. The County allowed previous owners to build retaining walls and decks without the District's knowledge. The construction occurred in the late 1970s. The permit history is shown in Attachment 1.

The County of San Luis Obispo referred this property to the District for review when a roof top deck was recently added to the structure. The Applicant requested that the District allow the deck to remain, however, the Applicant later decided to demolish the unpermitted deck. Therefore, this agreement is intended to allow the existing structures permitted by the County to remain with certain conditions. The License Agreement, Attachment 3, requires the applicant to agree to:

1. apply to the District for any future work in the easement; and
2. remove the structures with 30-day notice, or faster in an emergency; and
3. pay for any damage to the District's sewer line caused by the improvements; and
4. allow the District to revoke the license with 60 days' notice.

Ordinarily, staff would not recommend issuing a Grant of License Agreement for such extensive improvements within a CSD easement. However, staff believes that since the County permitted the decks in the 1970s, it would be acceptable to grant the License Agreement rather than require the improvements' removal. In addition, staff has inspected the sewer line running through the Applicant's property and found it to be in good condition, which provides staff with greater confidence that the existing improvements will not cause an immediate or long-term issue for the District.

OPTIONS

1. Approve the Grant of License Agreement
2. Do not approve the Grant of License Agreement
3. Send the item back to staff for further consideration

RECOMMENDATION

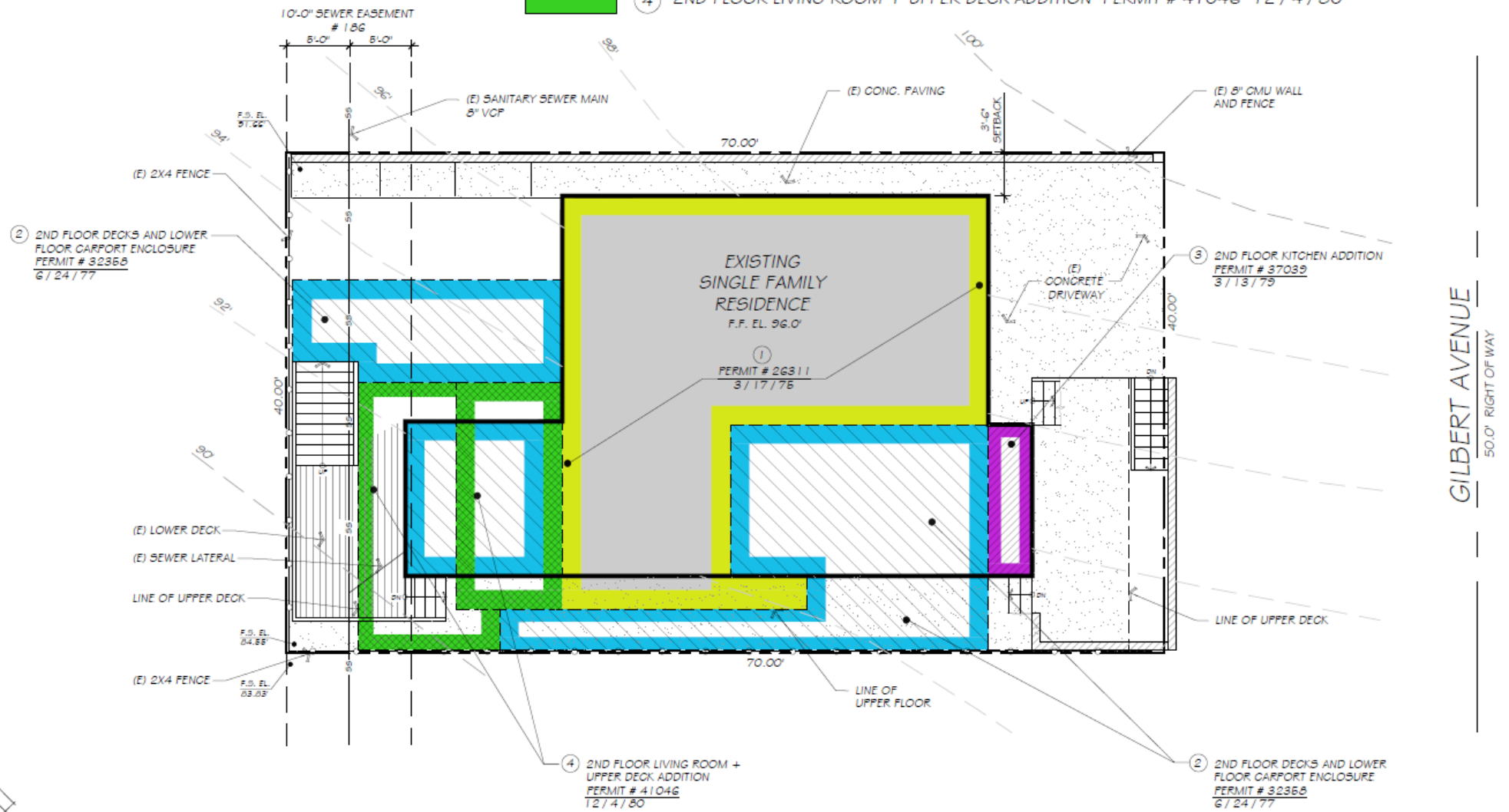
Staff recommends that the Board of Directors approve a Grant of License and Agreement Affecting Real Property located at 3526 Gilbert Avenue.

