

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

AGENDA NO. 14A
DATE 10/16/2007

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

MINUTES
REGULAR MEETING
September 19, 2007

1. ESTABLISH QUORUM AND CALL TO ORDER

President Robert Enns called the meeting to order at 5:19 p.m.

Board members present: President Enns, Vice-President Raimondo and Director Lyon

Board members absent: Director Fones and Director McHale

Staff present: District Manager Callahan, Administrative Services Officer Connelly and Attorney Michael McMahon (Carmel & Naccasha LLP)

Visitors present: There were no visitors

2. PUBLIC COMMENTS

There were no public comments.

3. CLOSE PUBLIC COMMENTS

President Enns closed Public Comments.

4. ANNOUNCEMENT OF CLOSED SESSION ITEMS

President Enns announced Closed Session item.

CLOSED SESSION:

5. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION:

Significant exposure to litigation pursuant to Government Code Section 54956.9(a)

One potential case. WCAB Claim #05129342, Vince Novoa

RECONVENE TO OPEN SESSION – 6:00 P.M.:

The meeting reconvened to Open Session at 6:05 p.m.

6. ANNOUNCE ANY ACTIONS TAKEN IN CLOSED SESSION

MOTION: First by Lyon with second by Raimondo directing staff to forward prepared letter to State Compensation Insurance Fund. VOTE: 3-0

7. ESTABLISH QUORUM AND CALL TO ORDER

Board members present: President Enns, Vice-President Raimondo and Director Lyon

Board members absent: Director Fones and Director McHale

Staff present: District Manager Callahan, Administrative Services Officer Connelly, and Administrative Services Tech Martin

Visitors present: Rachael (National Resources Defense Council) and Frank Silva (Mission Country Disposal)

8. PUBLIC COMMENTS

There were no public comments.

9. PROPOSED SOLID WASTE RATE INCREASE

A. OPEN PUBLIC HEARING

B. CLOSE PUBLIC HEARING

C. CONSIDERATION TO ADOPT RESOLUTION NO. 2007-9 ESTABLISHING REVISED SOLID WASTE AND RECYCLABLE MATERIALS COLLECTION AND DISPOSAL SERVICE RATES

President Enns announced that no action could be taken as a 4/5 vote is necessary and there were only three Board members present. The item was deferred to a later date when at least four Board members would be present.

10. CONSIDERATION TO HIRE ONE TEMPORARY SEWER COLLECTION WORKER DUE TO STAFFING SHORTAGE

Manager Callahan's written report was received. He proposed advertising for recruitment of a sewer collection worker on a temporary, hourly basis with no benefits.

MOTION: First by Raimondo with second by Lyon to begin recruitment per Callahan's recommendation. VOTE: 3-0

11. CONSIDERATION TO ADOPT RESOLUTION NO 2007-6 ESTABLISHING THE AMOUNT OF SEWER SERVICE USER FEE RATE INCREASES ON A MULTI-YEAR BASIS FOR FISCAL YEARS 2007-2008 THROUGH 2011-2012

Connelly's written report was received. No action could be taken as a 4/5 vote is required and only three Board members were present. President Enns asked staff to consider looking into monthly billing of sewer user and lot fees in the future, as he sensed that when sewer rate increases are implemented a monthly statement may be more palatable. Lyon and Raimondo concurred.

12. CONSIDER TO RESCIND ACTION TAKEN ON AUGUST 15, 2007, REGARDING RESOLUTION NO. 2007-7 ESTABLISHING THE AMOUNT OF SEWER CONNECTION FEE INCREASE FROM \$5,000 TO \$7,960

Action was taken erroneously at the August 15 meeting because a 4/5 vote was necessary and there were only three Board members present. The item was deferred to a later date when at least four Board members would be present.

13. CONSIDERATION TO READOPT RESOLUTION NO. 2007-7 ESTABLISHING THE AMOUNT OF SEWER CONNECTION FEE INCREASE FROM \$5,000 TO \$7,900

The item was deferred to a later date when at least four Board members would be present.

14. CONSIDERATION TO PERMIT DISTRICT MANAGER TO APPROVE CHANGE ORDERS

Manager Callahan's written report was received. Currently, the Board must take action when a change order is sought during capital improvement projects. Callahan asked for the latitude to approve change orders on those projects where decisions must sometimes be made on the spot. He indicated he would submit a full report for the Board's examination whenever a change order is issued. Administrative Services Officer Connelly stated that generally there is policy governing a

Manager's ability to approve change orders, and execute contracts based on a cap (ceiling) both individually and cumulatively or percentage of overall contract. She reported that she had prepared draft policy pending District Manager's review and comment that would cover such discretionary items. President Enns stated he's like to see such policy brought forward.

MOTION: First by Lyon with second by Raimondo to permit the District Manager to approve change orders on the Phase 2 Project, for a "not to exceed" value of \$5,000 per incidence. VOTE: 3-0

15. PHASE 2 SEWER IMPROVEMENT PROJECT:

A. PROGRESS REPORT

Manager Callahan's written report was received. He reported the project is going well and that it is ahead of schedule at this time.

