



## CAYUCOS SANITARY DISTRICT

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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 7:35 p.m.

#### Minutes Respectfully Submitted By:

X Amy Lessi

Amy Lessi  
Administrative Services Manager