

AGENDA NO. 7A
DATE 2/13/06

CAYUCOS SANITARY DISTRICT

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GOVERNING BOARD
R. B. Enns, President
B. Gibeaut, Vice-President
C. P. Bell, Jr., Director
H. Fones, Director
N. Raimondo, Director

MINUTES REGULAR MEETING JANUARY 18, 2006

1. ESTABLISH QUORUM AND CALL TO ORDER

President Robert Enns called the meeting to order at 6:05 p.m. Wednesday, January 18, 2006..

Board members present: President Robert B. Enns, Vice-President Bill Gibeaut, and Directors Craig Bell and Hal Fones. Director Nat Raimondo arrived at 6:35.

Staff present: District Manager Bonnie Connelly, M&O Supervisor Bill Callahan, and Account Clerk Nancy Martin

Visitors present: Pat Molnar, Tom Martin (Mission Country Disposal), Mary Whitlesey (Integrated Waste Management), Ron and Marla Anzalone (R&R Roll-Off), Dorothy Fones and Dick Weiss

2. PUBLIC COMMENT

Dick Weiss noted the "ambitious" agenda. Dorothy Fones commended staff on the District not experiencing any spills during the recent rain events.

3. DISCUSSION ABOUT COLLECTION AND DISPOSAL SERVICES RELATED TO ROLL-OFF BOX CONTAINERS UNDER EXCLUSIVE FRANCHISE AGREEMENT WITH MISSION COUNTRY DISPOSAL

President Enns invited Pat Molnar, a local builder, to address the Board. Mr. Molnar related problems he has had obtaining roll-off containers for projects and asked why Coastal Roll-Off (Mission Country Disposal) is the sole provider of containers in Cayucos. Ron and Marla Anzalone (R&R Roll-Off) agreed and stated that people need choices. Tom Martin (Mission Country Disposal) reported that with the exclusive franchise agreement with the Sanitary District a 10% franchise fee is added to every container used in Cayucos, resulting in \$2,700 in franchise fees generated last year. He indicated that if the Sanitary District wishes to end the agreement with Mission Country to exclusively use Coastal Roll-Off, there is no need to wait until August, when the current Franchise Agreement is due to be renegotiated. Enns stated he would consult District Counsel Tim Carmel regarding the issue.

MOTION: First by Gibeaut with second by Fones for the item to be agendized for the February Board meeting after review by District Counsel and staff. VOTE: 5-0

4. PUBLIC HEARING

ORDINANCE NO. 24 ESTABLISHING A GREASE MANAGEMENT PROGRAM, INCLUDING REGULATIONS FOR INSTALLATION, OPERATION AND MAINTENANCE OF GREASE TRAPS AND GREASE INTERCEPTORS

President Enns opened the Public Hearing. Dorothy Fones asked how homeowners should dispose of grease, as they are not required to have grease traps. Supervisor Callahan stressed that grease should not be put down the drain and suggested that homeowners store grease in a container with a lid that can be disposed of in the trash.

5. CLOSE PUBLIC HEARING

CONSIDERATION TO ADOPT ORDINANCE NO. 24 AMENDING SECTION 13 OF CAYUCOS SANITARY DISTRICT ORDINANCE NO. 5, ESTABLISHING A GREASE MANAGEMENT PROGRAM, INCLUDING REGULATIONS FOR INSTALLATION, OPERATION, AND MAINTENANCE OF GREASE TRAPS AND GREASE INTERCEPTORS

President Enns closed the Public Hearing.

MOTION: First by Raimondo with second by Gibeaut to adopt Ordinance No. 24 Amending Section 13 of Cayucos Sanitary District Ordinance No. 5, Establishing a Grease Management Program, Including Regulations for Installation, Operation, and Maintenance of Grease Traps and Grease Interceptors.

ROLL-CALL VOTE:

AYES: Enns, Gibeaut, Bell, Fones, Raimondo

NOES: None

ABSENT: None

6. STAFF COMMUNICATIONS AND INFORMATION ITEMS (NO ACTION REQUIRED):

A. Operation & Maintenance Report – December 2005

Supervisor Callahan's written report was received. It was reported that the U.S. Department of Occupational Safety & Health Organization (OSHA) had received a complaint regarding District Lift Station No. 5. Callahan stated that a response has been drafted and that the items have been addressed. President Enns asked if progress has been made in the I&I study. Callahan answered that a 30-day flow study is scheduled to commence in February.

B. Report on Storm Events, January 1-2, 2006

Supervisor Callahan's written report was received, which included information regarding the jointly-owned sewer main on Main Street in Morro Bay. The two sewer mains at Lift Station 5 direct the flow to a District-owned line in North Morro Bay. However, in times of heavy flow and

with the possibility of surcharging, the effluent can be directed to the jointly-owned line, as well. There is no means to calculate the percentage of flow from the District if this jointly-owned line is used. Morro Bay has requested a meeting with District staff to discuss this issue and have sent their Sewer Master Plan for review by the District. Callahan stated that he, Manager Connelly, and Engineer Dean Uota expect to meet with Morro Bay staff soon. President Enns commended Callahan on his report.

C. District Manager's Report – Monthly Activity & Operations – Dec. 2005/Jan. 2006

Manager Connelly's written report was received.

7. CONSENT CALENDAR

A. Minutes of Regular Meeting of December 14, 2005

Director Raimondo asked for the first sentence of agenda Item 13 to be omitted. Agenda Item 13 was a status report on a public information presentation regarding the upgrade of the Morro Bay-Cayucos wastewater treatment plant.