B. REQUEST FOR CHANGE ORDER FOR THE PHASE 2 SEWER LINE IMPROVEMENT PROJECT: 8TH STREET EASEMENT (SOUTH) FOR MGE UNDERGROUND IN THE AMOUNT OF \$3,750/00

Manager Callahan's written report was received.

MOTION: First by Raimondo with second by Lyon to approve the change order for the Phase 2 Sewer Line Improvement Project as recommended. VOTE: 3-0

C. CONSIDERATION TO APPROVE PROGRESS PAYMENT TO MGE UNDERGROUND IN THE AMOUNT OF \$305,059.62

Manager Callahan's written report was received.

MOTION: First by Lyon with second by Raimondo to approve the progress payment to MGE Underground in the amount of \$305,059.62. VOTE: 3-0

16. CONSIDERATION TO ADOPT DISTRICT TRAVEL AND REIMBURSEMENT POLICY (Policy #2100)

Administrative Services Officer Connelly provided a "draft" District Travel Policy document for discussion and consideration by the Board. The Meals and Incidental Expense (M&IE) breakdown included information by the U.S. General Services Administration. Connelly stated that it is a fiscal responsibility of Public Agencies to include policy for travel procedures and reimbursement. Some Board members felt the allowable costs were unrealistic and asked to see current District policy regarding travel. Callahan and Connelly invited input from the Board.

MOTION: First by Raimondo with second by Lyon to table the item until the next regular Board meeting. VOTE: 3-0

17. CONSIDERATION TO APPROVE NEW TEMPORARY O&M SHOP LOCATION AND IMPROVEMENTS

Manager Callahan's written report was received. Since acquisition of the Bus Barn property is not an option any more, staff has been looking at alternatives, of which expanding the District office is one. The District has until the end of September to vacate the shop on Cabrillo Avenue but staff is negotiating a rental agreement with Brent Knowles on Cabrillo Avenue, as well. Rent to Mr. Knowles for the site will be \$250 per month. Additionally, an office trailer and storage container will be rented, fencing installed to secure the site, electrical wiring installed, and a temporary car cover purchased. Since the shop on Mr. Knowles' property is temporary, Staff was directed to invite Architect Jon McAlpin to the next Board meeting with ideas for expansion of the District office.

MOTION: First by Lyon with second by Raimondo to approve the new shop location and authorize funding of up to \$15,000 for the necessary improvements. VOTE: 3-0

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

A. District Manager's Report (Callahan) – August 2007

Manager Callahan's written report was received. Vice-President Raimondo asked, with regard to the Morro Bay/Cayucos Joint Powers Agreement, if Morro Bay will be providing a marked up copy for examination and discussion at the next JPA meeting. President Enns suggested that he and District Counsel Carmel go over the document thoroughly before meeting with Morro Bay for discussion.

B. Operations and Maintenance Report – August 2007

Maintenance Technician Zevely's written report was received. There were no questions.

C. Bus Barn Report (Callahan)

Manager Callahan's written report was received. Vice-President Raimondo asked if a budget adjustment should be made since the District will not be purchasing the property. Callahan indicated that property acquisition is still a consideration.

D. Administrative Services Officer's Report (Connelly) – August 2007

Administrative Services Officer Connelly's written report was received. There were no questions.

19. CONSENT CALENDAR

A. Minutes of Regular Meeting, August 15, 2007

B. Minutes of Special Meeting August 13, 2007

C. Minutes of Town Hall Meeting June 21, 2007

D. Approval to Pay Outstanding Bill as of August 19, 2007

Manager Callahan had asked if a progress payment could be included in Agenda Item 19D, Approval to Pay Outstanding Bills as of August 19, 2007, to Electricraft, Inc., in the amount of \$11,761.65 (Generators Replacement Project). The Board allowed his request.

MOTION: First by Lyon with second by Raimondo to approve Consent Calendar in its entirety.

VOTE: 3-0

20. BOARD MEMBER COMMENTS

Administrative Services Officer Connelly was commended on the "draft" travel policy presented.

21. MEETINGS, CONFERENCES AND SEMINARS:

The next Morro Bay/Cayucos Wastewater Treatment Plant (JPA) Meeting is scheduled for 6:00 p.m., Wednesday, November 7, 2007, in Morro Bay.

22. SCHEDULE AGENDA ITEMS FOR THE OCTOBER 17, 2007 BOARD MEETING

- Travel and Reimbursement Policy discussion
- Architect Jon McAlpin update on office expansion
- Solid Waste Rate Increase Resolution, Sewer User Fee Increase Resolution, Sewer Connection Fee Resolution
- Morro Bay/Cayucos Wastewater Treatment Plant (JPA) Agreement discussion

23. ADJOURNMENT

The meeting adjourned at 7:45 p.m.

Minutes recorded by: 
Nancy Martin