

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

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

REGULAR MEETING  
MINUTES  
DECEMBER 16, 2009

1. ESTABLISH QUORUM AND CALL TO ORDER

President Robert Enns called the meeting to order at 6:05 p.m., Wednesday, December 16, 2009.

Board members present: President Robert Enns, Vice-President Bud McHale and Directors Hal Fones and Shirley Lyon. Michael Foster arrived shortly thereafter.

Staff present: District Manager Bill Callahan, Administrative Services Officer (ASO) Lewis Brookins and Administrative Services Technician Nancy Martin

Consultants present: Accountant Lisa McGrath (Moss, Levy & Hartzheim, CPAs) and Karen Shanley (District Financial Advisor)

Visitors present: Dorothy Fones

2. PUBLIC COMMENTS

President Enns opened Public Comments; there were none.

3. CONSIDERATION TO ACCEPT FY 2008/2009 AUDIT, AS PREPARED BY MOSS, LEVY, AND HARTZHEIM CPAs

ASO Brookins introduced Lisa McGrath of Moss, Levy & Hartzheim, CPAs, who was there to present the audit. Ms. McGrath answered questions from Board members. Board members thanked her for a thorough presentation and for including comparative financial statements in the audit. Director Foster asked for all sections of future audits to be in a comparative format.

MOTION: First by McHale with second by Fones to accept FY 2008/2009 Audit as prepared by Moss, Levy & Hartzheim, CPAs. VOTE: 5-0

4. DISCUSSION OF CURRENT DISTRICT INVESTMENTS WITH KAREN SHANLEY AND ASSOCIATES WITH CONSIDERATION TO REINVEST

Financial Advisor Karen Shanley provided a handout with recommendations for District investments. She recommended maintaining the current certificates of deposit (approximately 20% of District assets), rolling them over as they mature, through 2012; of investing 20% to 30% of assets in short term notes (two to six years); and maintaining the remainder of assets in US Treasury Money Markets. President Enns indicated he would like to see a listing of District investments in a graph, with amounts, interest rates, dates of maturity, etc. Ms. Shanley stated she would prepare one. Board members recommended

scheduling a meeting between Ms. Shanley, ASO Brookins, Manager Callahan and Director Foster to further discuss District investment strategy.

5. CONSIDERATION TO REINVEST MATURING CERTIFICATES OF DEPOSIT

ASO Brookin's written report was received. Two certificates of deposit (CDs) of approximately \$245,000.00 each are maturing at the end of December. He recommended reinvesting them in CDs for a period not to exceed one year and at the best rate. Director Foster concurred.

MOTION: First by McHale with second by Fones to direct ASO Brookins to reinvest the two maturing CDs for a period not to exceed one year and with the best return. VOTE: 5-0

6. CONSIDERATION TO ADOPT CAYUCOS SANITARY DISTRICT RESOLUTION NO. 2009-7: MODIFYING THE SEWER SERVICE RATE METHODOLOGY FOR HOTELS AND MOTELS AND BASELINE EDU CALCULATIONS FOR THE NEW COMMERCIAL ACCOUNTS

ASO Brookin's written report was received. An ad hoc committee meeting was held in September 2009 to discuss ways to establish a more equitable way to bill hotels/motels and other commercial properties. Recommendations from that meeting were to charge hotels/motels a flat rate of .5 Equivalent Dwelling Units (EDU) per room and one EDU for a room with kitchen facilities, and to not consider water usage in determining the sewer user fee. Additionally, future sewer rates for commercial/non-residential properties would be based solely on calculated EDUs.

MOTION: First by Lyon with second by Foster to adopt Cayucos Sanitary District Resolution No. 2009-7 Modifying the Sewer Service Rate Methodology for Hotels and Motels and Baseline EDU Calculations for the New Commercial Accounts.

ROLL CALL VOTE: Enns (yes), McHale (yes), Fones (yes), Lyon (yes), Foster (yes)

7. ELECTION OF DISTRICT OFFICERS FOR 2010

MOTION: First by Fones with second by Lyon to retain Robert B. Enns as President for the calendar year 2010. VOTE: 5-0

MOTION: First by Foster with second by Lyon to retain Bud McHale as Vice-President for the calendar year 2010. VOTE: 5-0

8. CONSIDERATION OF NEW DISTRICT COMMITTEE ASSIGNMENTS FOR 2010

There was a consensus of Board members to retain 2009 committee assignments for 2010, as follows:

- Budget & Finance Committee: Robert Enns, Michael Foster
- Personnel Committee: Shirley Lyon, Bud McHale
- O&M Technical Committee: Robert Enns, Hal Fones
- CIP Committee: Hal Fones, Michael Foster
- Investment Committee: Michael Foster
- WWTP (JPA) Committee: Robert Enns, Shirley Lyon
- Safety Committee: Shirley Lyon

9. STAFF COMMUNICATIONS AND INFORMATION ITEMS

A. District Manager's Report – November 2009

Manager Callahan's written report was received. He recounted his participation in the process of selecting the engineering firm to design the Morro Bay/Cayucos Wastewater Treatment Plant. He

indicated the field has been narrowed down to three engineering firms: Montgomery, Watson, Harza (HWH), Carollo, and Brown and Caldwell.

10. CONSENT CALENDAR

- A. Approval of Minutes of the November 18, 2009 Board of Directors Meeting
- B. Approval of Minutes for the November 17, 2009 Special Board of Directors Meeting
- C. Approval to pay outstanding bills as of December 16, 2009

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

VOTE: 5-0

11. BOARD MEMBER COMMENTS

There were no comments.

12. MEETINGS, CONFERENCES AND SEMINARS:

- A. Morro Bay-Cayucos Wastewater Treatment Plant (JPA) Meeting, Date: January 28, 2010  
Hosted by Cayucos Sanitary District, Location: Cayucos Veterans' Hall, Time: 6:00 p.m.

13. SCHEDULE AGENDA ITEMS FOR THE JANUARY 20, 2010 BOARD MEETING

- Grey water system feasibility report

President Enns announced Closed Session at 7:45 p.m.

CLOSED SESSION:

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

RECONVENE TO OPEN SESSION

15. ANNOUNCE ACTIONS TAKEN IN CLOSED SESSION

The meeting reconvened to Open Session at 8:40 p.m. There were no actions to report.

16. ADJOURNMENT

The meeting thereafter adjourned.

Minutes recorded by: \_\_\_\_\_  
Nancy Martin, Administrative Services Tech.