

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

AGENDA NO. 9A
DATE 8/20/2008

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

REGULAR MEETING
MINUTES
July 16, 2008

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 6:02 p.m., Wednesday, July 16, 2008.

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

Board members absent: Vice-President Nat Raimondo

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

Visitors present: Jon McAlpin (Architect, Omni Design Group) and Dorothy Fones

2. PUBLIC COMMENTS

There were no public comments.

3. PUBLIC HEARING FOR DELINQUENT SEWER CHARGES

A. OPEN PUBLIC HEARING

President Enns opened the Public Hearing.

B. CLOSE PUBLIC HEARING

There were no public comments. The hearing was closed.

C. CONSIDERATION TO ADOPT RESOLUTION NO. 2008-3 CONFIRMING REPORT OF DISTRICT CLERK RELATIVE TO UNPAID SEWER CHARGES AND LEVYING ASSESSMENTS FOR COLLECTION ON THE TAX ROLL

MOTION: First by Fones with second by McHale to adopt Resolution No. 2008-3 Confirming Report of District Clerk Relative to Unpaid Sewer Charges and Levying Assessments for Collection on the Tax Roll. ROLL CALL VOTE: Enns (yes), Raimondo (absent), Fones (yes), McHale (yes), Lyon (yes)

4. PUBLIC HEARING FOR DELINQUENT SOLID WASTE DISPOSAL CHARGES

A. OPEN PUBLIC HEARING

President Enns opened the Public Hearing.

B. CLOSE PUBLIC HEARING

There were no public comments. The hearing was closed.

C. CONSIDERATION TO ADOPT RESOLUTION NO. 2008-4 CONFIRMING REPORT OF DISTRICT CLERK RELATIVE TO UNPAID SOLID WASTE DISPOSAL CHARGES AND LEVYING ASSESSMENTS FOR COLLECTION ON THE TAX ROLL

MOTION: First by McHale with second by Fones to adopt Resolution No. 2008-4 confirming Report of district Clerk Relative to Unpaid Solid Waste Disposal Charges and Levying Assessments for Collection on the Tax Roll. ROLL CALL VOTE: Enns (yes), Raimondo (absent), Fones (yes), McHale (yes), Lyon (yes)

5. 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 due to the proximity of his personal residence to the proposed District O&M shop.

Mr. McAlpin provided project floor plans with revisions, as directed at the June meeting. President Enns expressed concerns with the expected cost to construct not only the O&M shop but a new conference/multi-purpose room and to remodel the existing office. He recommended the District focus on constructing the shop at this time and to defer the conference/multi-purpose room construction and office remodel to a later date. Enns also had suggestions for the shop layout – to create a workstation for employee Dave Zevely where the lobby is located on the First Floor Plan schematic drawing, and to heat the space. Board members Enns, Lyon and Fones agreed that Phase 1 (O&M shop) should be built first, with utilities and plumbing stubbed out for Phase 2 (conference/multipurpose room and office remodel) at the same time.

For review at the September Board meeting Mr. McAlpin was asked to provide a definitive floor plan for the O&M shop, an updated time line, and to determine the estimated cost per square foot to proceed with the project in phases.

Director McHale was reseated.

6. DISCUSSION OF DISTRICT PROGRESS ON THE STATE MANDATED SANITARY SEWER MANAGEMENT PLAN

Manager Callahan's written report was received, with the required tasks, due dates and status of each task listed. He anticipates completion of all tasks within the time limits. President Enns indicated he would like to see most tasks completed in-house.

7. DISCUSSION OF REBATE PROGRAM FOR SEWER LATERAL REPLACEMENTS

President Enns stepped down, citing a conflict of interest over lateral ownership and maintenance on the basis of economic interest. Director Fones was asked to chair the meeting in his absence.

At the July meeting the Board had asked Manager Callahan to investigate other municipalities who offer rebates for sewer lateral repair/replacements. Callahan's written report provided information on active rebate programs offered by the City of San Luis Obispo and the Castro Valley Sanitary District. He recommended the District consider a program like the one offered by the City of San Luis Obispo, which rebates 50% of the cost to repair/replace a defective sewer lateral up to a maximum of \$1,000.00 per household, as well as a waiver of associated permit fees. The City Council considers funding annually. Director McHale suggested the District implement a pilot program with a ceiling of \$25,000. Directors Fones and Lyon concurred. Callahan indicated

requirements/ conditions would have to be established and property owners notified. Callahan was directed to develop parameters for a pilot program for the Board's review at the next regular meeting.

President Enns was reelected.

8. CONSIDERATION TO ADOPT AMENDMENT TO CalPERS RETIREMENT CONTRACT FOR 2.5% @ AGE 55 BENEFIT FORMULA:

A. RESOLUTION NO. 2008-5 FOR EMPLOYER-PAID MEMBER CONTRIBUTIONS STIPULATING COST SHARING OF EMPLOYEE NORMAL CONTRIBUTION AT 7% DISTRICT-PAID AND 1% EMPLOYEE-PAID

MOTION: First by McHale with second by Lyon to adopt Resolution No. 2008-5 for Employer-Paid Member Contributions Stipulating Cost Sharing of Employee Normal Contribution at 7% District-Paid and 1% Employee-Paid. ROLL CALL VOTE: Enns (yes), Raimondo (absent), Fones (yes), Lyon (yes), McHale (yes)

B. FINAL RESOLUTION NO. 2008-6 TO AMEND CalPERS RETIREMENT CONTRACT FOR 2.5% @ AGE 55 BENEFIT FORMULA

MOTION: First by McHale with second by Fones to adopt Resolution No. 2008-6 to Amend CalPERS Retirement Contract for 2.5% @ Age 55 Benefit Formula. ROLL CALL VOTE: Enns (yes), Raimondo (absent), Fones (yes), Lyon (yes), McHale (yes)

9. DISCUSSION AND CONSIDERATION TO ADOPT DISTRICT ADMINISTRATIVE AND FINANCIAL POLICIES

A. FINANCIAL MANAGEMENT AND CAPITAL PROGRAM POLICY

Office Connelly's written report and "draft" policy were received. She pointed out italicized portions of the document that will require Board members consideration on setting monetary limits. She reported that most public entities have such policy in place and that the District's auditors, Moss, Levy & Hartzheim, have encouraged such development. The Board was amenable but recommended review by District Counsel, Tim Carmel, prior to adoption of Financial Management and Capital Program Policy.

