

CAYUCOS SANITARY DISTRICT
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GOVERNING BOARD

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

MINUTES
REGULAR MEETING
March 21, 2007

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 6:00 p.m., Wednesday, March 21, 2007.

Board members present: President Robert Enns, Vice-President Nat Raimondo, and Directors Hal Fones, Bud McHale and Shirley Lyon

Board members absent: None

Staff present: District Manager Bonnie Connelly, Supervisor Bill Callahan, and Nancy Martin

Visitors present: Jon Hanlon, Boyle Engineering Corp., Bruce Keogh, Morro Bay Wastewater Treatment Plant Manager, and Dorothy Fones

2. PUBLIC COMMENTS

There were no comments.

It was the consensus of the Board to address agenda Items 5 and 6 before Items 3 and 4.

5. DISCUSS AND REVIEW SECONDARY AND TERTIARY TREATMENT PROJECT OPTIONS WITH BIOSOLIDS HANDLING FOR UPGRADE OF THE MORRO BAY-CAYUCOS SANITARY DISTRICT WASTEWATER TREATMENT PLANT (WWTP)

A. Comparison of Secondary and Tertiary Treatment Performance Standards (Callahan/Hanlon)

B. Discuss and Review Biosolids Handling Options (Callahan/Hanlon)

C. Cost Apportionment/Allocation of an EAAS-Based WWTP Upgrade Project (Connelly)

Bruce Keogh gave an overview of the four alternatives for upgrading the wastewater treatment plant to either full secondary or tertiary: Trickling Filter/Solids Contact (TFSC) or Extended Aeration Activated Sludge (EAAS) for full secondary, and Extended Aeration Activated Sludge/Filtration (EAAS/F) or Membrane Bioreactors (MBR) for tertiary treatment. Regarding biosolids management, he reported that composting or direct haul are two options. Presently, at the treatment plant, a portion of Biosolids, approximately 30%, is composted using trickling filter/solids contact basins, and the remainder hauled. However, the future of hauling is tenuous, as some counties have begun to refuse accepting biosolids from out of county. He reported that an incineration process is being developed as a possible option.

Supervisor Callahan's written report, prepared in collaboration with Jon Hanlon, compared the average expected performance for each alternative being considered. Of the four alternatives, EEAS and EEAS/F seem the most promising. Currently at the treatment plant, the limit for BOD is 120 ppm and TSS is 70 ppm. Full secondary treatment, using EAAS will allow limits for BOD and TSS at 5 ppm, removing over 98% of BOD/TSS. The tertiary alternative, EAAS/F, has lower limits than EEAS, with over 99% of BOD/TSS removed.

Manager Connelly provided estimated project costs for EAAS and EAAS/F. Total project costs range from \$24,167,160 for EAAS with direct haul and \$26,521,000 with composting, to \$26,232,660 for EAAS/F with direct haul and \$28,586,520 with composting.

6. REPORT ON DISTRICT INVESTMENT (RESERVES) PORTFOLIO AND CURRENT MARKET CONDITIONS (Karen Shanley)

District financial advisor, Karen Shanley's written report was received along with handouts showing current short and long-term rates. She reported that in the last month interest rates across the board have dropped because of considerable defaults in the mortgage market and that a shortage of lenders could occur. Looking at District reserves over the next several years Shanley noted that, as investments mature, voids will be created, and recommended purchasing CDs to fill those voids and maintain District reserves. She also commended and recommended Brandis Tallman LLC for securing funding for capital improvement projects.

3. CONSIDERATION TO APPROVE CONDITIONAL WILL-SERVE LETTER FOR RICHARD WOODLAND PROJECT FOR A DELI TO BE LOCATED AT THE PIER VIEW PLAZA, 10 N. OCEAN AVE. (APN 064-114-021)

Supervisor Callahan's report was received, recommending approval of the project.

