



# CAYUCOS SANITARY DISTRICT

200 Ash Avenue / PO Box 333  
Cayucos, CA 93430  
(805) 995-3290  
[www.cayucossd.org](http://www.cayucossd.org)

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

**BOARD OF DIRECTORS  
REGULAR MEETING AGENDA  
THURSDAY, FEBRUARY 20, 2025 AT 5:00PM  
200 ASH AVENUE, CAYUCOS, CALIFORNIA 93430**

**1. ESTABLISH QUORUM AND CALL TO ORDER**

**2. 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.

**3. CONSENT CALENDAR: Recommended to Approve**

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**

1. Approval of minutes for the January 16, 2025 Board of Directors Regular Meeting **Pg. 1**

**B. Financial Reports: January 2025**

1. Cash, Savings, and Investment Report **Pg. 7**
2. Check Registers – Wells Fargo (General & CIP Checking Accounts) **Pg. 8**
3. Budget vs. Actual Status Report **Pg. 10**
4. Capital Improvement Projects Report **Pg. 11**

**4. STAFF COMMUNICATIONS AND INFORMATIONAL ITEMS: No Action Required**

**A. District Manager's Report: January 2025 **Pg. 12****

**B. Will-Serve Activity: January 2025**

**1. New Will-Serves**

- 3400 Gilbert Ave. / Albin / 064-406-005 / SFR Remodel
- 3595 Shearer Ave. / Albin / 064-433-009 / SFR New
- 21 24<sup>th</sup> St. / Cruff / 064-185-013 / SFR New
- 31, 33 N 3<sup>rd</sup> St. / Schneider / 064-124-007 / MFR Remodel

**2. Extended Will-Serves:**

- 3312 Shearer Ave. / Haaland / 064-426-012 / SFR Remodel, ADU New

**3. Finaled Will-Serves:**

- 36 Ash Ave. / Chivens / 064-112-042 / ADU New
- 3192 Ocean Blvd. / Roberts / 064-414-028 / ADU New
- 94 24<sup>th</sup> St. / Little / 064-183-021 / SFR New

5. **DISCUSSION AND CONSIDERATION TO APPROVE THE THIRD AMENDMENT TO THE SOLID WASTE, RECYCLING, AND ORGANIC MATERIALS FRANCHISE AGREEMENT WITH MISSION COUNTRY DISPOSAL Pg. 14**
6. **DISCUSSION AND CONSIDERATION TO APPROVE A GRANT OF LICENSE AND AGREEMENT AFFECTING REAL PROPERTY LOCATED AT 998 PARK AVE. (APN 64-157-022) Pg. 19**
7. **PRESENTATION AND DISCUSSION OF THE WATER RESOURCE RECOVERY FACILITY'S RECYCLED WATER MANAGEMENT PLAN Pg. 25**
8. **DISCUSSION AND CONSIDERATION TO APPROVE A CONTRACT WITH WATER SYSTEMS CONSULTING, INC. (WSC) IN THE AMOUNT OF \$36,188 FOR A REPORT ON THE CLIMATE CHANGE HAZARDS AND VULNERABILITY PLAN Pg. 37**
9. **DISCUSSION AND CONSIDERATION TO APPROVE A CONTRACT WITH WATER SYSTEMS CONSULTING, INC. (WSC) IN THE AMOUNT OF \$36,330 FOR THE WATER RESOURCE RECOVERY FACILITY'S NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT RENEWAL Pg. 41**
10. **CLOSED SESSION:**
  - A. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)** Title: District Manager
  - B. **CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6**  
Agency Designated Representatives: Board President Robert Enns and Director Hannah Miller  
Unrepresented Employee: District Manager

#### **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**

- March 20, 2025 – Regular Board Meeting
- April 17, 2025 – Regular Board Meeting
- May 15, 2025 – Regular Board Meeting

#### **13. ADJOURNMENT**

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### GOVERNING BOARD

R. Enns, President

S. Lyon, Vice-President

H. Miller, Director

J. Curti, Director

J. Smith, Director

## BOARD OF DIRECTORS REGULAR MEETING MINUTES THURSDAY, JANUARY 16, 2025 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 welcomed Director Justin Smith to his first meeting serving on the Board.

**Directors Present:** President Robert Enns, Vice-President Shirley Lyon, Director Hannah Miller, Director John Curti, and Director Justin Smith

**Staff Present:** District Manager Rick Koon, Administrative Services Manager Amy Lessi and Administrative Accounting Manager Gayle Good

**Guests Present:** District Manager Jeff Clarin and District Controller Kyle Vradenburg of Waste Connections

### 2. PUBLIC COMMENT

None

### 3. CONSENT CALENDAR: Recommended to Approve

#### A. Meeting Minutes

1. Approval of minutes for the November 21, 2024 Board of Directors Regular Meeting

#### B. Financial Reports: November 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

#### C. Financial Reports: December 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

Director Curti requested confirmation that the payments to Environmental Health listed on agenda item 3.B.2 are annual fees, and Manager Koon confirmed that they are annual fees related to the permits to operate the lift stations and treatment plant.

**Public Comment:** None

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

**Second:** By Director Curti

**Vote: 5-0** Motion passed

**4. STAFF COMMUNICATIONS AND INFORMATION ITEMS: No Action Required**

**A. District Manager's Report: November & December 2024**

**B. Will-Serve Activity: November & December 2024**

**1. New Will-Serves**

- 168 I St. / Oliva / 064-128-005 / SFR Addition
- 34 13th St. / Olsen / 064-223-001 / SFR Remodel
- 159 H St. / Khankhanian / 064-126-007 / SFR Remodel

**2. Extended Will-Serves:**

- 998 Park Ave. / Ryan / 064-157-022 / Retaining Wall, Stairs
- 998 Pacific Ave. / Reeve / 064-151-010 / SFR New
- 3192 Ocean Blvd. / Roberts / 064-414-028 / ADU New
- 94 24th St. / Little / 064-183-021 / SFR New

**3. Finaled Will-Serves:**

- 284 Saint Mary Ave. / Reynoso / 064-125-014 / SFR Addition
- 2765 Santa Barbara Ave. / McKean / 064-204-009 / SFR New

**4. Grants of License:**

- 97 10th St. # 1 / Halle / 064-153-042 / Deck Replacement

Manager Koon gave a summary of the previous month's activities and elaborated on the Manager's Report. With regard to the Lot 6NE and Lot 7N CalTrans Environmental Mitigation Project, Director Curti asked how long CalTrans will need to access a portion of the District's lots. Manager Koon replied approximately one year, starting in the spring of 2025.

**Public Comment:** None

**Items 4.A – B were received and accepted.**

**5. ELECTION OF DISTRICT OFFICERS FOR 2025**

Vice-President Lyon expressed willingness to continue serving as Vice-President.

**Public Comment:** None

**Motion:** By Director Lyon to reelect the same officers to the same positions for 2025

**Second:** By Director Curti

**Rollcall Vote:** Lyon-yes, Curti-Yes, Smith-Yes, Miller-Yes, Enns-yes; motion passed

**6. PUBLIC HEARING PURSUANT TO PROPOSITION 218 REGARDING MISSION COUNTRY DISPOSAL'S PROPOSED RATE INCREASE FOR SOLID WASTE, RECYCLING AND GREENWASTE COLLECTION SERVICES AND DISCUSSION AND CONSIDERATION OF ADOPTION OF RESOLUTION NO. 2025-01 AUTHORIZING THE SOLID WASTE, RECYCLING AND GREENWASTE COLLECTION SERVICE RATE INCREASE**

President Enns introduced Manager Clarin and Controller Vradenburg of Waste Connections and mentioned that he reviewed their financials in November and supports the requested rate increase. Manager Clarin confirmed that their company is operating at a deficit in Cayucos and explained the differences between the currently used 1994 rate setting methodology and the newly proposed rate setting methodology developed by independent, third party consultant R3. Justification and rationale for the proposed rate increase was provided. Director Smith asked if proof of PG&E low income billing rates could qualify Cayucos residents for Waste Connections' low income billing rates, and Manager Clarin confirmed it could.

**President Enns opened the Public Hearing to Public Comment:**

- Commenter #1 expressed concern for how the proposed rate increase would affect the senior citizen population.
- Commenter #2 agreed that his two tenants have fixed incomes. He can't come up with an answer, but has observed that no young people are moving to Cayucos. It will be all senior citizens soon.

- Commenter #3 has heard many comments that recycling does not actually occur at the processing plant, and thinks it would be cheaper to just throw everything in the garbage. They asked if Waste Connections makes income from recycling.
- Commenter #4 asked for an explanation of how “up to” a 7% increase would be determined.
- Commenter #5 stated that there are a lot of second homes here that pay for trash whether we’re here or not. We’re subsidizing the community. The Airbnbs should pick up more of the slack. The County gets a hotel tax, why can’t you?
- Commenter #6 thanked the presenters for the education.
- Commenter #7 asked what percentage of recycled material goes to China, and have you considered what would happen if there were to be a tariff war with China?
- Commenter #8 asked what goes to China.
- Commenter #9 asked if the CSD Board has to give permission to move forward/authorize Mission Country Disposal’s budget.
- Commenter #10 asked if China is the only country that takes plastic, and do you get more money sending it to China, or are you just doing it because you always have?
- Commenter #11 said since we just had an election, and we don’t really know how that will impact things, does this rate increase really have to be decided on now?

President Enns closed the Public Hearing to Public Comment asked Manager Clarin to answer questions from the public.

