

**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 16, 2010**, at 5:30 p.m. at its District administrative office located at 5300 Sixth Street, Carpinteria, California.

Directors Present: Michael Damron– President  
Lin Graf – President Pro-Tem  
Jeff Moorhouse – Secretary  
Pat Horwitz – Secretary Pro-Tem  
Doug Treloar – Treasurer

Staff Present: Craig Murray – General Manager  
Judy Kirkman – Board Secretary  
Hamid Hosseini – Finance Director

Legal Counsel  
Present: Anthony Trembley

President Damron called the meeting to order and asked Legal Counsel, Anthony Trembley to lead the Board and staff in the Pledge of Allegiance.

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

**Approval of Minutes of the Meeting of January 19, 2010** – Director Treloar made a motion that the minutes of the January 19, 2010 Board Meeting be approved as submitted; Director Horwitz seconded the motion, and the motion was approved by a 5-0 vote.

**Public Forum** – None

**General Manager's Status Report** – General Manager reported on the following:  
**South Coast Watershed Task Force** – General Manager said he attended a meeting on February 1<sup>st</sup> of the South Coast Watershed Task Force which had been convened by Salud Carbajal, the First District Supervisor. General Manager said the group first met in 2008 with the objective of developing a clearinghouse of water related information (reports, plans, data, etc.) for watersheds in southern Santa Barbara County. General Manager said at the meeting on February 1<sup>st</sup> that objective had been met. The group discussed the pros and cons of continued advancement of this concept and the task force at large; **Safety & Training Officer Recruitment** – An employment offer was accepted by Jan Deering for the Safety and Training Officer position. Jan will begin on March 1<sup>st</sup>. She is coming to the District from

Teledyne in the Thousand Oaks area. General Manager said Jan is a very qualified candidate with a Masters degree in Occupational Health and Safety, and we are looking forward to having her onboard; **Industrial/Commercial User Surveys** – Lance Lawhon, the District's Engineering Technician, sent out a survey last week to industrial and commercial users within the District's service area. General Manager said the survey responses would allow the District to gauge the appropriateness of issuing industrial waste discharge permits and/or the application of Federal Pretreatment standards for specific classes of users. General Manager said it's been several years since the District has sent out this type of survey; **Operations Update** - The Treatment Plant is running fine with no problems to report. The WWTP Annual Report was submitted to the Regional Water Quality Control Board and published to the CIWQS on-line reporting system. The Biosolids Annual Report was submitted to US EPA. Everything went smoothly during the recent rain events with no power outages to report. Our flows increased during and following the rain events from about 1.3 MGD to a one-week average of 1.8 MGD. Following the rain events, flows trended downward, but are still in the 1.5 MGD range. General Manager said five years ago flows would have gone much higher than the 1.8 MGD average week based on the rainfall and attributed this to the recent pipeline and manhole rehabilitation projects. Director Moorhouse asked if there were any charts showing how the gallons per day have been reduced prior to the improvements. General Manager said staff could chart the gallons per day against rainfall amounts for specific time periods, but may not be telling due to variations in rainfall intensity and duration. Director Moorhouse said this justifies the work that had been done. General Manager said the crane truck received its annual inspection. The Collection System is operating well with no SSOs or blockages reported during the period. The Collection System department office was reconfigured to accommodate a new GIS workstation. The new computer and monitor will be used to view and edit CCTV inspection reports. Programming work of the variable speed drives at Lift Station No. 2 was completed by ProUSYS and District staff that had been offline for ten years or more. Over the last six months improvements were made to the VFDs and now they're up and running. General Manager said the flow could be monitored at almost every location in the District's system. General Manager reported the HVAC (air conditioning) unit in the District's lab failed last week, and staff was working to get it replaced.