ATTACHMENTS

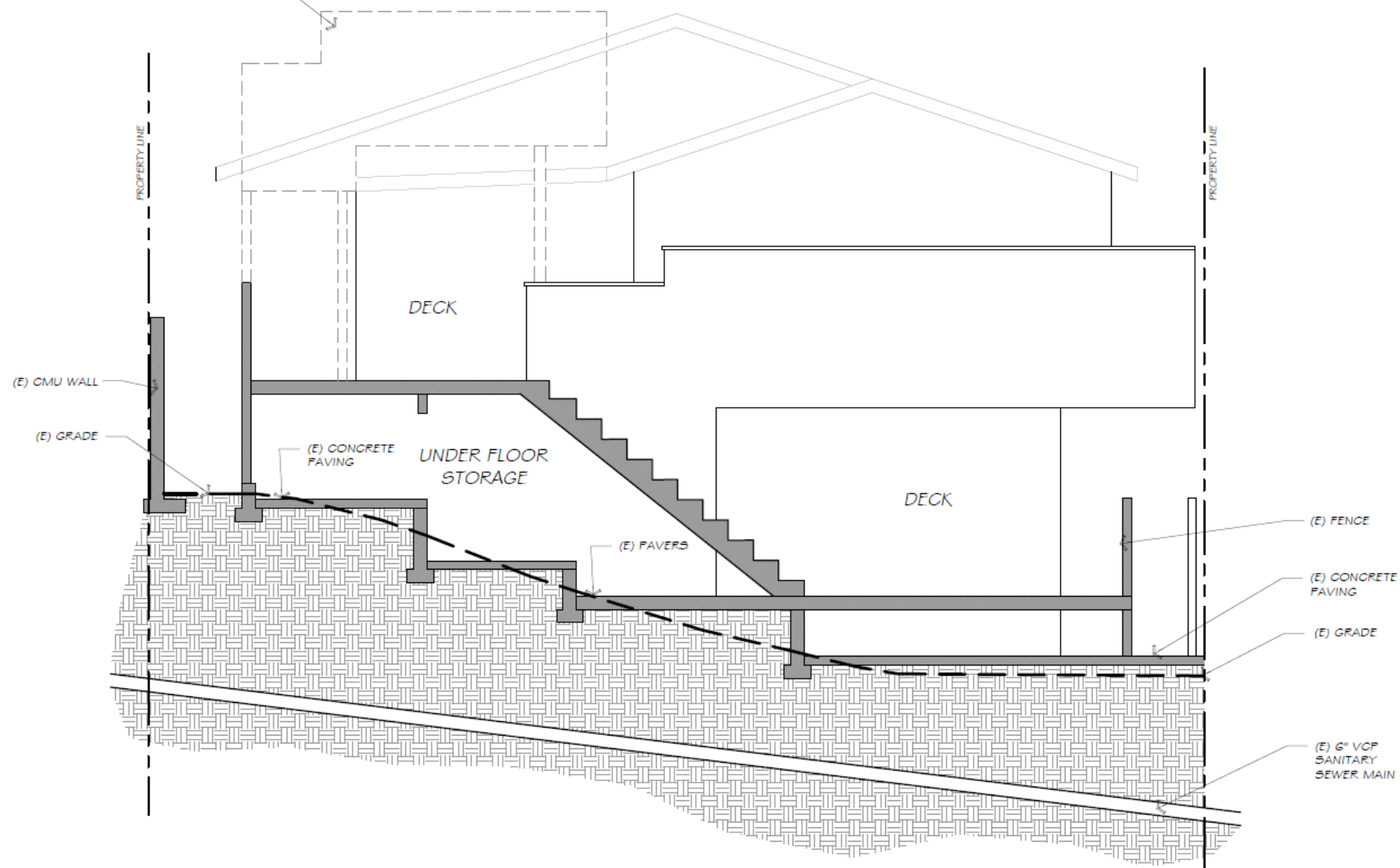
1. Permit history (color-coded)
2. West elevation profile
3. Grant of License & Agreement Affecting Real Property

PERMIT LEGEND

- ① EXISTING SINGLE FAMILY RESIDENCE PERMIT # 26311 3/17/75
- ② 2ND FLOOR DECKS AND LOWER FLOOR CARPORT ENCLOSURE PERMIT # 32358 6/24/77
- ③ 2ND FLOOR KITCHEN ADDITION PERMIT # 37039 3/13/79
- ④ 2ND FLOOR LIVING ROOM + UPPER DECK ADDITION PERMIT # 41046 12/4/80



EXISTING ROOF DECK,
SUPPORT POSTS AND STAIRS
TO BE DEMOLISHED



RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL TO:

Cayucos Sanitary District
P.O. Box 333
Cayucos, CA 93430-0333

GRANT OF LICENSE AND AGREEMENT AFFECTING REAL PROPERTY

THIS GRANT OF LICENSE AND AGREEMENT AFFECTING REAL PROPERTY ("Agreement") is made this **15th day of October, 2026**, by and between **CAYUCOS SANITARY DISTRICT**, a political subdivision of the State of California (the "**DISTRICT**"), and **HARBANS SINGH-KALER AND BHARPUR KAUR, TRUSTEES OF THE HARBANS SINGH-KALER & BHARPUR KAUR LIVING TRUST U/A DATED AUGUST 24, 2023** (hereinafter referred to collectively as "**LICENSEE**").