**Response to Public Comment:**

- In response to Commenter #4, Controller Vradenburg explained that there will be a 2-5% cap on future rate increases, based on the Consumer Price Index (“CPI”). Their new revenue balancing component will prevent increases from being too high or small.
- In response to Commenter #s 1 and 2, Manager Clarin stated this is why we’re offering the low income program. Manager Koon offered to perform research on low income thresholds.
- In response to Commenter #3, Manager Clarin asserted that recycling does in fact take place at their processing plant, described the sorting process, and contended that recycling is a benefit to the community. President Enns added that he has visited the recycling facility and seen how recyclables and green waste scraps are turned into power.
- In response to Commenter #9, Manager Koon stated that CSD gets a copy of Mission Country Disposal’s budget, but only reviews it as opposed to authorizing it. CSD did agree to hire a consultant to develop a new rate setting methodology for Waste Connections.
- In response to Commenter #7, Manager Clarin shared that 65-70% of recycled material stays domestic. The rest (mostly aluminum and plastic) goes overseas. Tariff wars are difficult to predict, and would affect the entire garbage industry, not just us.
- In response to Commenter #10 Manager Clarin responded that other countries such as India and Vietnam accept plastic. We try to keep as much domestic as possible, but when our resources become full, we go overseas. A broker determines the most appropriate location to dispose.
- In response to Commenter #11, Manager Clarin repeated that their company has been providing service to Cayucos while operating at a deficit. They cannot delay their request for a rate increase any longer.

Director Curti asked if the tipping fee will remain at \$71 for the length of the agreement, and Controller Vradenburg responded that everything will be based on the CPI.

Director Miller requested confirmation that an independent, third party auditor will review Waste Connections’ future profit margins, and Manager Clarin confirmed.

President Enns asked how many letters of protest against the proposed rate increase were received, and Manager Koon responded 19, confirming a majority protest does not exist. President Enns expressed desire to do a better job of educating the public on what they are paying for.

**Motion:** By Director Curti to adopt Resolution No. 2025-01 authorizing the solid waste, recycling and greenwaste collection service rate increase effective January 1, 2025 (retroactive)

**Second:** By Director Smith

**Rollcall Vote:** Curit-Yes, Smith-Yes, Miller-Yes, Lyon-yes, Enns-yes; motion passed

**7. DISCUSSION AND CONSIDERATION TO AMEND THE FISCAL YEAR 2024/2025 CIP BUDGET TO ACCOMMODATE THE PURCHASE OF 10 TRASH & 10 RECYCLING BIG BELLY WASTE RECEPTACLES FOR PLACEMENT IN THE COMMUNITY OF CAYUCOS**

Director Smith asked when District staff applied for the grant and what the due date for applications is, and Manager Koon responded that staff applied in December, there is no due date. Director Curti requested confirmation that the District intends to buy 5 trash receptacles now, and if the District is awarded the grant, will buy and additional 5 trash receptacles and 10 recycling receptacles later utilizing those funds. Manager Koon confirmed. Director Miller requested confirmation that the District cannot buy all 20 receptacles now and reimburse itself with the grant funds later, and Manager Koon confirmed that is not possible.

**Public Comment:** Commenter #1 asked if garbage receptacles could be leased or rented until the grant is approved.

**Response to Public Comment:** Manager Koon responded that this is not an option.

**Motion:** By Director Miller to amend the Fiscal Year 2024/2025 CIP Budget to accommodate the purchase of 10 trash & 10 recycling Big Belly waste receptacles for placement in the community of Cayucos

**Second:** By Director Curti

**Vote:** 5-0 Motion passed

**8. DISCUSSION AND CONSIDERATION OF REQUEST FROM THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) TO NOMINATE A BOARD MEMBER TO SERVE ON LAFCO AS THE SPECIAL DISTRICT REPRESENTATIVE**

President Enns provided a background on LAFCO's primary objectives and his recent involvement.

**Public Comment:** None

**Motion:** By Director Miller to nominate Robert Enns to serve as the Special District Member on the San Luis Obispo LAFCO

**Second:** By Director Lyon

**Vote:** 5-0 Motion passed

**9. DISCUSSION AND CONSIDERATION TO APPROVE A GRANT OF LICENSE AND AGREEMENT AFFECTING REAL PROPERTY LOCATED AT 97 10TH ST. APT. 1 (APN 064-153-042)**

Director Smith recused himself from discussion on this agenda item and left the room due to a conflict of interest (living in close proximity to the property being considered). Manager Koon explained to the Board how the proposed encroachment into the District's easement will not impact staff's ability to excavate its easement in the future. Director Curti asked how deep the sewer main is at this location, and if the aerial encroachment has potential to limit large equipment's access to the area in the future. Manager Koon responded that the sewer main is 9 feet deep, and that the height of the deck has potential to limit access to the easement if it needed to be excavated, but he doesn't foresee any issues due to the fact that it is a low-flow area and the line was recently replaced.

**Public Comment:** None

**Motion:** By Director Curti to approve a Grant of License and Agreement affecting real property located at 97 10th St. Apt. 1 (APN 064-153-042)

**Second:** By Director Miller

**Vote:** 4-0 Motion passed

## **10. DISCUSSION AND CONSIDERATION OF NEW DISTRICT BOARD COMMITTEE ASSIGNMENTS FOR 2025**

President Enns suggested that Director Smith fill the vacancy on the Operations & Maintenance Committee. Director Smith agreed and volunteered for the Recycled Water Opportunities Committee. President Enns volunteered to remove himself from the Recycled Water Opportunities Committee.

**Public Comment:** None

**Motion:** By Director Miller to maintain the current Board Committee Assignments for 2025, with Director Smith filling the vacancy on the Operations & Maintenance Committee and replacing President Enns on the Recycled Water Opportunities Committee

**Second:** By Director Curti

**Vote: 5-0** Motion passed

## **11. DISCUSSION AND CONSIDERATION OF REQUEST FROM THE INTEGRATED WASTE MANAGEMENT AUTHORITY (IWMA) TO NOMINATE A BOARD MEMBER TO SERVE ON THE IWMA AS THE SPECIAL DISTRICT REPRESENTATIVE**

President Enns provided a background on the IWMA's primary objectives and his recent involvement.

**Public Comment:** None

**Motion:** By Director Curti to nominate President Enns to serve on the IWMA as the Special District Representative

**Second:** By Director Smith

**Vote: 5-0** Motion passed

## **12. CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) Title: District Manager**

**Public Comment:** Commentor #1 stated that he read the Cal Coast News article on Manager Koon and had the following questions:

- Is it true he permanently relocated out of state?
- Is it his intention to work remotely?
- Were his travel costs absorbed by the District?
- Is it true he's the highest paid District Manager for the smallest agency in the County, and is that appropriate since the treatment plant is now complete?
- Has the Board decided if he will be allowed to work remotely?
- Is it true he hasn't been here since October, and was that known and approved by the Board?

**Response to Public Comment:** None

President Enns announced that the Board would transition to Closed Session at 7:00 p.m.

**Directors Present During Closed Session:** President Enns, Vice-President Lyon, Director Miller, Director Curti and Director Smith

**Staff Present During Closed Session:** District Manager Rick Koon

Open Session reconvened at 7:34 p.m.

**Items to report from Closed Session:** An Ad Hoc Committee has been formed and appointed to President Enns and Director Miller to review and make recommendations on Manager Koon's employment contract.

## **13. BOARD MEMBER COMMENTS**

None

#### 14. FUTURE SCHEDULED MEETINGS

- February 20, 2025 – Regular Board Meeting
- March 20, 2025 – Regular Board Meeting
- April 17, 2025 – Regular Board Meeting

#### 15. ADJOURNMENT

The meeting adjourned at 6:17 p.m.

#### Minutes Respectfully Submitted By:

X Amy Lessi

Amy Lessi  
Administrative Services Manager

DRAFT





# CAYUCOS SANITARY DISTRICT

## Monthly Financial Report

### FY 2024/2025

## Cash, Savings and Investments

### January 2025

<b>Bank Accounts</b>	<b>Current Balance</b>
Wells Fargo - General Checking	\$1,415,915
Wells Fargo - Capital Projects	\$1,106,210
Wells Fargo - Standby	\$258,207
Wells Fargo - USDA	\$722,560
Petty Cash	\$175
LAIF	\$9,272
<b>Total</b>	<b>\$3,512,339</b>
<b>Investment Accounts</b>	
CalTrust	\$2,695,708
Cetera Cash/MM	\$33,704
Cetera Treasury/Securities	\$37,446 *
<b>Total</b>	<b>\$2,766,858</b>
<b>Grand Total</b>	<b>\$6,279,197</b>
MCD Wells Fargo Deposit CD	\$25,000 **

