



CAYUCOS SANITARY DISTRICT

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

3.A.1

GOVERNING BOARD
R. Enns, President
S. Lyon, Vice-President
H. Miller, Director
J. Curti, Director
M. Shopshear, Director

**BOARD OF DIRECTORS
REGULAR MEETING MINUTES
THURSDAY, NOVEMBER 21, 2024 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.

Directors present: President Robert Enns, Vice-President Shirley Lyon, Director Hannah Miller, and Director John Curti

Directors absent: Director Michael Shopshear

Staff present: District Manager Rick Koon (via teleconference), Administrative Services Manager Amy Lessi, Administrative Accounting Manager Gayle Good, and Treatment Plant Operator III Jon Collins

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. Meeting Minutes

1. Approval of minutes for the October 17, 2024 Board of Directors Regular Meeting

B. Financial Reports: October 2024

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

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

MOTION: 1st by Lyon, to approve items on the Consent Calendar as prepared. Motion was seconded by Miller.

VOTE: 4-0 Motion passed

4. STAFF COMMUNICATIONS AND INFORMATION ITEMS: No Action Required

A. District Manager's Report: October 2024

B. New Will-Serves: October 2024

- 2705 Santa Barbara Ave. / Morgan / 064-203-071 / SFR Remodel

Extended Will-Serves:

- 25 20th St. / Mulholland / 064-233-010 / SFR Addition
- 52 13th St. / Kirk / 064-164-021 / SFR New
- 2098 Circle Dr. / Lewis / 064-182-049 / SFR Remodel

Finalized Will-Serves:

- 974 Pacific Ave. / Bowman / 064-151-009 / SFR Remodel
- 78 Saint Mary Ave. / Lindahl / 064-125-038 / SFR Addition

Grants of License:

None

Manager Koon provided a summary of the previous month's activities. With regard to the proposed new Big Belly waste receptacles, Director Lyon wondered what their projected lifespan is and suggested consideration of who would maintain them.

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 OF REPORT REGARDING MISSION COUNTRY DISPOSAL'S (MCD) REQUEST FOR A SOLID WASTE COLLECTION AND DISPOSAL RATE INCREASE, AND DISCUSSION AND CONSIDERATION TO SCHEDULE A PUBLIC HEARING ON JANUARY 16, 2025 TO CONSIDER REQUESTED RATE INCREASE AND TO DIRECT STAFF AND DISTRICT COUNSEL TO COORDINATE THE PREPARATION AND DISTRIBUTION OF A PROPOSITION 218 PUBLIC HEARING NOTICE WITH MCD

Garth Schultz, Principal of R3 Consulting Group, Inc., delivered an in-depth PowerPoint presentation on why a rate adjustment is necessary, the proposed new rate setting methodology, and discussed how Cayucos, specifically, would be impacted. Director Miller questioned why Cayucos is seeing the highest percentage of rate increase in the County, and Mr. Schultz replied that the existing profit allowance and operating deficits for MCD impacted their necessary rate adjustment. He stated that this issue will not perpetuate in the future under the new rate setting methodology. Director Miller asked if the new rate setting methodology would also help prevent spikes in the tonnage tipping fee, and Mr. Schultz confirmed that it would smooth and prevent future spikes. Regarding the 2% floor – 5% cap for future rate adjustments, Director Curti requested clarification on what would happen if the CPI increased substantially more than the 5% cap allows, and the business began to operate at a deficit again. Mr. Schultz responded that on the 5th year (after the last rate increase/Prop. 218 process), MCD could request a new Prop. 218 process to adjust their rates, creating a new floor/cap for the next 5 years.

President Enns opened the meeting to Public Comment.

Hearing no comment, President Enns closed Public Comment.

MOTION: 1st by Miller, schedule a public hearing on January 16, 2025 to consider the requested rate increase and to direct staff and District Counsel to coordinate the preparation and distribution of a Proposition 218 Public Hearing Notice with MCD. Motion was seconded by Curti.

ROLLCALL VOTE: Miller-yes, Curti-yes, Lyon-yes, Enns-yes

VOTE: 4-0 Motion passed

6. DISCUSSION AND CONSIDERATION TO ADOPT RESOLUTIONS 2024-06 AND 2024-07 ACCEPTING THE PROPERTY TAX ALLOCATION RATE OF 6.7524% FROM THE COUNTY OF SAN LUIS OBISPO FOR ANNEXATIONS 19 AND 20, RESPECTIVELY

Director Curti found the County's proposed policy for future annexation allocation rates problematic, as it would not consider an individual annexation's unique circumstances. Director Lyon suggested gathering data on Cayucos's property tax revenue to assist in contesting said proposed policy.

President Enns opened the meeting to Public Comment.

Hearing no comment, President Enns closed Public Comment.

MOTION: 1st by Curti, to adopt Resolution 2024-06 accepting the property tax allocation rate of 6.7524% from the County of San Luis Obispo for Annexation 19. Motion was seconded by Miller.

VOTE: 4-0 Motion passed

MOTION: 1st by Curti, to adopt Resolution 2024-07 accepting the property tax allocation rate of 6.7524% from the County of San Luis Obispo for Annexation 20. Motion was seconded by Miller.

VOTE: 4-0 Motion passed

7. DISCUSSION AND CONSIDERATION TO APPOINT AN ADDITIONAL BOARD MEMBER AS AN AUTHORIZED CHECK SIGNER FOR CAYUCOS SANITARY DISTRICT EXPENSE DISBURSEMENTS

President Enns opened the meeting to Public Comment.

Hearing no comment, President Enns closed Public Comment.

MOTION: 1st by Curti, to appoint Director Miller as an Authorized Check Signer for Cayucos Sanitary District expense disbursements. Motion was seconded by Lyon.

VOTE: 4-0 Motion passed

8. PRESENTATION FROM JON COLLINS ON CAYUCOS SANITARY DISTRICT'S SCADA SYSTEM

Treatment Plant Operator III Collins provided an overview of the recently revamped SCADA system, which is utilized by treatment and collections staff and provides detailed information on various statuses of the plant. Director Lyon asked how close the treatment plant is to having treated, potable water, and Treatment Plant Operator III Collins responded they are nearly there, but still need a reverse osmosis system.

President Enns opened the meeting to Public Comment. Justin Smith commented that he is familiar with the software and finds it impressive.

Hearing no further comment, President Enns closed Public Comment.

Item #8 was received.

9. BOARD MEMBER COMMENTS

None

10. FUTURE SCHEDULED MEETINGS

- December 19, 2024 – Regular Board Meeting
- January 16, 2025 – Regular Board Meeting
- February 20, 2025 – Regular Board Meeting

11. ADJOURNMENT

The meeting adjourned at 7:03 p.m.

Minutes Respectfully Submitted By:

X *Amy Lessi*

Amy Lessi

Administrative Services Manager