WHEREAS, **LICENSEE** is the owner of real property located at **3526 Gilbert Avenue, Cayucos, California (APN 064-407-008)**, more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"); and

WHEREAS, **DISTRICT** is the owner of an existing sewer line easement on the Property recorded on **March 11, 1955 in Book 794, Page 591** of the Official Records of San Luis Obispo County, California; (the "Easement") with an existing sewer pipeline located therein; and

WHEREAS, certain existing improvements on the Property encroach into or over the Easement, including: (a) **an approximately 20-foot-long by 10-foot-wide first-floor deck and associated stairs**; (b) **a second-floor deck, including posts and footings**; (c) **four grade beams crossing the Easement on the northern portion of the Property**; (d) **a storage area beneath the second-floor decks on the northern side of the Property**; (e) **a portion of the residence extending approximately nine inches into the Easement**; and (f) **fencing and associated footings extending approximately 14 inches into the Easement**, all as generally depicted in Exhibit "B" (collectively, the "Structures"); and

WHEREAS, the **DISTRICT** is willing to allow the structures to remain so long as they do not interfere with, or cause damage to, the use, maintenance and operation of the Easement and/or the facilities and improvements located therein.

NOW, THEREFORE, in consideration of the terms and conditions contained herein, the parties agree as follows:

1. The **DISTRICT** hereby grants to **LICENSEE** a license ("License") to maintain the Structures in the Easement, subject to the following terms and conditions:

a. Not less than thirty (30) days prior to any construction or maintenance, **LICENSEE** shall submit **LICENSEE'S** plans to the **DISTRICT** for review and written approval.

b. During future construction or maintenance, **LICENSEE** shall comply with any instructions and guidance from the **DISTRICT** intended to prevent interference with or damage to the existing sewer line or other District facilities located in the Easement.

c. **LICENSEE** agrees to remove the existing structures should the **DISTRICT** so request in order to gain access to or conduct maintenance or repair of the sewer line or appurtenances, or to replace the sewer line or any portion thereof; **LICENSEE** shall remove the Structures within thirty (30) days of written notice, unless the **DISTRICT**

notifies **LICENSEE** of an emergency necessitating removal in a shorter time period. Should **LICENSEE** fail to remove the Structures within the time frame specified by the **DISTRICT**, the **DISTRICT**, in its sole discretion, may elect to remove the Structures and any other encumbrances affecting the Easement or facilities therein and recover all costs and expenses for such removal from **LICENSEE**.

d. **LICENSEE** agrees to pay for any and all costs for the maintenance, repair or replacement of the sewer line located in the Easement resulting from or caused by, in whole or in part, the design, construction, location or use of the Structures within the easement.

2. **LICENSEE** agrees to hold harmless and indemnify the **DISTRICT** from any and all liabilities, damages, costs, claims, causes of action, complaints or proceedings of any kind or nature arising or alleged to arise from the design, construction, location or use of the Structures by **LICENSEE**, his agents, contractors, assigns or successors in interest, of any kind.

3. The **DISTRICT** may immediately revoke this License, without notice, for a breach of or failure to comply with any of the terms and conditions set forth herein; the **DISTRICT** may revoke this License without cause upon sixty (60) days written notice to **LICENSEE**.

4. This Agreement shall be binding upon the successors in interest of any kind to the Property.

5. In the event of legal action to enforce the terms and conditions of this Agreement, the prevailing party shall be entitled to recover their costs, including reasonable attorney fees.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first written above.

CAYUCOS SANITARY DISTRICT:

LICENSEE:

By: _____
Robert B. Enns
President of the Board of Directors

Harbans Singh-Kaler, Trustee

ATTEST:

David Athey
District Manager

Bharpur Kaur, Trustee

Approved as to Form:
CARMEL & NACCASHA LLP

Timothy J. Carmel, District Counsel

[All signatures must be notarized]