\* Fixed Income

\*\* Franchise Deposit on Hold

## Check Registers - Checks Issued January 2025

Date	Num	Name	Amount
01/02/2025	24635	MISSION COUNTRY DISPOSAL	-483.30
01/06/2025	11599 - CP	FERGUSON INDUSTRIAL	-5,435.81
01/06/2025	24636	ALPHA FIRE & SECURITY ALARM CORP	-120.00
01/06/2025	24637	AMAZON - lab & office supplies	-367.33
01/06/2025	24638	ASAP - as-built maps digitizing	-78.30
01/06/2025	24639	CARMEL & NACCASHA, LLP	-1,485.04
01/06/2025	24640	CULLIGAN OF MORRO BAY	-88.00
01/06/2025	24641	DEEP BLUE INTEGRATION, INC.	-195.00
01/06/2025	24642	MINER'S ACE HARDWARE	-744.28
01/06/2025	24643	MISSION UNIFORM SERVICE	-616.80
01/06/2025	24644	SPEEDY COASTAL MESSENGER, INC.	-740.00
01/07/2025	24645	AQUAFIX	-400.00
01/13/2025	24646	PATHIAN ADMINISTRATORS	-226.40
01/13/2025	11600 - CP	SPICE INTEGRATION CORP.	-810.00
01/13/2025	24647	COASTAL ROLL OFF SERVICE	-3,225.09
01/13/2025	24648	COUNTY OF SLO - PUBLIC WORKS DEPT.	-450.00
01/13/2025	24649	FIRSTNET (AT&T)	-614.76
01/13/2025	24650	MISSION COUNTRY DISPOSAL - WRRF	-379.69
01/13/2025	24651	SPICE INTEGRATION CORP.	-4,676.00
01/15/2025	24653	CALNET3	-494.48
01/15/2025	24654	CDIAC	-282.50
01/15/2025	24655	FGL ENVIRONMENTAL	-180.00
01/15/2025	24656	MORRO ROCK MUTUAL WATER CO. UTILITY 782	-93.85
01/15/2025	24657	USA BLUE BOOK	-231.40
01/16/2025	24658	TECHNICAL SYSTEMS, INC.	-1,400.00
01/22/2025	11601	WATER SYSTEMS CONSULTING, INC.	-1,271.25
01/22/2025	24659	BUSINESS CARD - firehose parts	-68.90
01/22/2025	24660	BUSINESS CARD - SCADA monitor	-300.92
01/22/2025	24661	CALIFORNIA DEPT. OF TAX & FEE ADMIN.	-2,253.00
01/22/2025	24662	COUNTY OF SLO - PUBLIC WORKS DEPT.	-90.00
01/22/2025	24663	FGL ENVIRONMENTAL	-90.00
01/22/2025	24664	SOCAL GAS	-46.42
01/22/2025	24665	WELLS FARGO VENDOR FIN SERV	-350.96
01/22/2025	24666	XYLEM WATER SOLUTIONS U.S.A., INC.	-1,246.20
01/28/2025	24667	COASTAL COPY, INC	-48.64
01/28/2025	24668	EXXONMOBIL	-415.30
01/28/2025	24669	USA BLUE BOOK	-207.86
01/31/2025	24670	ENNS, ROBERT	-91.15
01/31/2025	24671	LYON, SHIRLEY A	-91.15
<b>Total Issued Checks</b>			<b>-\$30,389.78</b>

## Check Registers - ACH/EFT Payments January 2025

Date	Num	Name	Amount
01/02/2025		QuickBooks Payroll Service	-25,797.93
01/02/2025		Monthly Tfr to Standby Lot/Late Acct.	-979.45
01/03/2025	PERS010325	CALPERS (RETIREMENT)	-4,838.83
01/03/2025	EDD010325	EDD	-2,390.44
01/03/2025	FED010325	US TREASURY	-10,502.22
01/03/2025	DEF010325	CALPERS (RETIREMENT)	-1,225.00
01/05/2025	HLTH010525	CALPERS (HEALTH)	-17,520.29
01/05/2025	B2500279940	ALLIED ADMINISTRATORS FOR DELTA DENTAL	-914.10
01/09/2025	82685251	PG&E LS#1	-808.37
01/09/2025	82685201	PG&E LS#2	-1,395.06
01/09/2025	82685231	PG&E LS#3	-275.21
01/09/2025	82685261	PG&E LS#4	-577.19
01/09/2025	82685271	PG&E LS#5	-3,403.67
01/09/2025	82685221	PG&E OFFICE	-320.52
01/09/2025	82685241	PG&E WELL	-33.36
01/09/2025	82685211	PG&E WRRF	-4,155.49
01/10/2025		Monthly Tfr to USDA Loan Acct.	-77,907.72
01/16/2025		QuickBooks Payroll Service	-25,241.11
01/17/2025	PERS011725	CALPERS (RETIREMENT)	-6,416.29
01/17/2025	DEF011725	CALPERS (RETIREMENT)	-1,225.00
01/17/2025	EDD011725	EDD	-2,279.70
01/17/2025	FED011725	US TREASURY	-10,183.24
01/22/2025	ACH76501	ABALONE COAST ANALYTICAL, INC.	-3,173.80
01/22/2025	ACH76502	CHARTER INTERNET	-952.09
01/22/2025	ACH76503	EXECUTIVE JANITORIAL	-225.00
01/22/2025	ACH76504	REC SOLAR	-7,266.01
01/30/2025		QuickBooks Payroll Service	-27,156.42
01/31/2025	EDD013125	EDD	-2,612.02
01/31/2025	FED013125	US TREASURY	-11,244.00
01/31/2025	DEF013125	CALPERS (RETIREMENT)	-1,225.00
01/31/2025	PERS013125	CALPERS (RETIREMENT)	-6,467.81
01/31/2025	92204568	COLONIAL LIFE INSURANCE PREMIUMS	-78.87
<b>Total Issued ACH</b>			<b>-\$258,791.21</b>

## Budget vs. Actual January 2025

AGENDA ITEM:  
**3.B.3**

	Current Month	YTD Actual Rev/Exp	Approved Budget 24/25	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Sewer Income	293,449	1,874,606	3,187,400	59%
Will Serve Income	17,050	11,690	88,200	13%
Rental Income	-	26,932	52,200	52%
Solid Waste Income	3,455	76,032	141,500	54%
SLOCO Tax Assessments	397,724	774,745	1,257,000	62%
Banking Interest Income	1,087	11,297	9,900	114%
Investment Interest	9,686	68,482	90,000	76%
Other Income	-	4,534	4,600	99%
<b>Total Income</b>	722,451	2,848,318	4,830,800	59%
<b>Expenses</b>				
<b>Payroll Expenses</b>				
Administrative Payroll	51,540	272,657	447,400	61%
Collections Payroll	24,679	133,851	234,700	57%
WRRF Payroll	45,047	220,968	365,000	61%
Director Payroll	500	3,200	8,000	40%
Vested Benefits	316	2,200	4,000	55%
Admin Payroll Taxes & Benefits	13,229	91,677	144,900	63%
Collections Payroll Taxes & Benefits	9,982	83,499	126,300	66%
WRRF Payroll Taxes & Benefits	12,783	96,383	159,900	60%
Director Payroll Taxes & Benefits	38	245	600	41%
<b>Total Payroll &amp; Benefits</b>	158,115	904,679	1,490,800	61%
<b>Operating Expenses</b>				
Special Projects	-	-	13,000	0%
Administrative Operating Expenses	4,936	440,259	846,900	52%
Collections Operating Expenses	2,980	77,338	265,950	29%
Treatment Operating Expenses	107,229	922,547	1,733,100	53%
<b>Total Operating Expenses</b>	115,144	1,440,145	2,858,950	50%
<b>Total Expenses</b>	273,259	2,344,824	4,349,750	54%
<b>Net Income</b>	<b>449,192</b>	<b>503,495</b>	<b>481,050</b>	

Month 7 of 12; Target 58% of Budget

# Capital Improvement Projects Budget January 2025

*(amended September 19, 2024)*

AGENDA ITEM: <b>3.B.4</b>
------------------------------

	Current Month	YTD Actual Rev/Exp	Approved Budget 24/25	% of Budget
<b>Collection Improvements</b>				
Sewer Main Repairs	0.00	0.00	50,000.00	0%
Chaney to Lift Station 5 Main Replacement	0.00	4,198.50	75,000.00	6%
<b>Main Admin</b>				
Backup Electrical System	0.00	0.00	35,000.00	0%
<b>RWQCB Recycled Water Program</b>				
	1,437.50	1,437.50	20,000.00	14%
<b>WRRF Improvements</b>				
Benthic Sediment and Community Testing of Outfall	30,500.00	24,120.50	60,000.00	91%
SCADA and Network Upgrade Project	0.00	31,982.60	45,000.00	71%
Automated Influent Valves	810.00	35,212.77	40,000.00	90%
<b>Total Capital Improvements</b>	<b>\$32,747.50</b>	<b>\$96,951.87</b>	<b>\$325,000.00</b>	<b>40%</b>



# CAYUCOS SANITARY DISTRICT STAFF REPORT

**TO: BOARD OF DIRECTORS**

**FROM: RICK KOON, DISTRICT MANAGER**

**DATE: FEBRUARY 13, 2025**

**SUBJECT: MONTHLY MANAGER'S REPORT: JANUARY 2025**

## ADMINISTRATIVE

- Customers enrolled in Auto-Pay (ACH): **808** (up from 788 last month)
- Customers enrolled in E-Billing: **428** (up from 402 last month)
- Staff attended the Office of Emergency Services (OES) workshop for the County-wide update to the Local Hazards Mitigation Plan (LHMP) as required by the Federal Emergency Management Agency (FEMA)
- Staff is still working on a Vacant Lot audit evaluating each developable parcel within the District's service area
- Staff is researching parameters for a possible Customer Assistance Program to provide a low-income discount to residential Mission Country Disposal customers
- The District was notified that Integrated Waste Management Authority (IWMA) staff will recommend approval of our IWMA grant application and go before the IWMA Board at their March 12<sup>th</sup> meeting

## CAPITAL PROJECTS

- Staff worked on the Phase II Recycled Water Plan scope
- Staff met with representatives from Evoqua to discuss ongoing filament issues and corrective measures
- Submitted the District's LHMP update to the OES