**Biosolids Hauling and Composting Contract Extension** - General Manager said the District has almost completed a three-year contract period with Engel & Gray, the company that provides the hauling of our biosolids and the offsite composting services at their facility in Santa Maria. General Manager said the District entered into a contract with Engel & Gray in March of 2007 and that contract expires on February 28, 2010. General Manager said the terms of the agreement allow the District to extend the agreement for two consecutive periods of three years or less, without renegotiation of the contract pricing or other terms. General Manager said the contract could be extended for one year, two years or whatever period of time, but the maximum would be two consecutive three-year periods. General Manager said Engel & Gray had done a really good job for the District over the last three years. They were required, through their contract, to move bins, bring in empty bins and other things unique to the District's facility. General Manager said this had been one of his concerns going in, but it had not been a problem.

General Manager said the way the contract is structured there is a base rate that started out at \$52.50 per ton with escalation based on the CPI index. General Manager said at the present time the rate has escalated to \$55.26 per ton. General Manager said in addition the contract has a fuel surcharge component tied to the published cost of diesel fuel in accordance with a formula described in the agreement. General Manager referenced a chart attached to the Staff Report which showed the monthly unit cost since contract

inception. The average total cost per wet ton during the three-year period was \$62.47. General Manager said there was a spike that corresponded to the time when diesel prices were high in the middle of 2008, and the District at that time was paying almost \$78.00 per ton. General Manager said the District has seen stabilization and the cost has come back down to the mid-fifties. General Manager said it met the base rate at one point around March, 2009. General Manager said there was variability, but overall it had been a good contract.

General Manager said he would like to update the Board as to where biosolids management might be headed in California. Ventura Regional has a heat drying facility, and some areas in the state are moving in that direction. There's a heat dryer in Rialto and there are other thermal processing facilities in the state that are regional operations. General Manager said the base rate at Ventura Regional was \$41.50, which is the tipping fee. Hauling costs and transport costs would be added bringing the amount to around the \$55.00 per ton range. General Manager said another option would be to go back to Kern County, but the risks associated with this option are still high. They are still being scrutinized and law suits are ongoing. There is a potential regional biosolids management plan happening here in Santa Barbara County, but it's been in the works for years and not a lot of progress has been made. A "waste to energy" concept is advancing for the Tajiguas Landfill and biosolids could be a fuel source for this type of process if it does develop.

General Manager said, in summary, the District's arrangement with Engel & Gray continues to be an excellent management option for the District. It may not be the lowest cost option, but it offers the District a very reliable solution for biosolids management and uses resources in the county. General Manager said based upon the stability and operations of their facilities, and the excellent service provided, it was staff's recommendation that the Board authorize a three-year extension to Cash Contract No. 341 with Engel & Gray, through February 28, 2013. General Manager said a letter from Bob Engel was attached to the Staff Report that thanked the District for the business and expressed his desire to continue to serve us.

Director Treloar made a motion that the Board authorize a three-year extension to Cash Contract No. 341 with Engel & Gray, through February 28 2013; Director Horwitz seconded the motion. Director Treloar said the contract was per wet ton, and asked if there was any way the District could squeeze more moisture out before it was shipped to reduce costs. General Manager said it was something staff was looking into. There is a process called a screw press which is a low energy dewatering unit that would probably produce a drier cake than what the District currently gets off the beltpress. It's something staff is looking at as a capital project in the next year or two and we have recently visited an installation in Fillmore. Staff is looking at this new process for redundancy and cost savings benefits. General Manager said when Carollo Engineers did the study on solids handling, the report recommended that the District continue with the beltpress, but look for ways in the future to build in some redundancy.

Director Treloar asked if Engel & Gray used the same CPI that the District used for salaries, which showed a negative for year-ending. General Manager said the same CPI was used and our base rate should go down.

President Damron called for a vote, and the motion passed unanimously with a 5-0 vote.

**Cash Contract No. 372 – Hebda Property & Title Solutions** – General Manager said staff had been working on a project in the office for some time to compile and organize the grant of easement documents for all pipelines outside of the public right of way. General Manager said the District has 205 parcels, based on GIS analysis, that are underlain by a public sewer line. The easements are in all forms with some dating back to the 1930s on

parchment paper, and some are more recent where the District has the documents. There are a percentage of the documents that cannot be identified by the legal description on the grant deed. They have legal descriptions, and there is no way to tie the document to the parcel to say this document corresponds to this pipeline across this parcel.

