

**CARPINTERIA SANITARY DISTRICT
IN THE
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

MINUTES

These are the **minutes** of the **regular** meeting of the Governing Board of the Carpinteria Sanitary District in the City of Carpinteria, County of Santa Barbara, and State of California.

The Governing Board of the Carpinteria Sanitary District held a regular meeting on **February 7, 2012**, at 5:30 p.m. at its District administrative office located at 5300 Sixth Street, Carpinteria, California.

Directors Present: Lin Graf – President
Jeff Moorhouse – President Pro-Tem
Pat Horwitz – Treasurer
Mike Modugno – Secretary - **absent**
Michael Damron – Secretary Pro-Tem

Staff Present: Craig Murray – General Manager
Kim Garcia – Board Clerk
Hamid Hosseini – Finance Director - **absent**

Legal Counsel
Present: Anthony Trembley

Public Present: None

President Graf called the meeting to order and asked Director Horwitz to lead the Board and staff in the Pledge of Allegiance.

President Graf noted for the record that Director Modugno was absent from the meeting.

Board Approval of Agenda - President Graf asked if there were any modifications and/or changes to the agenda. Hearing none, President Graf said the Agenda was approved as submitted.

Board Approval of Minutes of the Meeting of January 10, 2012 - Director Damron made a motion that the Minutes of the January 10, 2012 Board meeting be approved as submitted; Director Horwitz seconded the motion, and the motion was approved by a 4-0 vote.

Public Forum – None.

General Manager's Status Report – General Manager reported on the following: **CASA Mid-Year Conference Report** - General Manager said he attended the CASA Mid-Year Conference held January 15-17 2012 in Palm Desert. General Manager said on Wednesday morning there was an excellent seminar put on by CSRMA geared toward management and organization. The focus of the technical presentations was on energy efficiency and cogeneration. General Manager said Friday morning he attended the CSRMA Board meeting and was elected, by the membership, to the Alternate position on the CSRMA Executive Board. General Manager said after serving four years with the Pooled Liability Program Committee he will step down in favor of this new assignment within the pool. A copy of the CSRMA Annual Report for 2011 is attached to the Board packet for reference. **SWRCB Grant Funded Project Site Visits** – General Manager said the District currently has two grants, one through the Integrated Regional Water Management Program (IRWMP) Prop 50 for the Bluffs Sewer Project and the other through the Clean Beaches Initiative Prop 84 for the Sand Point Road project. The District happens to have the same grant manager for both projects, Kelley List. She has been down to visit the projects in the past and was recently was here on January 24th and toured both sites. She was pleased with the status of both projects. **SBSDA/LAFCO Special District Selection Committee Meeting Report** – General Manager said on January 23rd he attended a meeting of the LAFCO Special District Selection Committee with Director Moorhouse and Director Damron. An election was held to select a regular LAFCO commissioner where Craig Geyer, Director of Goleta West Sanitary was elected. An alternate commissioner was also elected, John Fox, Director of Goleta Sanitary. General Manager said a chapter meeting of the Santa Barbara Special Districts' Association followed which included an engaging presentation by Steve Lavagnino, the County's new Fifth District Supervisor. **Operations Update** – General Manager said the WWTP is operating in full compliance with our permit with all biological processes normalized and regular ongoing maintenance activities underway. General Manager said the collection system is operating well with no problems to report since our last meeting. General Manager said the new control panel for Lift Station No.6 on Sand Point Road has been ordered and is in fabrication. This capital procurement was authorized for the current fiscal year. Installation will be preformed primarily by in-house staff with some assistance from the vendor. General Manager said he and President Graf toured the WWTP facility in January. General Manager welcomed all Board members to tour the facility any time.

CIP Project Construction Progress Report – General Manager introduced Dave Rundle, Penfield & Smith's Project Manager for the District's Bluffs Sewer Relocation Project, and the Sandyland Cove and Sand Point Road components of the South Coast Beach Communities Septic to Sewer Conversion Project. All of which are currently in the construction phase. Mr. Rundle provided, to the Board, comprehensive packets on each project outlining project scope, data, time-lines, change orders, progress reports, progress payments, inspection reports and pictures depicting work to date. Mr. Rundle reviewed each project packet and the Board was given opportunity to comment, discuss and ask questions. General Manager presented a picture slide show illustrating progress on each project and provided support commentary. The Board thanked Mr. Rundle for his presentation.

Cash Contract No. 394 – Sylvania Lighting Services – Lighting Efficiency Upgrade Project – The District's current year capital improvement program includes a project to replace and or upgrade existing lighting within the treatment plant facility to achieve energy efficiency and savings associated with more efficient lighting. At the outset of the budget process, the scope and costs associated with this project were not definite. The District coordinated with Sylvania Lighting Services to evaluate the existing light fixtures within the

District's wastewater treatment facility. Sylvania Lighting Services prepared a draft proposal which identified all lighting throughout the plant and administration office, provided a concept of motion sensors within the pipe galleries and included submittals, energy savings and rebate information. General Manager said Director Modugno, an electrical engineer, volunteered to review the proposal and provide feedback. General Manager said he addressed Director Modugno's concerns with Sylvania Lighting and an amended proposal was resubmitted to the District. The District's budget for this project is \$20,000. Sylvania Lighting Services' proposal indicated an implementation cost of \$ 44,737.87. An SCE rebate of approximately \$6,000, and perhaps more, will flow back to the District. The annual projected energy savings is over \$13,000 annually.