## OPERATIONS & MAINTENANCE: JANUARY 2025

**CIP:** None

### Daily Operations of Note:

- Pump down, scrape, and bleach wet wells; clean probes and test generators
- Conduct weekly alarm testing at all lift stations
- Jet 5,700 feet of main lines, including the downtown areas
- Participate in Vector Training Solutions for SDRMA
- Respond to 42 USAs
- Installed a new control board for low level float at Lift Station 5, resolving large pump issues
- CCTV sewer mains in town to access damage and document connections
- Pull high water float wire through existing conduit into cabinet at Lift Station 5
- Gather generator information for Air Pollution Control District ("APCD") filings
- Lubricate tractor camera to continue working to get it moving up and down again
- Document condition of manholes on Pacific Ave.
- Finish the rehab of the Lift Station 2 and Lift Station 5 generators

- Begin rehab on the portable generator trailer

**Call Outs:** None

## WATER RESOURCE RECOVERY FACILITY: JANUARY 2025

### 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
- Completed Annual Reports for 2024
- Sent samples of Mixed Liquor to AquaFix on January 2 to get report on microorganisms causing foaming; it was determined they are organisms that do better in low oxygen environments, so increasing DO setpoints and increasing wasting
- Increased water flow to sprayers in Aeration Basins January 7 with jumper
- MOS 2 ACIP started January 8
- Replaced Polymer Mixer Motor Brush on January 8
- Power outage at plant January 9
- Finished HCIP on MOS 2 on January 9
- Spraying sodium hypochlorite on foam to kill filamentous microorganisms, doing this daily or every other day starting January 10
- “Comm Fail Rack 2” alarm on UV vessel #1 January 11; requires new circuit board
- SPICE Integration here to work on automation for new motorized gate at Headworks January 13
- Replaced Ballast Control Board on January 14 for UV #1
- MOS #3 HCIP started on January 15
- All air filters changed in air scour blowers January 16
- MOS 3 released from HCIP and back online January 16
- Chlorine Pump to Recycled Water serviced on January 16—new tubes and lubrication
- Air Solenoid Replaced on MOS #2 on January 17
- Stopped regular diversion of influent to EQ Basins on January 19, as holding influent in basins may have contributed to low DO conditions in plant
- Deragged EQ Basin #1 on January 21
- Started ACIP on MOS 1 on January 22
- Post-Anox Basin #2 mixer cable broke on January 23 when mixer was being repositioned January 23
- Replaced all air filters in Aeration Basin Blowers January 23
- Change Aeration Basin Blower #2 oil, check belts on January 24
- Removed Post-Anox mixer #2 and sent to Brax for repair on January 24
- New Buffer Fluid Tank installed on MOS #3 Permeate Pump on January 28
- VFD Fail on WAS pump #2 January 28; no problems found, reset OK
- Post-Anox Mixer #2 repaired and reinstalled on January 29
- Several alarms throughout month for Jockey Pump Fail (1/3, 1/10, 1/12, 1/16, 1/18, 1/19, 1/20, 1/24, 1/28); issue with check valve or pump; ordered new check valve, have new pump in inventory

### WRRF Influent

- Highest flow day January 1: **260,742 gallons**
- Average influent for January: **166,398 gallons per day**
- Total influent for January: **5.16 million gallons**

### WRRF Effluent

- Highest flow day January 3: **294,891 gallons**
- Average effluent for January: **190,275 gallons per day**
- Total effluent for January: **5.90 million gallons**
- Average recycled water use (in-plant): **108,900 gallons per day**



# CAYUCOS SANITARY DISTRICT STAFF REPORT

**TO: BOARD OF DIRECTORS**

**FROM: RICK KOON, DISTRICT MANAGER**

**DATE: FEBRUARY 13, 2025**

**SUBJECT: DISCUSSION AND CONSIDERATION TO APPROVE THE THIRD AMENDMENT TO THE SOLID WASTE, RECYCLING, AND ORGANIC MATERIALS FRANCHISE AGREEMENT WITH MISSION COUNTRY DISPOSAL**

## DISCUSSION

In May of last year, the District joined with nine other public agencies serviced by Waste Connections dba Mission Country Disposal (“MCD”) to review the proposed rate increase request and negotiate a new rate setting methodology. The City of San Luis Obispo acted as the lead agency with the help of R3 Consulting in negotiating with Waste Connections. Historically, the District used Bill Statler to conduct a rate increase review and its compliance with the 1994 Rate Setting Manual. Mr. Statler retired last year.

At the November 21, 2024 Board meeting, Garth Shultz of R3 and representatives of MCD presented the Board with the proposed solid waste rate increases based on the new rate methodology. The key points of the new rate setting methodology are:

- CPI-based rate adjustments with a floor of 2% and a cap of 5%, with amounts under 2% or over 5% carried forward.
- CPI adjustments only apply to Waste Connections collection and processing costs.
- Implementation of low-income discounts, on-request annual cart exchanges, and free bulk waste collections during clean-up weeks.
- Application of revenue balancing techniques based on actual revenues compared to projected revenues, with any surplus credited to following year’s rates.
- Annual revenue reconciliation for profit allowance.

Overall, the adoption of this new rate setting methodology as incorporated in the Third Amendment to the Franchise Agreement with MCD is expected to stabilize annual rate adjustments and improve transparency and cost-effectiveness with enhanced services for the District.

## RECOMMENDATION

Staff recommends that the Board of Directors approve the Third Amendment to the Solid Waste, Recycling, and Organic Materials Franchise Agreement with Mission Country Disposal.



**THIRD AMENDMENT TO  
SOLID WASTE, RECYCLING, AND ORGANIC MATERIALS FRANCHISE AGREEMENT**

This THIRD AMENDMENT to Solid Waste, Recycling, and Organic Materials Franchise Agreement (the “Third Amendment”) is made and entered into this \_\_\_ day of \_\_\_\_\_, 2025, by and between the Cayucos Sanitary District (the “District”), a political subdivision of the State of California, and Mission Country Disposal, Inc. (“Franchisee”), a California corporation. The District and Franchisee are collectively referred to herein as the “Parties” and each individually as a “Party.” Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them in the Agreement (as defined below).

**RECITALS**

WHEREAS, the District and Franchisee are parties to that certain Solid Waste and Recycling Franchise Agreement, dated August 11, 2006, as amended by that certain First Amendment, dated March 16, 2017, and that certain Second Amendment, dated June 27, 2022 (together, the “Agreement”); and

WHEREAS, the Agreement originally provided for a rate setting methodology according to “the City of San Luis Obispo’s *Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates*,” which was originally published in 1994 (the “1994 Rate Manual”); and

WHEREAS, the City of San Luis Obispo contracted with R3 Consulting Group, Inc. to support development and negotiation of a new rate adjustment methodology; and

WHEREAS the new rate adjustment methodology, entitled “Annual Rate Adjustment Methodology,” is available for consideration and use by other public agencies in San Luis Obispo County; and

WHEREAS, the Parties have, in good faith, negotiated changes to the Agreement necessary to support the transition to a new rate setting methodology using the Annual Rate Adjustment Methodology, attached hereto as Appendix 1, and mutually desire to amend the Agreement to incorporate the Annual Rate Adjustment Methodology in place of the 1994 Rate Manual.

**AGREEMENT**

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HEREBY AGREE TO AMEND THE AGREEMENT AS FOLLOWS:

1. **Amendment to Article 1.** Article 1 of the Agreement is hereby amended to add the following definition:

“**Manual**” means Appendix 1, “Annual Rate Adjustment Methodology,” attached hereto and incorporated herein by reference, as supplemented by the “New Solid Waste Rate Adjustment Methodology and 2025 Rates,” commissioned by the City of San Luis Obispo and prepared by R3 Consulting Group, Inc., dated November 1, 2024, provided that in the event of a conflict between the two documents, the “Annual Rate Adjustment Methodology” attached as Appendix 1 shall prevail. Any direct or indirect references to the “City of San Luis Obispo Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates” in the Agreement shall be replaced with “Manual.”

2. **Amendment to Section 4.5.1.** Section 4.5.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

**4.5.1 General.** District may request Franchisee to perform additional services (including new diversion programs, etc.) or modify the manner in which it performs existing services. Pilot programs and innovative services that may entail new Collection methods, different kinds of services and/or new requirements for Waste Generators are included among the kinds of changes that District may request. Franchisee shall present, within thirty (30) days of a request to do so by District, a proposal to provide additional or expanded diversion services pursuant to the terms of Article 4.5.2. Franchisee shall be entitled to an adjustment in its compensation for providing such additional or modified services in accordance with the Manual's procedures for extraordinary adjustments for "Change in Scope" (as that term is defined in the Manual).

3. **Amendment to Article 8.** Article 8 of the Agreement is hereby deleted in its entirety and replaced with the following:

### **8.1 General**

Franchisee's compensation provided for in this Article shall be the full, entire and complete compensation due to Franchisee pursuant to this Agreement for all labor, equipment, materials and supplies, taxes, insurance, bonds, overhead, profit and all other things necessary to perform all the services required by this Agreement in the manner and at the times prescribed.

The Franchisee does not look to the District for payment of any sums under this Agreement. Franchisee will perform the responsibilities and duties described in this Agreement in consideration of the right to charge and collect payment from customers for services rendered at rates fixed by the District from time-to-time. The District shall have the right to structure those rates as it deems appropriate so long as the revenues forecasted to be received by Franchisee from charging such rates can reasonably be expected to generate sufficient revenues to provide for Franchisee's compensation as calculated in accordance with the Manual.