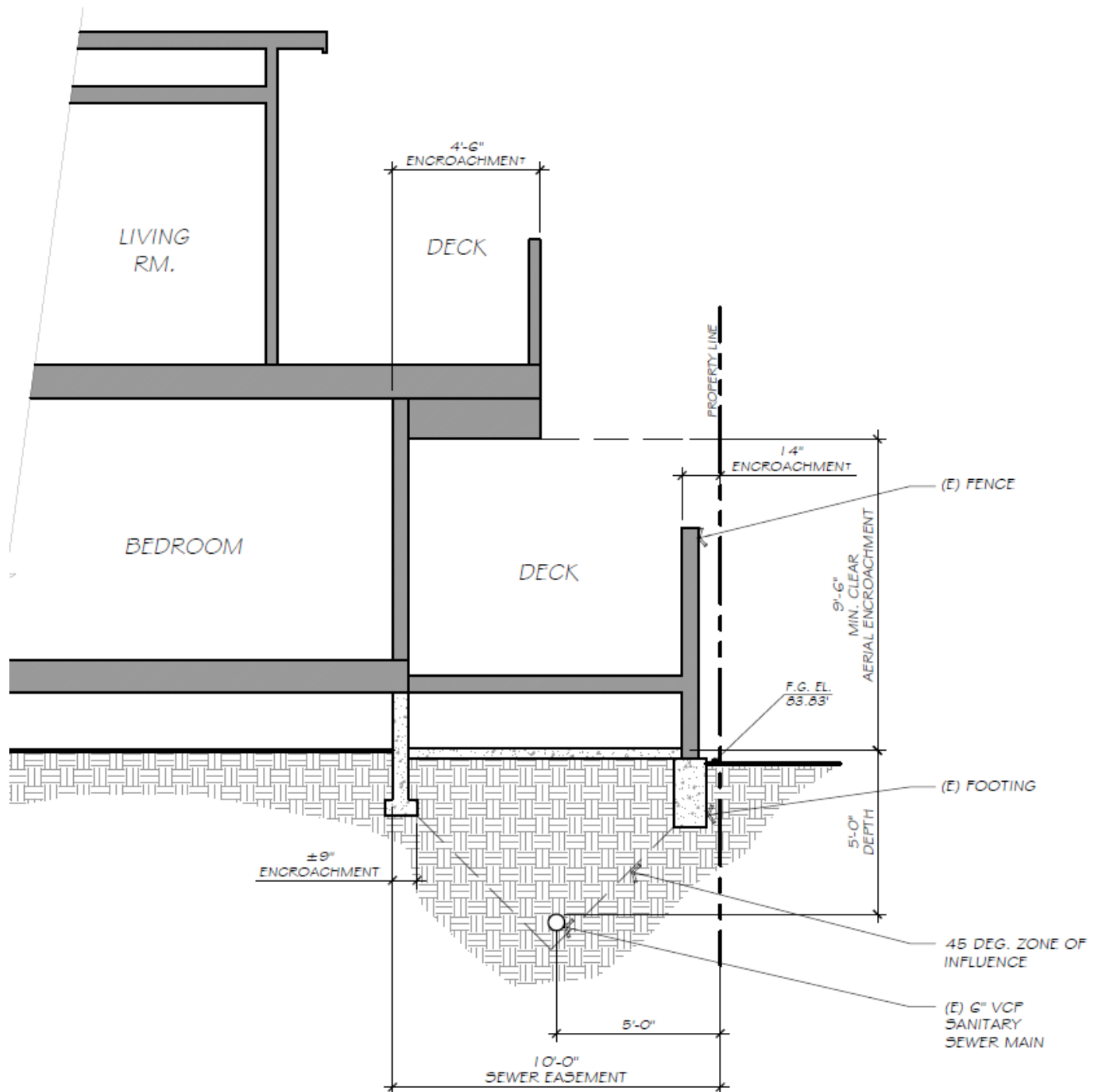
Exhibit “A”

Real property in the unincorporated area of the County of San Luis Obispo, State of California, described as follows:

LOT 12 IN BLOCK 18 OF MORRO STRAND UNIT NO. 1, IN THE COMMUNITY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED IN BOOK 3 AT PAGE 105 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 064-407-008

Exhibit "B"



