

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

GOVERNING BOARD

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

REGULAR MEETING
MINUTES
APRIL 16, 2008

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 6:00 p.m., Wednesday, April 16, 2008.

Board members present: President Robert B. Enns, Vice-President Nat Raimondo, and Directors Shirley Lyon and Bud McHale. Director Hal Fones arrived at 6:10 p.m.

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

Visitors present: Ryan Cornell (Moss, Levy & Hartzheim, CPA's), Marc H. Eisemann (owner, 80 N. Ocean Ave.) and Architect Jon McAlpin (Omni Design Group)

2. PUBLIC COMMENTS

There were no public comments.

3. CONSIDERATION TO ACCEPT FY 2006/2007 AUDIT, AS PREPARED BY MOSS, LEVY AND HARTZHEIM CPA'S

Ryan Cornell, representing the firm Moss, Levy and Hartzheim, CPA's, who provide audit services to the District, answered questions from Board members.

MOTION: First by McHale with second by Lyon to accept Fiscal Year 2006/2007 Audit, as prepared by Moss, Levy and Hartzheim, CPA's. VOTE: 4-0 (Fones absent)

Director Fones arrived at 6:10 p.m.

It was the consensus of the Board to address Agenda Item 6 before Items 4 and 5.

6. CONSIDERATION TO APPROVE A CONDITIONAL WILL-SERVE LETTER FOR A MIXED USE PROJECT AT 80 NORTH OCEAN AVENUE, APN 064-114-004, LOT 3 & 4, BLOCK 2

Manager Callahan's written report was received and he introduced the property owner of 80 N. Ocean Ave., Marc H. Eisemann. Mr. Eisemann pointed out that his property consists of Lots 11 and 12 rather than 3 and 4, as listed in Callahan's report and on the agenda. Mr. Eisemann proposes to demolish an existing residence on the site and construct a two-story building for a commercial enterprise downstairs, with caretaker's unit above. There is an additional building on the site which spans both lots and houses Hoppe's Garden Bistro as well as several other businesses. Callahan recommended the Board allow the new building to be tied into the existing sewer lateral which serves Hoppe's and the other businesses. However, in the event that the lots are ever split, a separate physical sewer connection will be required.

MOTION: First by Raimondo with second by Fones to approve a Conditional Will-Serve for Mr. Eisemann's project at 80 N. Ocean, waiving the separate lateral connection at this time, with the understanding that a lot split will require a separate connection. VOTE: 5-0

4. CURRENT REPORT ON DISTRICT O&M SHOP PROGRESS WITH JON McALPIN FROM OMNI DESIGN GROUP
- A. Consideration to Approve a Proposal for a Soils Report
 - B. Consideration to Approve a Proposal for an Archaeology Report

Director McHale excused himself, citing conflict of interest on the basis that he lives within 500 feet of the proposed construction project site.

Architect Jon McAlpin reported that a Minor Use Permit will be required for the first phase of the project (O&M shop) and that an Archeology Report must be included with the application. Additionally, a Soils Report is required to obtain an Archaeology Report. He anticipates it will take three or four months to obtain the Minor Use Permit. After two thefts of equipment at the temporary O&M shop on Cabrillo Road, Board members expressed urgency in the completion of the new facility. McAlpin suggested District staff contact County Planning staff (Matt Janssen, Public Information Division Manager) to discuss the possibility of reducing the time expected for the County's review of the project. The Board directed McAlpin to arrange for the soils and archeology reports. Earth Systems is expected to provide the Soils Report at an estimated cost of \$4,000, with Clay Singer providing the Archaeology Report for approximately \$800. McAlpin will report back at the next meeting.