### **8.2 Collection Rates and Franchisee's Compensation for Subsequent Rate Years**

Collection rate charges to Franchisee's customers, including disposal and diversion costs, and related levels of services shall be established by District resolution and in accordance with the Manual. Rate reviews and adjustments to rates shall be submitted and considered in accordance with the procedures described in the Manual.

### **8.3 Extraordinary Adjustments**

Extraordinary adjustments to rates may be made in accordance with the procedures described in the Manual.

4. **Reaffirmation and Entire Agreement.** The Parties hereby reaffirm their agreement with all the terms and provisions of the Agreement as amended by this Third Amendment. The Agreement and this Third Amendment represent the entire agreement between the Parties with respect to the matters that are the subject hereof. All the terms and provisions of the Agreement not amended hereby, either expressly or by necessary implication, shall remain in full force and effect.

5. **Conflicting Provisions and Severability.** In the event of any conflict between the terms of the Agreement, the First Amendment, the Second Amendment, and/or this Third Amendment, the terms of this Third Amendment shall prevail, and the terms of Appendix 1 shall prevail in the event of a conflict relating to rate setting procedures among or between any of the foregoing documents. The provisions of this Third Amendment shall be deemed severable. If any provision of this Third Amendment is invalid or unenforceable, such provision shall be of no force or enforceability and the Third Amendment shall otherwise continue in full force and effect.

6. **Counterparts.** This Third Amendment may be executed in one or more facsimile or original counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

7. **Authorization.** Each Party executing this Third Amendment represents and warrants that it is duly authorized to cause this Third Amendment to be executed and delivered.

[Signatures on Next Page]

IN WITNESS WHEREOF, the District and Franchisee have executed this Second Amendment on the day and year first hereinabove set forth.

**DISTRICT:**  
CAYUCOS SANITARY DISTRICT

**CONTRACTOR:**  
MISSION COUNTRY DISPOSAL, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Attest:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



# CAYUCOS SANITARY DISTRICT STAFF REPORT

**TO:** BOARD OF DIRECTORS  
**FROM:** RICK KOON, DISTRICT MANAGER  
**DATE:** FEBRUARY 13, 2025  
**SUBJECT:** DISCUSSION AND CONSIDERATION TO APPROVE A GRANT OF LICENSE AND AGREEMENT AFFECTING REAL PROPERTY LOCATED AT 998 PARK AVE. (APN 064-157-022)

## DISCUSSION

Last year District staff noticed the construction of an allan block wall, pavers and concrete stairs within the easement in the backyard of 998 Park Ave. Staff contacted the owner and made them aware of the District's easement, permanent improvement prohibitions, and requirements for a Grant of License.

At the same time, County Code Enforcement opened a case for non-permitted construction. One of the County requirements was for as-built/proposed improvement plans. District staff requested these plans for review. The plans indicated that large concrete tie beams for the block wall would lay across the easement, blocking access to the District's main line. The plans also showed proposed concrete stairs and deck piers within the easement. Subsequent discussions with the owner and their architect have led to the removal of the concrete grade beams and stairs and verification of the depth of the deck piers. All remaining improvements within the easement require a Grant of License and are shown on the exhibits to the Grant of License.

## RECOMMENDATION

Staff recommends that the Board of Directors approve a Grant of License and Agreement Affecting Real Property located at 998 Park Ave. (APN 064-157-022).

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 **20<sup>th</sup> day of February, 2024**, by and between **CAYUCOS SANITARY DISTRICT**, a political subdivision of the State of California (the "**DISTRICT**"), and **Lori Ann Stollmeyer Ryan** (hereinafter referred to collectively as "**LICENSEE**").

WHEREAS, **LICENSEE** is the owner of real property located at **998 Park Avenue, Cayucos, California (APN: 064-157-022)**, 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 **December 30, 1953 in Book 739, Page 393** of the Official Records of San Luis Obispo County, California; (the "Easement") with an existing sewer pipeline located therein; and

WHEREAS, **LICENSEE** desires to construct certain improvements on the Property that will encroach into the District's easement, which include **installation of new concrete pier footings extending 2 feet, 4 and ¼ inches into the District's Easement, and second and third-story decks extending aerially 1 foot, 5 and ¼ inches into the District's Easement, as generally depicted in Exhibit "B," attached hereto and incorporated herein by this reference (collectively referred to as the "Structures")**; and

WHEREAS, the **DISTRICT** is willing to allow construction of the proposed Structures 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 construct the Structures in the Easement, subject to the following terms and conditions:
  - a. Not less than thirty (30) days prior to construction, **LICENSEE** shall submit plans and specifications to the **DISTRICT** for review and written approval.
  - b. During construction, **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. After construction, **LICENSEE** agrees to remove the 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

\_\_\_\_\_  
Lori Ann Stollmeyer Ryan

ATTEST:

\_\_\_\_\_  
Rick Koon  
District Secretary

Approved as to Form:  
CARMEL & NACCASHA LLP

\_\_\_\_\_  
Timothy J. Carmel, District Counsel

[All signatures must be notarized]

## **EXHIBIT "A"**

### **LEGAL DESCRIPTION**

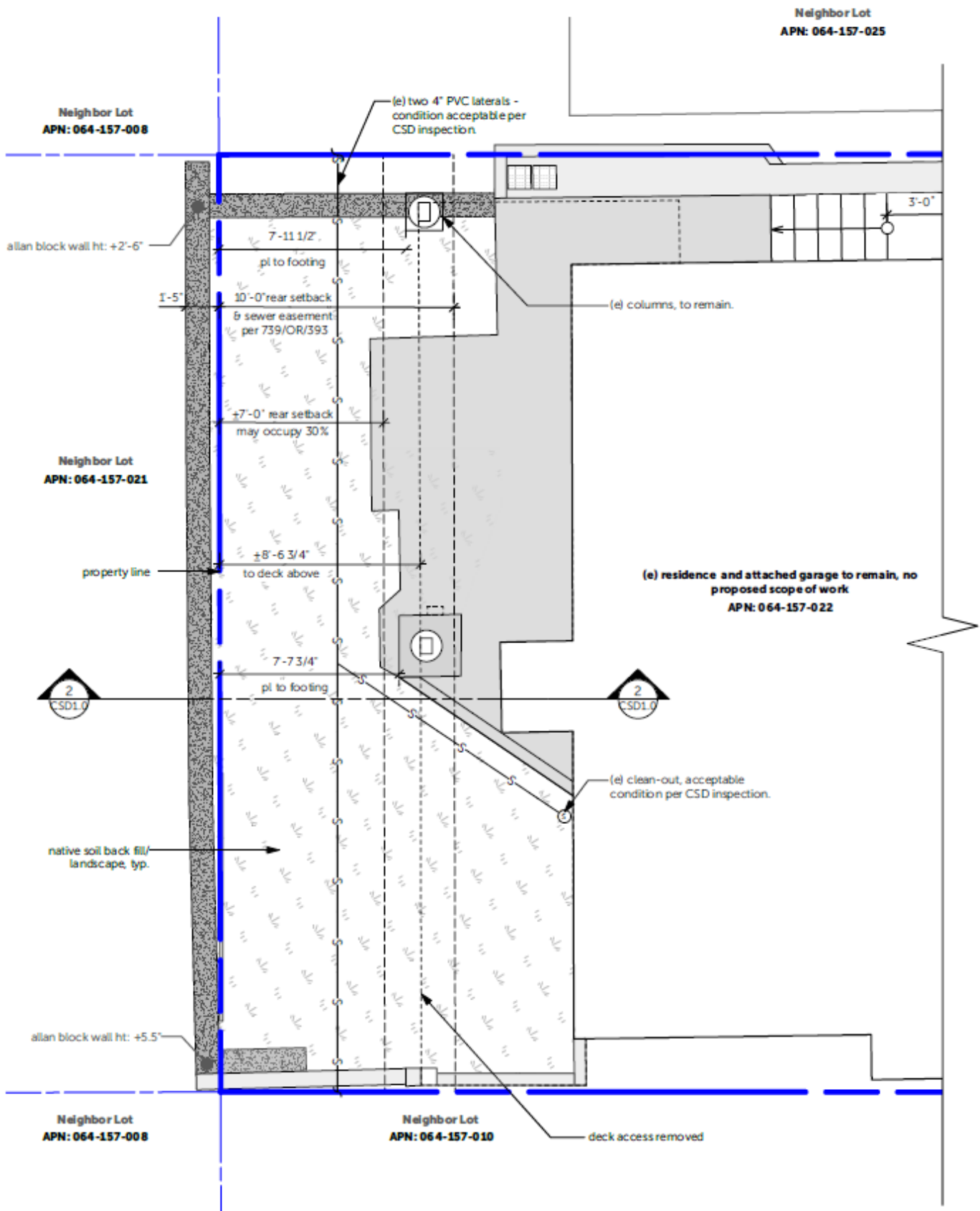
The land described herein is situated in the State of California, County of San Luis Obispo, unincorporated area, described as follows:

Lot 24 in Block 15 of Morro Rock View Subdivision No. 4, in the County of San Luis Obispo, State of California, according to map recorded January 22, 1929 in Book 3, Page 114 of Maps, in the Office of the County Recorder of said County.