1st Floor

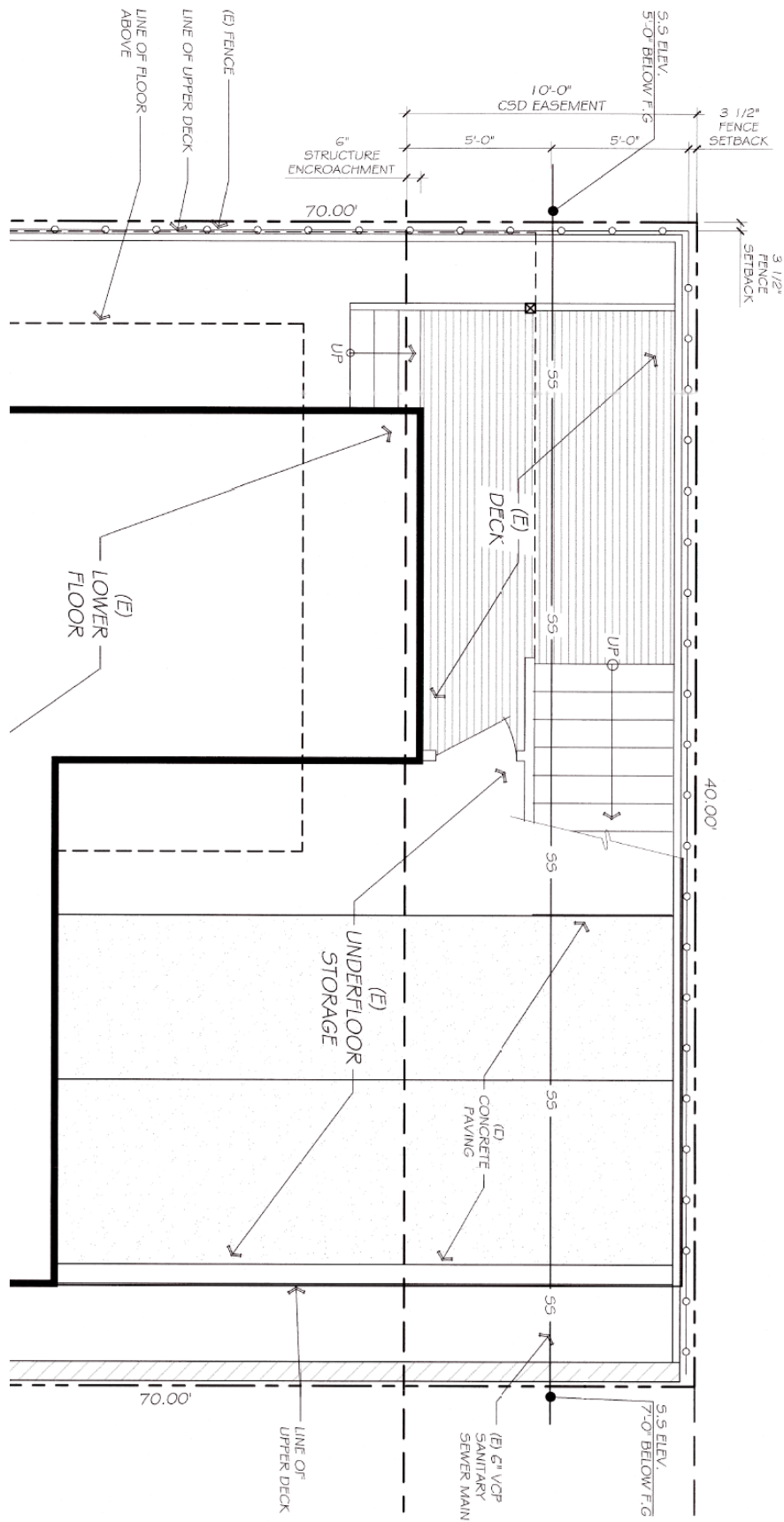
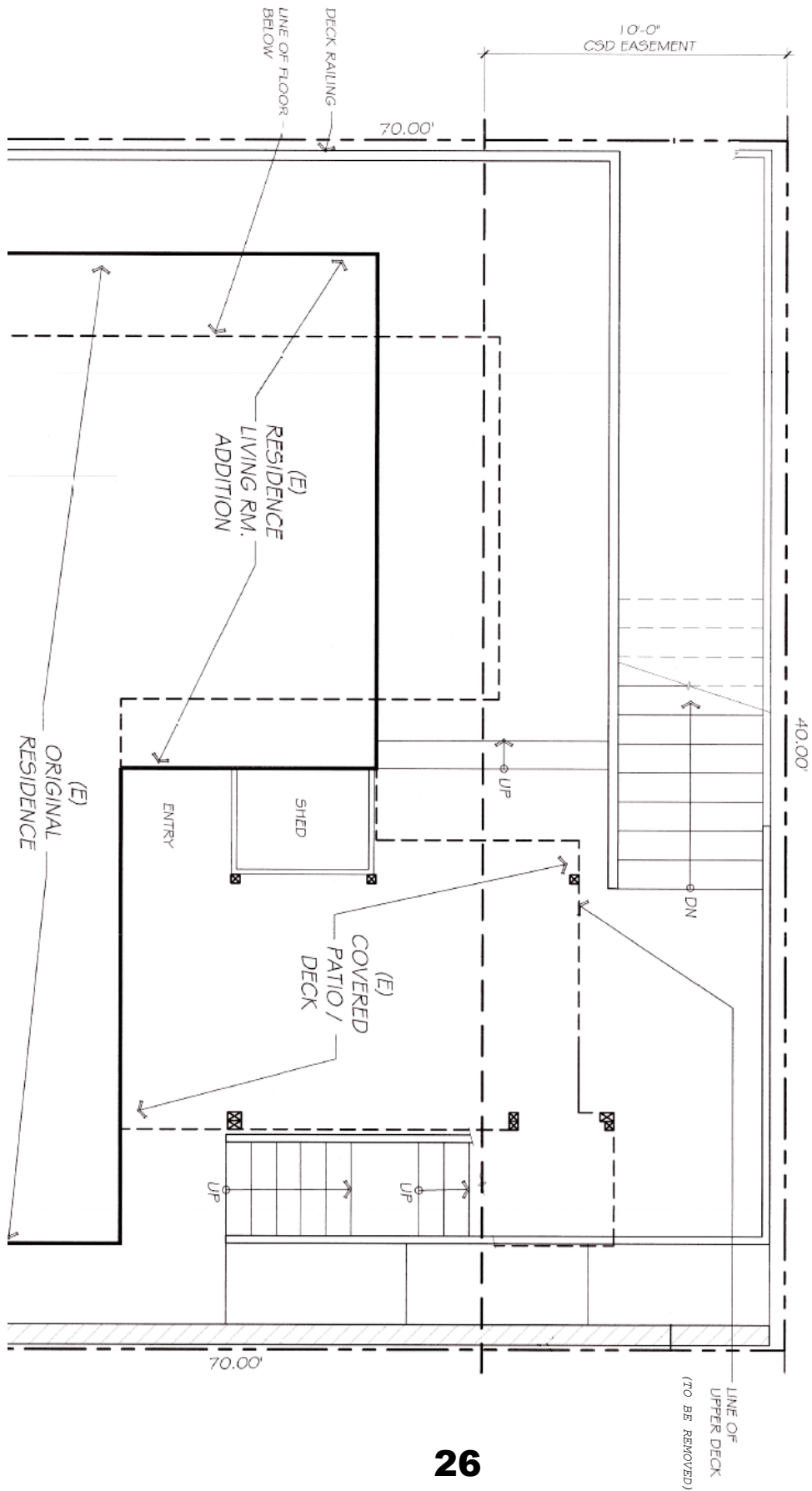


Exhibit "B" (Continued)

2nd Floor





CAYUCOS SANITARY DISTRICT STAFF REPORT

TO: BOARD OF DIRECTORS

FROM: DAVID ATHEY, DISTRICT MANAGER

DATE: OCTOBER 15, 2026

SUBJECT: DISCUSSION AND CONSIDERATION TO ADOPT RESOLUTION 2026-11 RECOMMENDING CANDIDATES FOR APPOINTMENT TO DIVISIONS 2 AND 3 OF THE CAYUCOS SANITARY DISTRICT BOARD OF DIRECTORS

DISCUSSION

Divisions 2 and 3 currently have no candidates running in the November 2026 General Election. Division 2's term runs from December 2026 to December 2030. Division 3's term runs from December 2024 to December 2028. Any candidate appointed to Division 3 will serve the remaining two years of that term.