General Manager presented Contract No.394 between the District and Sylvania Lighting Services Corporation. The work would be completed on a lump sum basis with a total contract amount not to exceed \$44,737.87 which includes applicable sales tax. The amended outline of proposed services is attached as exhibit "A" to Cash Contract No.394.

General Manager said if authorized, the project budget would be amended from \$20,000 to \$45,000. General Manager said based on favorable pricing for other capital projects now underway, he does not believe it will not be necessary to transfer additional funds to the Capital Improvement Fund to cover the higher project costs.

General Manager said it was staff's recommendation that the Board approve Cash Contract No. 394 between the District and Sylvania Lighting Services for the provision of services related to the Lighting Efficiency Upgrade and Retrofit Project with a not to exceed fee of \$44,737.87.

Director Horwitz made a motion that the Board approve Cash Contract No. 394 between the District and Sylvania Lighting Services Corporation as presented. Director Damron seconded the motion. Director Moorhouse asked what method was going to be utilized to measure and track future energy usage and savings. General Manager said although it may be difficult to track just the lighting expenses in relation to total electrical usage, staff has been and will continue to review and log usage on a monthly basis utilizing statements provided by SCE. The motion was approved by a 4-0 vote.

Report on Legislative Analyst's Office Letter Regarding Special District Issues –

General Manager said Legal Counsel, Anthony Trembley, would provide an overview and analysis of an October 2011 letter from the Legislative Analyst's Office to Assembly Member Roger Dickinson. Legal Counsel said this report focused on efficiency and accountability issues for small special districts as opposed to large special districts. Legal Counsel said the overall findings determined, in certain cases, that smaller districts can be less efficient and less accountable than larger districts. However, there are many factors that can impact the analysis. The findings further concluded that the LAFCOs are generally well positioned to review the effectiveness and accountability of special districts, but these reviews have some limitations. Lastly, there were some items for potential legislation that ought to be considered.

Legal Counsel said Assembly Member Roger Dickinson, the chair of the Assembly Accountability and Administrative Review Committee, was the primary audience for this report. Napa, San Bernardino and San Diego counties were the three counties selected as the focus of the analysis and that a review of functional and structural consolidations conducted gave some indication that consolidation of smaller districts could result in improved efficiency, but there are many costs relative to the consolidation process.

Legal Counsel said a portion of the report addressed how to empirically test the efficiency due to the many differences in the metrics from agency to agency. Legal Counsel cited the report, "We found two indications that larger wastewater agencies are more efficient

than smaller agencies. First, we found wastewater fees charged by agencies to be lower the larger the agency. Second, we found that wastewater agencies with larger population treated their water to a higher level while charging similar fees to their customers.” Legal Counsel said a major caveat was mentioned in that district size did not explain all variations in wastewater fee levels and that a specific conclusion could not be made statewide or region wide.

Legal Counsel said the report states that the overall assessment of special district accountability is inconclusive.

Legal Counsel said the report addressed the effectiveness of LAFCOs and cited the report on the topic of agency consolidation. Legal Counsel said there is an ongoing discussion, on the part of California Forward and the State legislature, which questions how to consolidate.

Legal Counsel said the report finds that LAFCOs do not consistently measure efficiency in their evaluations and indicates that there are no established criteria to dictate when consolidation makes sense. Legal Counsel said legislation that will statutorily stipulate how LAFCOs will have to weigh each metric can be anticipated.

Legal Counsel said the report gave several options for legislative consideration and stated that small special districts are less efficient and less accountable than larger agencies. There are opportunities to improve the accountability of special districts generally and there may be opportunities to improve the LAFCO process to successfully achieve consolidations when they make sense.

Legal Counsel said the report recommends reducing hurdles to LAFCO recommended consolidation and oversight. It further suggests that the Legislature consider expanding LAFCO authority to oversee JPA’s and to increase legislative oversight of LAFCOs and special districts.

Director Moorhouse thanked legal counsel for his presentation and said that CASA, CSDA and LAFCO are following these issues.

2012 CASA Washington D.C. Conference – President Graf said this item was on the Agenda for the Board’s information, and if any member was interested in attending to call the Secretary to the Board to make arrangements.

Finance Committee – Director Horwitz reported the Finance Committee met on Monday, January 23 and reviewed the monthly financial reports and the Assessment District report. There was discussion regarding Revenue Bond Refunding and Capital Project Financing and the LAIF Investment both of which require more information before a full report is made to the Board.

Personnel Committee – Did not meet.

Public Relations Committee – Did not meet.

CASA Legislative Committee Report – Director Moorhouse said he attended the CASA Legislative Committee meeting where there was discussion on the letter from the Legislative Analyst’s Office to Assembly Member Roger Dickinson that Legal Counsel reported on earlier.

SBCSDA Report – Director Moorhouse said he attended the SBCSDA Selection Committee meeting held January 23, 2012.

LAFCO Report – Director Moorhouse said on February 2, 2012 he assumed the role of chairperson of the Santa Barbara LAFCO. Director Moorhouse said he will be seeking appointment to the now open seat on the CALAFCO Board.

Board Member Vacation Dates – None.

Future Agenda Items – None.

CLOSED SESSION – 6:48 p.m.

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Per Government Code Section 54956.9(b).

RECONVENE OPEN SESSION – 7:05 p.m. President Graf reconvened the open session and stated that there was no action to report from the closed session.

Adjournment. There being no further items to discuss, President Graf adjourned the meeting at 7:06 p.m.

Lin Graf
President

ABSENT
Mike Modugno
Secretary

Jeff Moorhouse
President Pro-Tem

Michael Damron
Secretary Pro-Tem

Pat Horwitz
Treasurer