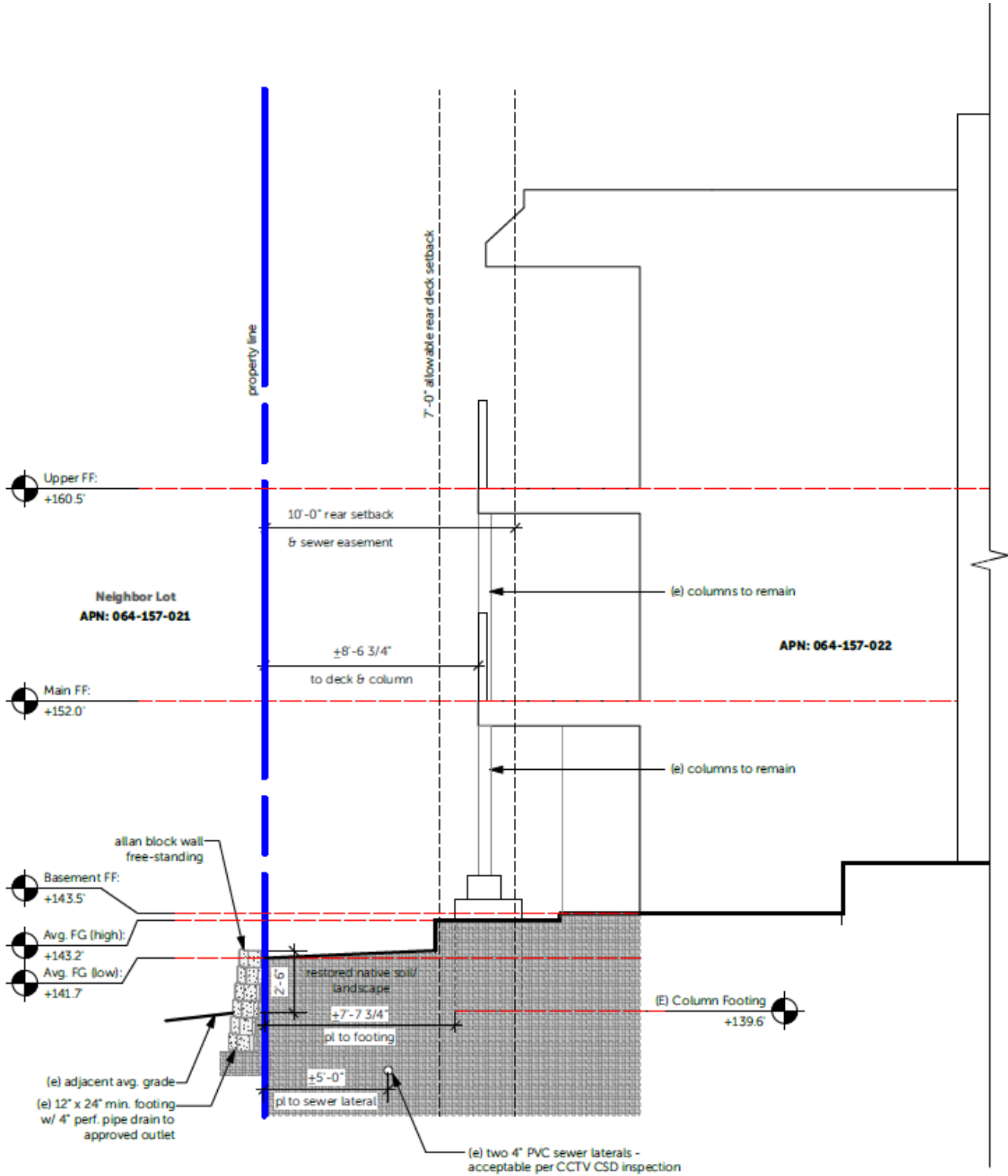
**A.P.N. 064-157-022**



# EXHIBIT "B"



# EXHIBIT "B" (CONTINUED)



# The Cayucos Sustainable Water Project Recycled Water Planning Efforts Update





## Discussion Topics

Review Permit Requirements from CCC and RWQCB

Review Recycled Efforts to date

Discussion on next steps

## RWQCB Order R3-2020-004 Special Provision & Coastal Development Permit CDP 3-19-0617 Special Condition 11 Recycled Water Planning

### 6. Special Provisions for Recycled Water Management Planning a. Recycled Water Management Plan – Phase I

Within one year of commencing operation of the ocean outfall, the Discharger shall submit to the Central Coast Water Board Executive Officer a Recycled Water Management Plan – Phase I (Phase I Plan) for review and approval. At a minimum, the Phase I Plan shall include detailed steps the Discharger will take over the duration of the term of this Order to generate all elements of the Recycled Water Management Plan – Phase II (Phase II Plan) identified in section VI.C.6.b. The Phase I Plan shall include milestones and associated completion dates designed to demonstrate measurable progress between the Phase I Plan submittal date and the Phase II Plan due date. Immediately after Executive Officer approval, the Discharger shall begin preparing the Phase II Plan components pursuant to the Phase I Plan. The Discharger shall notify the Executive Officer of any subsequent proposed Phase I Plan revisions and request Executive Officer review and approval for substantive changes.

## Phase 1 Plan Outline/Timeline Submitted in 2021

<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Task 1 Introduction	Task 3 ongoing* Water Supplies	Task 3 ongoing* Water Supplies	Task 3 ongoing* Water Supplies
Task 2 Wastewater Characteristics	Task 4 Treatment Objectives	Task 6 Project Alternatives Evaluation	Task 8 Construction Financing Plan
Initiate Task 3 Water Supplies	Task 5 Recycled Water Market	Task 7 Recommended Project Plan	

## Phase 2 Recycled Water Management Plan

### **b. Recycled Water Management Plan – Phase II**

With the Report of Waste Discharge due 180 days prior to expiration of this Order, the Discharger shall submit the Recycled Water Management Plan – Phase II (Phase II Plan) describing in detail how the Discharger will maximize the amount of treated effluent used for beneficial reuse, with the goal of achieving maximum beneficial reuse.'


### **Plan Requirements**

- Ranking of Options
- Beneficial Reuse Feasibility Assessment
- Proposed Beneficial Reuses
- Stakeholder Outreach
- Steps to be taken in the next permit

# Recycled Water Master Plan prepared in 2017.

**Recycled Water Facilities Planning Study - Final**

Prepared for the  
Cayucos Sustainable Water Project





**CAYUCOS SANITARY  
DISTRICT**  
805-995-3290




Prepared Under the Responsible Charge of:

Daniel Helmer, P.E.  
California R.C.E. No. 86762, Expires 7/1/19

Jessie Gercheneck, P.E.  
California R.C.E. No. 86701, Expires 5/31/19



Signing as the Professional of Record for the  
Final Report



6/23/2017





# District's Goals and Objectives for the 2017 RWFPS

1. Design a robust treatment process that minimizes compliance risk
2. Identify a facility location that benefits the community of Cayucos
3. Optimize capital investment and life cycle cost
4. Maximize value for ratepayers' investment
5. Complete the CSWP with full regulatory compliance
6. Communicate with the community to inform and obtain feedback
7. Develop a wastewater resource recovery system that will benefit future generations
8. Enhance the community's long-term water supply reliability.

# Summary of the 2017 RWFPS Findings

Table ES- 1. Summary of Beneficial Use Alternatives

	Alternative 1 Irrigation	Alternative 2 IPR- GWR	Alternative 3 IPR-SWA	Alternative 4 DPR
<b>Water Quality</b>	Tertiary Disinfected RW	Advanced Treated <sup>1</sup> RW	Advanced Treated <sup>1</sup> RW	Advanced Treated RW
<b>Storage</b>	Irrigation RW Storage Tank	Potable RW Storage Tank	Potable RW Storage Tank	Potable RW Storage Tank
<b>Conveyance Infrastructure</b>	RW Pump Station RW pipeline	RW Pump Station RW pipeline	RW Pump Station RW pipeline	RW Pump Station RW pipeline
<b>Beneficial Use</b>	Irrigation to surrounding WRRF Site	Percolation basins in Old Creek Valley	Conveyance to Whale Rock Reservoir	Conveyance to the surface water treatment plant
<b>Disposal</b>	Remaining effluent conveyed to outfall	Brine discharge to outfall	Brine discharge to outfall	Brine discharge to outfall
<b>Yield (AFY)</b>	80	172	196	196
<sup>1</sup> Advanced Treated Water (ATW) is achieved by directing tertiary treated water through RO and UV/Advanced Oxidation. For potable reuse alternatives only the portion of treated RW not used for agricultural irrigation will be treated				

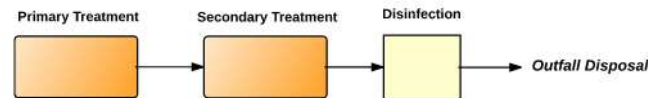


# Recycled Water Discussion on Next Steps

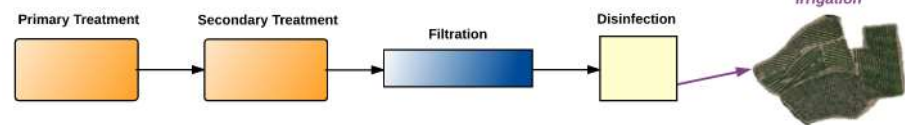
# Potential Recycled Water Opportunities

- Cemetery irrigation
- Chevron Marine Terminal redevelopment
  - Chevron Toro Creek Water Rights
  - Desalination
- Groundwater Recharge
  - Cayucos Creek
  - Old Creek
  - Toro Creek
- Agricultural Irrigation crops and pastures
  - Cayucos Creek
  - Old Creek
  - Toro Creek
- Seawater Intrusion Barrier
  - Cayucos Creek
  - Old Creek
  - Toro Creek
- Whale Rock System
  - IPR Reservoir Augmentation
  - DPR Direct to Whale Rock Pipeline
- Direct Potable Reuse
- Others?