Staff met with Mr. John Hebda, of Hebda Property and Title Solutions, and went over the list of 205 parcels and discussed our desire to research and obtain easement documents that may be available but not in the District's possession. General Manager said Mr. Hebda was the sole proprietor of Hebda Property and Title Solutions and had been in the title business for decades. General Manager said Mr. Hebda had access to data bases with titlement and easement information and every parcel on our list would be researched to determine if there was an easement. If there is an easement, a copy of the easement will be generated for the District. General Manager said it was staff's goal to tie the information received from Mr. Hebda to the District's GIS that would give staff the capability to click on a parcel where the District should have an easement, and the easement document would pop up. General Manager said he did not want to understate the importance of this project. If staff had to go onto a property to make an emergency repair, that private property owner could ask for easement documents.

General Manager said it was staff's recommendation that the Board approve Cash Contract No. 372 to engage Hebda Property and Title Solutions to perform the services on a time and materials reimbursement basis with a not to exceed contract amount of \$7,000. General Manager said Mr. Hebda's typical rate was \$125 per hour and he agreed to charge the District \$90 per hour with a not to exceed amount of \$7,000 no matter how long it would take to complete the work.

Director Graf made a motion that the Board approve Cash Contract No. 372 between the District and Hebda Property and Title Solutions, with a not to exceed contract amount of \$7,000; Director Horwitz seconded the motion. President Damron said it made sense to obtain new documents, since the ones that the District does possess are typed with a typewriter on parchment paper. Director Horwitz asked if an easement was discovered during this research process and the District does not have one, would the District be able to obtain an easement. General Manager said it would be a situation that the District would have to deal with, but before that happened we would like to have a complete report.

Legal Counsel said he would like to make one correction on the bottom of page two of the Cash Contract to remove **lump sum** and replace it with a **total** amount not to exceed... Director Graf amended his motion to approve the amended Cash Contract No. 372, and Director Horwitz seconded that amended motion.

Director Treloar asked if there were other people out there doing this type of work. General Manager said staff originally approached Chicago Title some years ago to do this work directly, and they had given the District a quote of \$50.00 per parcel. In talking with Chicago recently regarding the work they suggested staff talk to Mr. Hebda, as Chicago Title was no longer positioned to do the work. General Manager said he was not aware of any other individuals that do this type of title research. Director Treloar said John Hebda had been around a long time and was very well respected. Director Treloar said in Mr. Hebda's proposal he said he would be researching the Fidelity National Title Group. Director Treloar said there were many title companies and their records are not the same. Director Treloar said he was a little nervous about going with the research from one title company rather than researching more than that. General Manager said Mr. Hebda had said there were two title plants in this region, and the one he had access to, Fidelity National Title Group, had older records dating back to 1868. General Manager said he was confident in talking with Mr. Hebda that Fidelity National Title Group was the best option. General Manager said the title plants get the same information from the County Recorders. Director Moorhouse said if Mr. Hebda checked both title plants it would double the cost of the contract. Director Horwitz

said there would also be the option of going to the other title plant if records could not be found at Fidelity.

Legal Counsel said the question is whether the title plant is reputable, and their general reputation is good. Director Treloar said he was not questioning whether Fidelity is reputable, but was only concerned about looking at one title plant.

President Damron called for a vote, and the amended motion passed with a 5-0 vote.

**Bluffs Sewer Relocation Project Status Update** – General Manager said this was an informational item for the Board. General Manager said the Bluffs Sewer Relocation Project was continuing to move ahead. The final design package is essentially complete, and final staff review and approval of the plans and specifications will begin shortly. General Manager said this item should come back to the Board to request authorization for public bidding of the project in the next month or two.