When no candidate runs for an open seat, California Election Code Section 10515 stipulates that the San Luis Obispo (SLO) County Board of Supervisors (BOS) must appoint persons to the open division seats. The County Clerk Recorder notified District staff that the Cayucos Sanitary District Board should forward a list of desired candidates for appointment by the BOS by October 22, 2026. The BOS will be appointing the candidates forwarded by the District at the BOS November 3, 2026, meeting.

Board President Enns formed an Ad-Hoc recruitment committee with Vice-President Curti to search for eligible candidates in each division. The Ad-Hoc Committee had not yet identified candidates for Divisions 2 and 3 by Board agenda publishing dates. Therefore, all eligible candidates will be introduced and available for interview at the Board meeting.

The Ad-Hoc Committee recommends that the Board interview identified candidates for appointment for each division.

OPTIONS

1. Interview prospective Division 2 and 3 candidates and instruct staff to forward the Board-selected candidates' names to the BOS for appointment.

RECOMMENDATION

Staff recommends that the Board of Directors interview eligible candidates and vote to adopt Resolution 2026-11 recommending that the SLO County Board of Supervisors appoint the selected candidates to the Division 2 and 3 Director seats.

ATTACHMENTS

1. Resolution 2026-11

RESOLUTION NO. 2026-11

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAYUCOS SANITARY DISTRICT RECOMMENDING NOMINEES FOR APPOINTMENT TO DISTRICTS 2 AND 3 OF THE CAYUCOS SANITARY DISTRICT BOARD OF DIRECTORS

WHEREAS, the Cayucos Sanitary District (“District”) is a special district organized and existing under the laws of the State of California; and

WHEREAS, the November 3, 2026 General Election includes four seats on the Cayucos Sanitary District Board of Directors, including the seats representing Divisions 1, 2, 3, and 4; and

WHEREAS, no person filed a Declaration of Candidacy for the offices of Director representing **Division 2 or Division 3** during the applicable nomination period; and

WHEREAS, pursuant to California Elections Code Section 10515(b), when no person has filed a Declaration of Candidacy for an elective office of a special district, the supervising authority shall appoint a person who is qualified on the date the election would have been held; and

WHEREAS, the San Luis Obispo County Board of Supervisors is the supervising authority responsible for making appointments to fill the vacant Division 2 and Division 3 seats pursuant to California Elections Code Section 10515; and

WHEREAS, the Board of Directors recognizes the importance of maintaining full representation on the Cayucos Sanitary District Board and has undertaken efforts to identify qualified members of the community who are willing to serve; and

WHEREAS, following the District's recruitment efforts, the Board of Directors has identified **[NAME]** as a qualified and suitable nominee to serve as Director representing **Division 2**, and **[NAME]** as a qualified and suitable nominee to serve as Director representing **Division 3**; and

WHEREAS, the Board of Directors desires to formally recommend these individuals to the San Luis Obispo County Board of Supervisors for appointment to the respective vacant seats.

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

SECTION 1. The Board of Directors hereby recommends that the **San Luis Obispo County Board of Supervisors appoint [NAME] to serve as Director representing Division 2** of the Cayucos Sanitary District.

SECTION 2. The Board of Directors hereby recommends that the **San Luis Obispo County Board of Supervisors appoint [NAME] to serve as Director representing Division 3** of the Cayucos Sanitary District.

SECTION 3. The Board of Directors authorizes the District Manager or designee to transmit this Resolution and the names of the recommended nominees to the San Luis Obispo County Board

of Supervisors and/or the appropriate County elections official for consideration pursuant to California Elections Code Section 10515.

SECTION 4. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of the Cayucos Sanitary District at a regular meeting held on _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Robert Enns
President

Amy Lessi
Admin. Services Manager/Board Secretary



CAYUCOS SANITARY DISTRICT STAFF REPORT

AGENDA ITEM:

10

TO: BOARD OF DIRECTORS

FROM: DAVID ATHEY, DISTRICT MANAGER

DATE: OCTOBER 15, 2026

SUBJECT: DISCUSSION AND CONSIDERATION TO APPROVE A 5-YEAR SERVICES AGREEMENT WITH SPECTRUM BUSINESS IN THE AMOUNT OF \$1,945 PER MONTH FOR INSTALLATION OF FIBER CONNECTIONS AND ONGOING SERVICE AT THE ADMINISTRATIVE OFFICE AND LIFT STATIONS

DISCUSSION

Lift Stations 1 through 5 are currently monitored via a Verbatim remote alarm dialing system. The Verbatim system alerts staff when there is a problem with the lift station. Emergency alerts are issued for high wet well levels and power failures. Each lift station's Verbatim dialer is currently served by copper wire phone lines and backup cellular communication (given the sensitive environment surrounding the stations, the District maintains two communication sources as a precaution). The District continues to experience outages in both the copper wire phone lines and in cellular communication. In addition, AT&T is phasing out copper wire phone lines by the middle of next year. Therefore, a new primary communication method is needed to replace the copper phone lines.