B. Approval to Pay Outstanding Bills at January 18, 2006

MOTION: First by Gibeaut with second by Bell to approve the minutes of the regular meeting of December 14, 2005, as amended, and to authorize payment of outstanding bills at January 18, 2006.

VOTE: 5-0

8. AD-HOC COMMITTEE REPORT RE: JOHN KLEINHAMMER'S LETTER OF NOVEMBER 7, 2005

Director Gibeaut stepped down, citing conflict of interest.

On January 10 Director Raimondo, President Enns and Manager Connelly met to consider Mr. Kleinhammer's letter and concluded that Mr. Kleinhammer had been treated fairly when he originally presented his grievance against the District and that it would not be necessary to meet with him.

Director Bell recalled that at the December 14 meeting, after Vice-President Gibeaut had withdrawn his participation in the ad-hoc committee, President Enns had elected to accompany Director Raimondo to meet with Mr. Kleinhammer. Bell felt it was in the best interest of the District to meet with him. Manager Connelly agreed. Enns then recommended that he, Connelly and Raimondo meet with Mr. Kleinhammer.

Gibeaut was reseated.

9. DISCUSSION ABOUT FORMATION OF A DISTRICT POLICY TO DESIGNATE FUND BALANCE (RETAINED EARNINGS) ON THE BASIS OF RESTRICTED FUNDS (DESIGNATED OR RESERVED) VERSUS UNRESTRICTED FUNDS

Manager Connelly's written report was received. She stated that the District's \$4,647,909 in "reserves" are unrestricted, which means designations of the funds are not locked in legally and are still available to finance expenditures other than those tentatively planned. Connelly suggested delineating proposed capital improvements, the WWTP upgrade, and other capital expenditures as footnotes to District financial statements and asked the Board to consider adopting policy to classify unrestricted "reserves". There was mixed reaction, therefore, President Enns recommended revisiting the issue when the FY 06-07 budget is prepared.

10. DISCUSSION ABOUT DISTRICT STAFFING LEVELS AS TO INCREASING WORKLOAD AND WORK PRIORITIES

Manager Connelly reported that she and Supervisor Callahan have been discussing the possible need for the District to hire an additional O&M person. Connelly stated that the workload has been greatly increased with the treatment plant upgrade, including implementation of the Wastewater Collection System Management Plan (part of the NPDES Permit requirements), as well as Web-GIS development and the I&I study. Enns directed the Personnel Committee to meet and explore options, and to report at the next regular Board meeting.

11. MORRO BAY-CAYUCOS SANITARY DISTRICT WASTEWATER TREATMENT PLANT:

A. Status Report on Morro Bay-Cayucos Sanitary District Wastewater Treatment Plant Upgrade Process

Manager Connelly reported that the public hearing scheduled for February 10, 2006 in Salinas has been rescheduled for March 2006, so the comment period has been extended to January 31, 2006. President Enns commended Connelly and Callahan on their efforts and is confident of their competence. Connelly indicated that Board members could review staff comments before they are sent, as well as those that have already been forwarded.

B. Staff Report on "Draft" Waste Discharge Requirements Order No. R3-2006-0019, NPDES Permit No. CA0047881

President Enns recommended that the Board consider engaging Dean Uota (Engineer, Quad Knopf, Inc.) to assist in developing the required Wastewater Collection System Management Plan, which is a component of the NPDES Permit.

12. DISCUSSION OF POSSIBLE PUBLIC INFORMATION PRESENTATIONS(S) RE: UPGRADE OF THE MORRO BAY-CAYUCOS SANITARY DISTRICT WASTEWATER TREATMENT PLANT

Director Gibeaut stated that he senses there is uncertainty in the community regarding what is going on with the treatment plant upgrade. President Enns suggested Manager Connelly provide an update at the Advisory Council Meeting scheduled for the first Wednesday in February.

13. STATUS REPORT ON FIRST APPEAL OF FEMA CLAIM FOR SAN SIMEON EARTHQUAKE DISASTER-RELATED DAMAGE

Manager Connelly provided the Board with a report on the appeal of the FEMA claim. She stated that FEMA responded to the District's appeal and obligated \$34,000 more to the original claim, which brings the combined total to \$138,959. There is opportunity for a second appeal within the next 60 days, and she indicated she would contact OES to determine if a second appeal is a good idea.

14. BOARD MEMBER COMMENTS

Director Fones asked if the date of the February Board meeting could be changed from the Wednesday, February 15 to Monday, February 13. The Board conceded and the date was changed.

15. MEETING AND CONFERENCE REMINDERS

CSDA has offered several workshops in February and March covering pertinent/required topics for Board members. However, they are not offered locally. Manager Connelly stated she feels that in the coming months there will be adequate opportunities for Board members to receive the ethics training locally.

16. SCHEDULE AGENDA ITEMS FOR NEXT REGULAR BOARD MEETING OF FEBRUARY 15, 2006

- Report by Personnel Committee about District staffing levels and increasing workload
- Roll-off containers and Exclusive Franchise Agreement with Mission Country Disposal

17. ADJOURNMENT

MOTION: First by Bell with second by Fones for the meeting to adjourn at 8:55 p.m. VOTE: 5-0

Minutes recorded by: *Nancy Martin*
Nancy Martin