B. INTERNAL CASH CONTROL AND FRAUD POLICY

Officer Connelly's written report and "draft" policy were received. Development of this policy has been encouraged by both the District's auditors and SDRMA, the District's property and liability insurance carrier. The Board was amenable but recommended review by District Counsel prior to adoption of Internal Cash Control and Fraud Policy.

C. DUTIES OF BOARD CLERK

Officer Connelly's "draft" policy was received. The Board was amenable but recommended review by District Counsel prior to adoption.

10. DISCUSSION AND CONSIDERATION TO ADOPT PERSONNEL POLICIES:

A. EMPLOYMENT DISCRIMINATION BASED ON DISABILITY (Under FEHA)

Officer Connelly's "draft" policies regarding employment discrimination based on disability were received. She reported that District Counsel had reviewed both. She recommended the Board repeal the Hiring Policy (adopted February 17, 1998) and adopt the Employment Discrimination Based on Disability (Under FEHA and ADA), as presented.

MOTION: First by McHale with second by Lyon to repeal Hiring Policy (adopted February 17, 1998) and to adopt the Employment Discrimination Based on Disability (Under FEHA), as presented. VOTE: 4-0

B. EMPLOYMENT DISCRIMINATION BASED ON DISABILITY (Under ADA)

MOTION: First by Lyon with second by Fones to repeal Hiring Policy (adopted February 17, 1998) and to adopt the Employment Discrimination Based on Disability (Under ADA), as presented.
VOTE: 4-0

C. EMPLOYEE CONDUCT POLICY

Officer Connelly's "draft" policy was received. She reported District Counsel had reviewed and approved said policy, and that the District will receive a discount in liability insurance premiums by adopting such policy.

MOTION: First by Fones with second by Lyon to repeal General Rules of Conduct Policy (adopted February 17, 1998) and to adopt Employee Conduct Policy, as presented. VOTE: 4-0

11. STAFF COMMUNICATIONS AND INFORMATION ITEMS (no action required):

A. District Manager's Report – June 2008

Manager Callahan's written report was received. He reported that a JPA committee meeting is scheduled for July 17 to discuss potential modifications to the document. District staff (Connelly and Callahan), President Enns, Director Lyon, Jon Hanlon (Boyle Engineers) and Tim Carmel (District Counsel) are holding a pre-meeting prior to meeting with Morro Bay staff and Council.

B. Administrative Services Officer's Report – June 2008

Officer Connelly's written report was received. She was commended by Board members on her Salary and Fringe Benefits Study and analysis.

C. Operations and Maintenance Report – June 2008

Maintenance Technician Zevely's written report was received. President Enns asked of the ongoing I&I (inflow and infiltration) study. Manager Callahan reported that data collected during the July 4 weekend has been downloaded and is ready for review by Zevely.

CONSENT CALENDAR

A. Minutes of Regular Board Meeting of June 18, 2008

B. Approval to Pay Outstanding Bills as of July 16, 2008

C. Certification of Posting of Resolution No. 2008-1, a Resolution of the Board of Directors of Cayucos Sanitary District Establishing Revised Solid Waste and Recyclable Materials Collection and Disposal Services Rates

D. Approval to Execute Audit Services Agreement with Moss, Levy & Hartzheim, LLP for FY 07-08 Financial Audit, Based on 3-yr. Services Agreement in Effect

MOTION: First by McHale with second by Lyon to approve the Consent Calendar in its entirety.
VOTE: 4-0

12. CONSIDERATION TO ADOPT RESOLUTION NO. 2008-7 FOR CONSOLIDATION OF DISTRICT ELECTION WITH THE NOVEMBER 4, 2008 GENERAL ELECTION

MOTION: First by McHale with second by Lyon to adopt Resolution No. 2008-7 for Consolidation of District Election with the November 4, 2008 General Election. ROLL CALL VOTE: Enns (yes), Raimondo (absent), Fones (yes), Lyon (yes), McHale (yes)

13. BOARD MEMBER COMMENTS

President Enns asked if District liability insurance requirements for general contractors are excessive and if the District should consider modifying current policy. Manager Callahan stated he would

compare District policy to that of other cities. Director Lyon offered to look into the matter as she worked in the insurance field for 12 years.

14. MEETINGS, CONFERENCES AND SEMINARS

Manager Callahan reported that the JPA meeting scheduled for August 28, 2008 has been cancelled. Morro Bay staff provided August 28 and September 4 as tentative dates for rescheduling. Board members were to notify Callahan regarding their availability on those dates.

15. SCHEDULE AGENDA ITEMS FOR THE AUGUST 20,2008 MEETING

- Consideration to adopt Administrative and Financial Policies
- Consideration to adopt Employment Policies
- Discussion of Rebate Program for sewer lateral replacements
- O&M Shop Project

16. ADJOURNMENT

MOTION: First by McHale with second by Lyon to adjourn the meeting at 8:10 p.m. VOTE: 4-0

Minutes recorded by: _____
Nancy Martin