Staff met with AT&T and Charter Communications to discuss the District's communication needs at each lift station. AT&T proposed using an additional cellular communication system, though the District already has as back up at each lift station. The challenge with cellular is system reliability. The cell system that the District uses is FirstNet, which is an emergency responder cell network. FirstNet has experienced outages in the last year, with one lasting 13 hours. Therefore, staff is not proposing to add another cellular line at each lift station as reliability would not improve.

Staff also met with Spectrum to discuss options for fiberoptic communication. Fiber is a viable option in Cayucos because Spectrum already has fiber in the town. The benefit of installing fiber is that it would be a hardwire connection at each lift station. In addition, Spectrum promises 100% reliability or the District will receive a credit on its monthly bill for any line that is down. Charter would need to install new fiber lines to serve Lift Stations 1-4 and the Admin. Office. Charter estimates the construction cost to be \$75,000. However, Charter is willing to waive the installation costs if the District agrees to a five-year service contract. The total cost of the monthly service contract will be \$1,945.00, fixed for five years. When the credits for existing internet at the WRRF and office are subtracted, the net increase would be \$963.14 per month over what the District currently pays for internet and communications. The total yearly internet and communications costs will increase from \$11,700 to \$17,961.30 per year (see Table 1, below).

Table 1:

FY 26/27 Budget Line Item Impacts Assuming January 1, 2027 Agreement Implementation			
Item	Current Budgeted Amount	Needed	Difference
Internet Office	1,800.00	11,009.70	9,209.70
Internet WRRF	9,900.00	6,951.60	(2,948.40)
Budget Overage	11,700.00	17,961.30	6,261.30

Table 2:

Proposed Conversion from Copper Wire to Fiber Optics				
Location	Current Cost Charter/Spectrum	Canceling CalNet Copper Lines	Proposed Cost Charter/Spectrum	Net Monthly Cost Increase
Office/Sho	139.98		695.00	555.02
WRRF/LS5	690.00	28.62	250.00	(468.62)
LS1	-	31.54	250.00	218.46
LS2	-	28.64	250.00	221.36
LS3	-	31.54	250.00	218.46
LS4	-	31.54	250.00	218.46
	829.98	151.88	1,945.00	963.14

Table 3:

Current Operating Expenses Budget	2,459,550.00	
Percentage of Increase	0.0025	Increase is 1/4 of 1%. Readily absorbed by other categories

Fiberoptic lines are the most robust communication system available to the District. The District's lift stations are in environmentally sensitive locations where spills will flow into the Pacific Ocean. Therefore, having communication lines that are virtually on 24/7 provides the District with the best guarantee for protecting the ocean and beaches from sewer spills.

OPTIONS

1. Authorize the District Manager to enter into a 5-year services agreement with Spectrum Business in the amount of \$1,945.00 per month for installation of fiber connections at the Administrative Office and lift stations
2. Provide alternative direction to staff
3. Send this item back to staff for further consideration

RECOMMENDATION

Staff recommends that the Board of Directors authorize the District Manager to enter into a 5-year Services Agreement with Spectrum Business in the amount of \$1,945 per month for installation of fiber connections and ongoing service at the Administrative Office and lift stations.

ATTACHMENTS

1. Service Order – Spectrum Business



SERVICE ORDER

THIS SERVICE ORDER ("Service Order") is executed and effective upon the date of the signature set forth in the signature block below ("Effective Date") and is by and between Charter Communications Operating, LLC on behalf of those operating subsidiaries providing the Service(s) hereunder ("Spectrum") and Customer (as shown below), and is governed by and subject to the applicable Spectrum Business - Enterprise Commercial Terms of Service posted at <https://enterprise.spectrum.com/legal/terms-and-conditions.html> (or successor URL) or, if applicable, an existing service agreement executed by the parties (each, as appropriate, the "Service Agreement"). Except as specifically modified herein, all other terms and conditions of the Service Agreement shall remain unamended and in full force and effect.

Spectrum Contact Information	
Contact: Glenn Shackelford	
Telephone: 8054592049	
Email: glenn.shackelford@spectrum.com	

Customer Information		
Customer Name CAYUCOS SANITARY DISTRICT	Order # 15777456	
Address PO BOX 333 CAYUCOS CA 93430-1003		
Telephone (805) 995-3290	Email: d.athey@cayucossanitarydistrict.gov	
Contact Name David Athey	Telephone (805) 995-3290	Email: d.athey@cayucossanitarydistrict.gov
Billing Address PO BOX 333 CAYUCOS CA 93430-1003		
Billing Contact Name	Telephone	Email:

NEW AND REVISED SERVICES AT 200 Ash Ave , Cayucos CA 93430				
Service Description	Order Term	Quantity	Monthly Recurring Charge(s)	Total Monthly Recurring Charge(s)
13 Static IP Addresses	60 Months	1	\$35.00	\$35.00
Dedicated Fiber Internet 100Mbps	60 Months	1	\$385.00	\$385.00
EP-LAN 20Mbps	60 Months	1	\$275.00	\$275.00
Hub - ELINE Master	60 Months	1	\$0.00	\$0.00
TOTAL				\$695.00