MOTION: First by Fones with second by McHale to approve a Conditional Will-Serve Letter for Richard Woodland's project, including the District requirement of the installation and use of a grease trap/interceptor. VOTE: 5-0

4. REPORT OF SEWER SYSTEM PIPELINE DEFECTS BASED ON CCTV REPORTED FINDINGS (Callahan)

As directed at the February 21 meeting, Supervisor Callahan provided photographs of defective sewer lines and the overview map of the District's sewer system for the Board's review. He reported that 85-90% of the sewer system has been videoed at this time and that problem areas have been located and prioritized for future repair/replacement. In addition, staff has utilized information from the Inflow & Infiltration (I&I) Study prepared by Boyle Engineers in determining problem areas. As the sewer mains are videoed, lateral connections to the main are examined, as well, and Callahan stated that letters are being sent to property owners notifying them of possible defects or damage in their laterals. The letter states that the District will provide a free video inspection of the sewer laterals to determine their condition, and asks property owners to call the District with questions and set up a tentative time for the inspection. At Board members' request, a copy of the letter was provided for their review. Callahan asked Board members to direct customers with questions to call the District office. The Board asked to see Boyle's I&I Study at the next regular meeting in April.

7. STAFF COMMUNICATIONS AND INFORMATION ITEMS (NO ACTION REQUIRED)

- A. O&M Supervisor's Report
- B. District Manager's Report

Supervisor Callahan's and Manager Connelly's reports were received.

8. CONSENT CALENDAR

- A. Minutes of Regular Meeting of February 21, 2007
- B. Approval to Pay Outstanding Bills at March 21, 2007
- C. Confirmation and Certification of Posting of Ordinance No. 28 Establishing a Fee Schedule for Various Services Adopted by the Board February 21, 2007

MOTION: First by McHale with second by Lyon to approve the Consent Calendar in its entirety.
VOTE: 5-0

9. REVIEW AND DISCUSS RECOMMENDED CHANGES AND MODIFICATIONS TO "DRAFT" SEWER LATERAL MAINTENANCE ORDINANCE NO. 26 (Connelly/Callahan)

President Enns stepped down citing a conflict of interest. Vice-President Raimondo took over chair of the meeting.

Board members expressed concerns with some property owners' negative response to and suspicion of the proposed ordinance. Director McHale felt that when informed of District policy and of upcoming changes, the public will be pleased with the District's proactive position in compliance with State requirements, as well as tackling the I&I problem. Manager Connelly was directed to write up a brief informative notice for publication locally of the District's recent videoing of sewer mains and of property owners' responsibility for maintaining their sewer laterals. It was the consensus of the Board to continue discussion of the "draft" Ordinance No. 26 to the June 2007 regular Board meeting, and after final review at that time, to consider adopting the Ordinance at the July 2007 regular Board meeting.

President Enns was reseated.

10. AUTHORIZATION TO DISTRIBUTE REQUESTS FOR PROPOSALS (RFPs) FOR PURCHASE OF BUDGETED GENERATORS FOR LIFT STATIONS 2 AND 5

Supervisor Callahan's written report was received, asking for the Board's approval to release the bid packet for the purchase of both generators after review by District Counsel.

MOTION: First by McHale with second by Raimondo to authorize distribution of RFPs for the purchase of budgeted generators for Lift Stations 2 and 5. VOTE: 5-0

11. BOARD MEMBER COMMENTS

Director Fones reported that Director Lyon has been elected President of the Lion's Club and Carol Raimondo Treasurer.

Vice-President Raimondo and Director Lyon suggested that Manager Connelly and Supervisor Callahan attend the Advisory Council meeting April 4 and give a 10-15 minute presentation on the Morro Bay Wastewater Treatment Plant upgrade. Connelly and Callahan were amenable to the suggestion.

President Enns related he had spoken to Bill Shea regarding the remodel of the restaurant, the Sea Shanty. Enns asked if Shea's project could be included on the agenda for the Special Board meeting scheduled tentatively for April 11, 2007. Staff indicated their approval.

12. SCHEDULE AGENDA ITEMS FOR THE APRIL 18, 2007 BOARD MEETING

- I&I Study Update
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13. MEETINGS AND CONFERENCE REMINDERS

- A. Pismo Beach WWTP Tour at 2:30 p.m., Thursday, March 22, 2007
- B. Joint WWTP (JPA) Meeting at 6:00 p.m., Thursday, April 12, 2007 at Multi-Purpose Room, Community Center, 1001 Kennedy Way, Morro Bay, CA

14. ADJOURNMENT

MOTION: First by McHale with second by Fones to adjourn the meeting at 8:45 p.m. VOTE: 5-0

Minutes recorded by: *nancy martin*
Nancy Martin