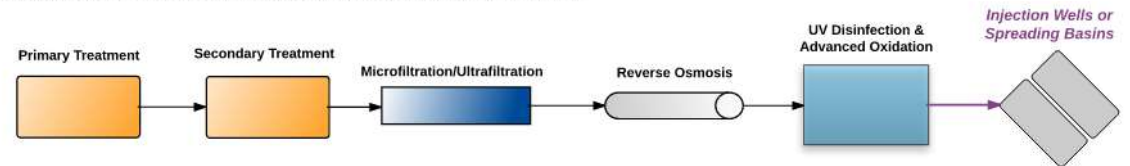
## Outfall Disposal



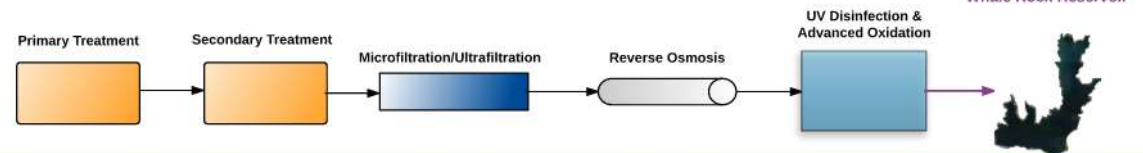
## Disinfected Tertiary Irrigation



## Indirect Potable Reuse Groundwater Recharge Reuse Project (IPR GRRP)



## Indirect Potable Reuse Surface Water Augmentation (IPR SWA)



# Potential Criteria and Constraints

- Regulatory Constraints – deliveries within District Boundaries per LCP
- Hydrologic data collection
- Hydrogeologic Analysis of basins
- Alignment Development
- Update EIR to reflect new alignments
- Geologic Hazards Assessment
- Climate Change Analysis
- Geotechnical Investigations
- Stakeholder Outreach and Agreements
- Land Acquisitions
- Recycled Water User charges and fees
- Process Modifications to the existing WRRF
- Level of treatment
- Local Area Formation Committee
- Emerging contaminants
- Life Cycle Costs
- Water rights
- Annual reporting
- Financial Constraints and Considerations
- Funding and Financing Plan
- CDP and RWQCB requirements
- Grant Requirements for USBR Title 16
- Grant Requirements for WRRF Construction Funding
- Water Supply augmentation and benefits
- Water quality requirements
- Timing of use
- Onsite Recycled Water Supervisor Requirements
- Title 22 Engineering Report Update
- Storage and residual requirements
- Pump Station and controls
- Staffing
- O&M Considerations
- Sampling Requirements
- PFAS
- Permitting

Final report  
due to the  
RWQCB  
June 3, 2025



# CAYUCOS SANITARY DISTRICT STAFF REPORT

**TO:** BOARD OF DIRECTORS

**FROM:** RICK KOON, DISTRICT MANAGER

**DATE:** FEBRUARY 13, 2025

**SUBJECT:** DISCUSSION AND CONSIDERATION TO APPROVE A CONTRACT WITH WATER SYSTEMS CONSULTING, INC. (WSC) IN THE AMOUNT OF \$36,188 FOR A REPORT ON THE CLIMATE CHANGE HAZARDS AND VULNERABILITY PLAN

## DISCUSSION

As part of the Water Resource Recovery Facility's National Pollutant Discharge Elimination System (NPDES) permit, issued by the Regional Water Quality Control Board (RWQCB), the District is required to provide a report on its Climate Change Hazards and Vulnerability Plan. This plan is due this June 3<sup>rd</sup>, and staff will work closely with WSC in the analysis and report content prior to submittal to the RWQCB.

The funding for this report will come from the District's surplus operational Fiscal Year 2024/2025 Budget.

The WSC scope of work and fee estimate are attached for the Board's review.

## RECOMMENDATION

Staff recommends that the Board of Directors approve a contract with WSC in the amount of \$36,188 for a report on the Climate Change Hazards and Vulnerability Plan.

## Task 0 Project Management

### 0.1 Project Administration

- Provide oversight of internal resources, manage communication, assign resources, and coordinate work efforts of Project team.
- Prepare monthly invoices.

### 0.2 Quality Assurance and Quality Control

- Provide quality assurance and quality control of all deliverables prior to transmittal.

### 0.3 Meetings

- Conduct a virtual 1-hour Hazards Trigger and Response meeting with District staff to discuss and develop hazard triggers and anticipated response actions.

**Deliverables:** Monthly progress reports and invoices. Draft Hazard trigger and response materials, meeting minutes.

**Assumptions:**

- (1) Project duration is three months.
- (2) Final hazard triggers and responses to be included in the TM.

## Task 1 Hazard Identification and Vulnerability Assessment

### 1.1 Define and Prioritize Hazards

- Identify potential hazards to the Water Resource Recovery Facility (WRRF) including flooding, temperature extremes, and changes to flow and loading conditions consistent with the District's NPDES Permit and Waste Discharge Requirements.
- Define hazards including the range of potential flooding scenarios, temperature scenarios, and extreme low and extreme high influent flow and loading scenarios.

### 1.2 Vulnerability Assessment

- Identify assets and infrastructure that could be adversely impacted by the hazards identified in Task 1.1.
- Assess hazard exposure, sensitivity, potential impacts, and adaptive capacity of infrastructure.

**Assumptions:**

- (1) Evaluation limited to the WRRF. The collection system will not be included in the hazard identification and vulnerability assessment.



- (2) Evaluation limited to the hazards specifically identified in the District's NPDES Permit and Waste Discharge Requirements.
- (3) Flood hazard assessment will be based on published FEMA flood maps.
- (4) Temperature hazard assessment will be based on published information from Cal-Adapt.
- (5) Flow and loading hazard assessment will be based on the design flows and loads in the WRRF Basis of Design Report (WSC, 2019), adjusted to reflect potential future conditions.

## Task 2 Hazard Responses

### 2.1 Hazard Trigger Identification

- Identify climate change hazard conditions or triggers that will initiate responses at the WRRF.
- Hazard triggers will be limited to the asset vulnerabilities identified in Task 1.2.

### 2.2 Hazard Responses and Adaptation Measures

- Identify potential responses and adaptation measures to the hazard conditions and triggers identified in Task 2.1.
- Coordinate with District staff to prioritize responses with a focus on maintaining facility operation, safety, and minimizing resource impacts.
- Identify potential next steps including studies and capital improvements to help protect the WRRF and improve resiliency to climate change hazards.

## Task 3 Technical Memorandum

### 3.1 Draft Memorandum

- Prepare a draft technical memorandum detailing the assessment and evaluation performed as part of Tasks 1 and 2.

### 3.2 Final Memorandum

- Prepare a final technical memorandum incorporating the District's review comments and feedback on the draft memorandum.

**Deliverables:** Draft and final technical memoranda.

**Assumptions:**

- (1) District comments on draft memorandum to be provided within one week of receipt.
- (2) Coordination with Regional Board not included.



Task No. Task Description	WSC									Total Fee
	Principal in Charge	Project Manager	Project Engineer	Project Engineer	Project Admin	WSC Labor Hours	WSC Labor Fee	Expenses	WSC Fee	
	Dylan Wade	Justin Pickard	Kendall Houghton	Corinne Watson	Kay Merrill					
<i>Billing rates, \$/hr</i>	\$415	\$366	\$267	\$148	\$179					
<b>0 Project Management</b>										
0.1 Project Administration		6			5	11	\$ 3,091	\$ -	\$ 3,091	\$ 3,091
0.2 Quality Assurance & Quality Control	4					4	\$ 1,660	\$ -	\$ 1,660	\$ 1,660
0.3 Hazard Trigger and Response Meeting	1	2	4			7	\$ 2,215	\$ -	\$ 2,215	\$ 2,215
<b>SUBTOTAL</b>	<b>5</b>	<b>8</b>	<b>4</b>	<b>0</b>	<b>5</b>	<b>22</b>	<b>\$ 6,966</b>	<b>\$ -</b>	<b>\$ 6,966</b>	<b>\$ 6,966</b>
<b>1 Hazard Identification &amp; Vulnerability Assessment</b>										
1.1 Define & Prioritize Hazards		2	10			12	\$ 3,402	\$ -	\$ 3,402	\$ 3,402
1.2 Vulnerability Assessment		2	8	20		30	\$ 5,828	\$ -	\$ 5,828	\$ 5,828
<b>SUBTOTAL</b>	<b>0</b>	<b>4</b>	<b>18</b>	<b>20</b>	<b>0</b>	<b>42</b>	<b>\$ 9,230</b>	<b>\$ -</b>	<b>\$ 9,230</b>	<b>\$ 9,230</b>
<b>2 Hazard Responses</b>										
2.1 Hazard Trigger Identification		2	8	20		30	\$ 5,828	\$ -	\$ 5,828	\$ 5,828
2.2 Hazard Responses & Adaptation Measures		2	8	20		30	\$ 5,828	\$ -	\$ 5,828	\$ 5,828
<b>SUBTOTAL</b>	<b>0</b>	<b>4</b>	<b>16</b>	<b>40</b>	<b>0</b>	<b>60</b>	<b>\$ 11,656</b>	<b>\$ -</b>	<b>\$ 11,656</b>	<b>\$ 11,656</b>
<b>3 Technical Memorandum</b>										
3.1 Draft Memorandum		2	4	16		22	\$ 4,168	\$ -	\$ 4,168	\$ 4,168
3.2 Final Memorandum		2	4	16		22	\$ 4,168	\$ -	\$ 4,168	\$ 4,168
<b>SUBTOTAL</b>	<b>0</b>	<b>4</b>	<b>8</b>	<b>32</b>	<b>0</b>	<b>44</b>	<b>\$ 8,336</b>	<b>\$ -</b>	<b>\$ 8,336</b>	<b>\$ 8,336</b>
<b>COLUMN TOTALS</b>	<b>5</b>	<b>20</b>	<b>46</b>	<b>92</b>	<b>5</b>	<b>168</b>	<b>\$ 36,188</b>	<b>\$ -</b>	<b>\$ 36,188</b>	<b>\$ 36,188</b>

10% mark-up on direct expenses; 15% mark-up for sub-contracted services  
 Standard mileage rate \$0.625 per mile (or current Federal Mileage Reimbursement Rate)  
 Rates are subject to revision as of January 1 each year.