NEW AND REVISED SERVICES AT 2600 Studio Dr Unit LiftSt, Cayucos CA 93430				
Service Description	Order Term	Quantity	Monthly Recurring Charge(s)	Total Monthly Recurring Charge(s)
EP-LAN 10Mbps	60 Months	1	\$250.00	\$250.00
Spoke	60 Months	1	\$0.00	\$0.00
TOTAL				\$250.00

NEW AND REVISED SERVICES AT 55b Ocean Front Ave Unit LiftSt, Cayucos CA 93430				
Service Description	Order Term	Quantity	Monthly Recurring Charge(s)	Total Monthly Recurring Charge(s)
Spoke	60 Months	1	\$0.00	\$0.00
EP-LAN 10Mbps	60 Months	1	\$250.00	\$250.00
TOTAL				\$250.00

NEW AND REVISED SERVICES AT 171 Pacific Ave Unit LiftSt, Cayucos CA 93430				
Service Description	Order Term	Quantity	Monthly Recurring Charge(s)	Total Monthly Recurring Charge(s)
Spoke	60 Months	1	\$0.00	\$0.00
EP-LAN 10Mbps	60 Months	1	\$250.00	\$250.00
TOTAL				\$250.00

NEW AND REVISED SERVICES AT 3165 Studio Dr Unit LiftSt, Cayucos CA 93430				
Service Description	Order Term	Quantity	Monthly Recurring Charge(s)	Total Monthly Recurring Charge(s)
Spoke	60 Months	1	\$0.00	\$0.00
EP-LAN 10Mbps	60 Months	1	\$250.00	\$250.00
TOTAL				\$250.00

NEW AND REVISED SERVICES AT 800 Toro Creek Rd , Morro Bay CA 93442				
Service Description	Order Term	Quantity	Monthly Recurring Charge(s)	Total Monthly Recurring Charge(s)
EP-LAN 10Mbps	60 Months	1	\$250.00	\$250.00
Spoke	60 Months	1	\$0.00	\$0.00
TOTAL				\$250.00

ONE TIME CHARGE(S) AT 200 Ash Ave , Cayucos CA 93430			
Service Description	Quantity	One Time Charge(s)	Total One Time Charge(s)
Ethernet Fiber Install	1	\$0.00	\$0.00
Dedicated Fiber Internet Install	1	\$0.00	\$0.00
Demarc Wiring Service	1	\$500.00	\$500.00
Demarc Wiring Service - Promotion	1	(\$500.00)	(\$500.00)
TOTAL			\$0.00

ONE TIME CHARGE(S) AT 55b Ocean Front Ave Unit LiftSt, Cayucos CA 93430			
Service Description	Quantity	One Time Charge(s)	Total One Time Charge(s)
Ethernet Fiber Install	1	\$0.00	\$0.00
Demarc Wiring Service	1	\$500.00	\$500.00
Demarc Wiring Service - Promotion	1	(\$500.00)	(\$500.00)
TOTAL			\$0.00

ONE TIME CHARGE(S) AT 171 Pacific Ave Unit LiftSt, Cayucos CA 93430			
Service Description	Quantity	One Time Charge(s)	Total One Time Charge(s)
Ethernet Fiber Install	1	\$0.00	\$0.00
Demarc Wiring Service	1	\$500.00	\$500.00
Demarc Wiring Service - Promotion	1	(\$500.00)	(\$500.00)
TOTAL			\$0.00

ONE TIME CHARGE(S) AT 3165 Studio Dr Unit LiftSt, Cayucos CA 93430			
Service Description	Quantity	One Time Charge(s)	Total One Time Charge(s)
Ethernet Fiber Install	1	\$0.00	\$0.00
Demarc Wiring Service	1	\$500.00	\$500.00
Demarc Wiring Service - Promotion	1	(\$500.00)	(\$500.00)
TOTAL			\$0.00

ONE TIME CHARGE(S) AT 2600 Studio Dr Unit LiftSt, Cayucos CA 93430			
Service Description	Quantity	One Time Charge(s)	Total One Time Charge(s)
Ethernet Fiber Install	1	\$0.00	\$0.00
Demarc Wiring Service	1	\$500.00	\$500.00
Demarc Wiring Service - Promotion	1	(\$500.00)	(\$500.00)
TOTAL			\$0.00

ONE TIME CHARGE(S) AT 800 Toro Creek Rd , Morro Bay CA 93442			
Service Description	Quantity	One Time Charge(s)	Total One Time Charge(s)
Ethernet Fiber Install	1	\$0.00	\$0.00
Demarc Wiring Service	1	\$500.00	\$500.00
Demarc Wiring Service - Promotion	1	(\$500.00)	(\$500.00)
TOTAL			\$0.00



1. **TOTAL CHARGE(S).** Total monthly recurring charges and total one-time charges are due in accordance with the monthly invoice.
2. **TAXES.** Plus applicable taxes, fees, and surcharges as presented on the respective invoice(s).
3. **SPECIAL TERMS.**

Enterprise Trunk Minutes.

Any additional Domestic and International long distance calls exceeding the minutes of use package will be charged at the rates listed at <https://enterprise.spectrum.com/products/voice-collaboration/trunking/enterprise-trunking/rates.html> (or successor URL). Toll Free calls exceeding the minutes of use package will be charged at the Toll Free rate plan associated with the Toll Free number.

By signing below, the signatory represents they are duly authorized to execute this Service Order

Customer	
Signature:	_____
Printed Name:	_____
Title:	_____
Date:	_____