7. REVIEW AND DISCUSSION OF DISTRICT EMPLOYEE WAGE AND BENEFITS AS COMPARED TO OTHER LOCAL GOVERNMENT AGENCIES ON THE CENTRAL COAST

Officer Connelly's written 2008 Salary and Benefits Survey was received, as requested by the Board at the March 19 meeting. Connelly was commended for the thoroughness of the report. Comparing District policy with other entities, the level of funding of health insurance showed the greatest disparity, with the District at the low end of the scale. Connelly expressed difficulty in effectively comparing wages/salaries since the District has only eight employees and every employee must perform a multitude of tasks, which is not necessarily the case in larger organizations. Additionally, the District does not use a 4 or 5 step salary classification system

with a range of up to 23% as other agencies but, rather, 11 steps, at increments of 2.5% with a range of 28%. Director McHale asked if District policy dictates that O&M employees must live within a 20 minute response time of District facilities and if 30 minutes could be considered as a means to, in the future, create a broader range for recruitment purposes. Manager Callahan responded that the 20 minutes is District policy and he would not advocate changing it due to the criticality of time in emergency situations (e.g. sewer spill). Director Fones recommended the Personnel Committee interview employees to determine their concerns and report back to the full Board President. Enns suggested that the Personnel Committee (Directors McHale and Lyon, committee members) meet after this meeting.

5. CONSIDERATION TO ADVERTISE A REQUEST FOR PROPOSALS FOR THE TORO CREEK BRIDGE PIPELINE MAINTENANCE PROJECT

Manager Callahan's written report was received. Hangers used to support a District force main line that runs under the Toro Creek Bridge are damaged and must be replaced. The Board directed staff to advertise the Request for Proposals for the project and report back regarding bid submissions.

8. REVIEW AND DISCUSSION OF DISTRICT POLICIES REGARDING SEWER LATERAL OWNERSHIP

President Enns stepped down, citing conflict of interest.

Manager Callahan's written report was received. Policy regarding sewer laterals has been addressed in three different District resolutions. Callahan asked the Board to examine and discuss the three resolutions to clarify property owners' responsibilities.

MOTION: First by Fones with second by Lyon for staff to draft a single resolution clarifying District policy regarding property owners' requirements and responsibilities with regard to sewer laterals, for review and approval by District Counsel. VOTE: 4-0 (with Enns abstaining)

President Enns was reseated.

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

A. District Manager's Report (Callahan) – March 2008

Manager Callahan's written report was received. There were no questions or comments.

B. Administrative Services Officer's Report (Connelly) – March 2008

Officer Connelly's written report was received. There were no questions or comments.

C. Operations and Maintenance Report – March 2008

Dave Zevely, Wastewater Collection system Maintenance Technician, prepared the monthly written report. Board members expressed concerns with two recent thefts at the O&M yard that were reported on. They suggested looking into the feasibility of storing District vehicles and equipment on the site of the proposed O&M shop at 200 Ash Ave. Director McHale indicated he would talk with neighbors on Ash to determine their support or opposition to the possibility. Staff was directed to agendize the item for the next regular meeting.

10. CONSENT CALENDAR

- A. Minutes of Regular Board Meeting of March 19, 2008
- B. Minutes of O&M Technical Advisory Committee Meeting of April 2, 2008
- C. Minutes of Special Board Meeting of April 2, 2008
- D. Approval to Pay Outstanding Bills as of April 16, 2008

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

11. BOARD MEMBER COMMENTS

Vice-President Raimondo reported he would be unable to attend the next regular Board meeting scheduled for May 21, 2008.

12. MEETINGS, CONFERENCES, AND SEMINARS:

- A. Morro Bay-Cayucos Wastewater Treatment Plant (JPA) Meeting, Wednesday, May 28, 2008, Hosted by Morro Bay, Location: Moro Bay Veterans' Hall, 6:00 p.m.

13. SCHEDULE AGENDA ITEMS FOR THE MAY 21, 2008 BOARD MEETING

- Report on District O&M Shop Progress (Jon McAlpin, Omni Design Group)
- District Employee Wage and Benefits Enhancement Discussion/Consideration
- District Policy Regarding Sewer Laterals
- Discussion/Consideration to Store O&M Vehicles and Equipment at 200 Ash Ave.

14. ANNOUNCEMENT OF CLOSED SESSION ITEMS

President Enns announced Closed Session at 8:00 p.m.

CLOSED SESSION:

- 15. PUBLIC EMPLOYEE PERFORMANCE EVALUATION pursuant to Government Code Section 54957 Title: District Manager

RECONVENE TO OPEN SESSION:

- 16. ANNOUNCE ANY ACTIONS TAKEN IN CLOSED SESSION

There was no action taken to announce.

17. ADJOURNMENT

The meeting was adjourned at 9:15p.m.

Minutes recorded by: Nancy Martin
Nancy Martin