# CAYUCOS SANITARY DISTRICT STAFF REPORT

**TO:** BOARD OF DIRECTORS

**FROM:** RICK KOON, DISTRICT MANAGER

**DATE:** FEBRUARY 13, 2025

**SUBJECT:** DISCUSSION AND CONSIDERATION TO APPROVE A CONTRACT WITH WATER SYSTEMS CONSULTING, INC. (WSC) IN THE AMOUNT OF \$36,330 FOR THE WATER RESOURCE RECOVERY FACILITY'S NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT RENEWAL

## DISCUSSION

The Water Resource Recovery Facility's (WRRF's) first and current NPDES permit was issued in December 2020 and expires December 2025. In order to allow RWQCB staff to review the conditions for the reissuance of the next 5-year permit, the District must submit data and permit forms by June 3<sup>rd</sup> 2025.

District staff has worked with WSC to develop the scope for the submittal of the new permit. One of the changes the District is proposing for RWQCB consideration is the elimination of weekend sampling. Daily sampling is a requirement of the District's production of recycled water for offsite use. Currently, recycled water is only used onsite. The District will propose that when recycled water is used offsite, the daily sampling will be reinstated.

Funding for the new permit application will be from the surplus Fiscal Year 2024/2025 Operating Budget.

## RECOMMENDATION

Staff recommends that the Board of Directors approve a contract with WSC in the amount of \$36,330 for the WRRF's NPDES permit renewal.



## Proposal for NPDES Permit Renewal Process

**February 10, 2025**

### **Cayucos Sanitary District**

Rick Koon  
District Manager  
200 Ash Avenue  
Cayucos CA 93430

### **WSC**

805 Aerovista Place, Suite 201  
San Luis Obispo Ca, 93401  
P: 805 457 8833

### **Dylan Wade**

P: 805 457 8833 ext.111  
E: [dwade@wsc-inc.com](mailto:dwade@wsc-inc.com)

**Dear Rick Koon,**

It is hard to believe that we are coming to the 5<sup>th</sup> year of operation of the CSWP, and with that milestone the renewal of the NPDES permit. WSC is honored to continue to partner with the District and looks forward to assisting you with your NPDES permit renewal process with the Regional Water Quality Control Board (RWQCB). The attached scope of work and fee represent our anticipated level of effort to support the permit required Report of Waste Discharge (ROWD).

We have provided under separate cover the scope and fee to develop the RWQCB required Climate Adaptation plan. We will also review the steps taken to date to develop a Recycled Water plan with your board and will provide a final proposal on development of that plan once they have provided direction on the alternatives that they want to further investigate.

This scope of work includes three tasks and one optional task focusing on the requirements of the ROWD. The bulk of the work will be in presenting the characterization of the waste discharge. Time is also included to meet with and assist with RWQB negotiations. We have made the preparation of supplemental technical materials optional because we don't believe that the RWQCB will require any additional analysis during this permit renewal effort. On the off chance they require additional technical information we are confident that we can work together to develop an agreeable approach at that time.

The total fee anticipated to develop the ROWD on a time and materials basis is \$36,330.

Sincerely,

**Water Systems Consulting, Inc.**

**Dylan Wade, P.E., CCM.  
Vice President**

## Task 0 Project Management

### 0.1 Project Administration

- Provide oversight of internal resources, manage communication, assign resources, and coordinate work efforts of Project team.
- Prepare monthly invoices.

### 0.2 Quality Assurance and Quality Control

- Provide quality assurance and quality control of all deliverables prior to transmittal to the Regional Water Quality Control Board (RWQCB).

### 0.3 Cayucos Sanitary District Meetings

- Conduct a virtual 1-hour draft ROWD meeting with Cayucos Sanitary District (District) staff to discuss and develop anticipated permitting modifications and strategies.

**Deliverables:** Monthly progress reports and invoices. Meeting agendas and minutes.

**Assumptions:**

- (1) Project duration is four months.
- (2) ROWD is due June 3, 2025.

## Task 1 Preparation of the Report of Waste Discharge

### 1.1 Define and Prioritize Data Needs

- Identify data necessary to complete Form 200 including the complete characterization of the discharge.
- Submit a data request to the District and track return of the data.

### 1.2 Prepare ROWD and exhibits

- Work with the District's staff to complete Form 200 including the following sections:
  - i. Facility Information
  - ii. Type of Discharge
  - iii. Location of the Facility
  - iv. Reason for Filing
  - v. CEQA
  - vi. Waste Discharge Characterization including exhibit
  - vii. Other: prepare a request for reduced sampling and other helpful modifications to the permit.

**Deliverables:** Completed Form 200-ROWD and exhibits for certification by the District.

### **Assumptions:**

- (1) Cayucos Sanitary District will promptly provide historic sampling results and data required to complete the characterization of the discharge. WSC has not scoped independent sampling or testing as part of this effort.
- (2) Efforts under this task are limited to the District's NPDES Permit ROWD (Form 200 sections i-vii). The District will certify the report as required in section viii.
- (3) Preparation of the required Climate Change Response Hazards and Vulnerabilities Plan and Recycled Water Management Phase 2 Plan are not included in this effort and will be separately scoped.
- (4) To the extent possible WSC will reuse materials from the previous permitting effort including exhibits and descriptions where appropriate.

## **Task 2 Regional Water Quality Control Board NPDES Permitting Support**

### **2.1 NPDES Meetings with RWQCB staff**

- Reach out to and schedule a virtual meeting with RWQCB staff to discuss the permit renewal process, desired modifications, and permit renewal timelines.
- Prepare meeting agenda and summary to document District desired changes to permit requirements, including limiting bacteriological sampling efforts.
- Schedule a follow up virtual meeting with RWQCB staff to follow up on the permit renewal process, desired modifications, and permit renewal timelines.
- Prepare meeting agendas and summary to document District desired changes to permit requirements

### **2.2 RWQCB Board Presentation**

- Prepare a Microsoft Power Point presentation, attend the RWQCB hearing, and present permit renewal requests to the Central Coast RWQCB in conjunction with/support of the District's General Manager.

**Deliverables:** Meeting Agendas and Summaries in Adobe pdf format (2)  
Microsoft PowerPoint presentation for RWQCB hearing

## **Optional Task 1 Supplemental Technical Materials Development**

- If required and directed by the District, WSC can prepare additional technical materials as required or requested by RWQCB staff during the permitting process to support the District's position.

**Assumptions:** Supplemental Materials Development is not currently anticipated and, if required, would be in addition to the current scope of work.



Task No.	Task Description	WSC								
		Project Manager	QA/QC Lead	Permitting Lead	Project Administration	Engineering Support	WSC Labor Hours	WSC Labor Fee	Expenses	WSC Fee
		Dylan Wade	Robert Morrow	Justin Sutton	Kay Merrill	Corinne Watson				
	<i>Billing rates, \$/hr</i>	\$415	\$366	\$240	\$179	\$148				
<b>0</b>	<b>Project Management</b>									
0.1	Project Administration	4			4		8	\$ 2,376	\$ -	\$ 2,376
0.2	Quality Assurance and Quality Control		4				4	\$ 1,464	\$ -	\$ 1,464
0.3	Cayucos Sanitary District Meetings	2		2		2	6	\$ 1,606	\$ -	\$ 1,606
	<b>SUBTOTAL</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>18</b>	<b>\$ 5,446</b>	<b>\$ -</b>	<b>\$ 5,446</b>
<b>1</b>	<b>Preparation of the ROWD</b>									
1.1	Define and Prioritize Data Needs			8		12	20	\$ 3,696	\$ -	\$ 3,696
1.2	Prepare ROWD and Exhibits	4		18		50	72	\$ 13,380	\$ -	\$ 13,380
	<b>SUBTOTAL</b>	<b>4</b>	<b>0</b>	<b>26</b>	<b>0</b>	<b>62</b>	<b>92</b>	<b>\$ 17,076</b>	<b>\$ -</b>	<b>\$ 17,076</b>
<b>2</b>	<b>RWQCB NPDES Permitting Support</b>									
2.1	NPDES Meetings with RWQCB staff	8		12		8	28	\$ 7,384	\$ -	\$ 7,384
2.2	RWQCB Board Presentation	8		8		8	24	\$ 6,424	\$ -	\$ 6,424
	<b>SUBTOTAL</b>	<b>16</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>16</b>	<b>52</b>	<b>\$ 13,808</b>	<b>\$ -</b>	<b>\$ 13,808</b>
	<b>COLUMN TOTALS</b>	<b>26</b>	<b>4</b>	<b>48</b>	<b>4</b>	<b>80</b>	<b>162</b>	<b>\$ 36,330</b>	<b>\$ -</b>	<b>\$ 36,330</b>

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