General Manager said Penfield & Smith prepared and distributed draft easement documents to affected commercial property owners on the bluffs east of Bailard Avenue. General Manager said staff is in discussions with the City of Carpinteria regarding quitclaiming easements, primarily on the bluffs property when the project is completed. The City attorney is reviewing the final grant of easement for the “Farmer parcel”, the small City-owned parcel on the northeast corner of Bailard Avenue and Carpinteria Avenue. General Manager said the acceptance of this easement would come back to the Board at a future meeting.

General Manager said the City Planning Commission approved a Coastal Development and Conditional Use Permit at their February 1, 2010 meeting. There was some discussion from the Commissioners who were concerned about the abandonment of the sewer, but generally they were all supportive. General Manager said one member of the public voiced some opposition to the project, but ultimately the Commissioners unanimously approved the permit.

General Manager said the District’s Caltrans Encroachment Permit had reportedly been approved in Sacramento. General Manager said the District should receive an executed permit soon for the Caltrans parcel at the corner of Bailard Avenue and Carpinteria Avenue.

General Manager said the District was awarded a 50% matching grant of \$1.25M, to partially fund this project through the Integrated Regional Water Management Plan. This project was one of fourteen projects that collectively received a \$25M grant. Each participating agency entered into a sub-grantee agreement with the County Water Agency which set forth comprehensive requirements for grant administration and compliance. General Manager said the District had submitted invoices and progress reports, but had not requested reimbursement funding. General Manager said the District would not receive reimbursement funding until construction began. General Manager said in August of 2009, the SWRCB discovered that one of the project proponents had “double billed” the State by submitting the same reimbursement requests to two separate grant programs. The State halted disbursements of grants funds, while an audit is conducted by the State Department of Finance. The County Water Agency put together additional compliance requirements, and the timing for reinstatement of the grant disbursements remains uncertain at this time. General Manager said the sub-grantees had not received any information to suggest that the grant was in jeopardy.

Director Treloar said on Exhibit 2 from Robert Geis that was attached to the Staff Report, the fourth paragraph said “We require that you review and/or modify your policies and procedures to ensure that adequate internal controls exist...” Director Treloar asked if the District needed to do anything. General Manager said this Exhibit 2 was part of the corrective action plan that the County Water Agency submitted to the State, but there would not be a problem for the District to address District internal controls.

**Report on Collateralized Bank Deposits**  
**Santa Barbara Bank & Trust**

**Assessment District 2007-1 Accounts** – General Manager said he would provide a brief report on what had been reported to the Finance Committee. General Manager said this was an issue that had been of concern to him. General Manager said the District has approximately \$8M on deposit with SBBT, consisting primarily of Assessment District 2007-1 funds. General Manager said when the decision was made to deposit these funds into the SBBT, staff looked carefully at what securities were in place. Since that time there have been reports regarding the general financial standing of the bank, their physical status and reports of regulatory investigations into the bank. The Branch Manager and Assistant Branch Manager of SBBT came to our January Finance Committee meeting and an informative dialogue ensued. General Manager said after the last Board meeting staff wanted to probe a little deeper to make 100% sure that our deposits were secure. General Manager said Legal Counsel worked with SBBT representatives and the State Department of Financial Institutions to confirm that the deposits are properly securitized as required by law and by contract. The pooled securities held by BNY Mellon have been verified to exceed the 110% collateralization requirement. General Manager said staff and SBBT representatives are discussing an update to the 1993 deposit contract. General Manager said staff would also regularly reconfirm the adequacy of the pooled securities deposited with BNY Mellon that guarantee the District's deposits.

**Sewer System Management Plan Adoption** – General Manager said this plan was the product of a lot of work over a period of time, bringing together the efforts that the District had undertaken over the past decade to the District's sewer collection system. The regulatory requirement for this came about in May, 2006, when the state passed the General Waste Discharge Requirements for Sanitary Sewer Systems overflows. General Manager said one of the requirements of the General WDRs was the development of a comprehensive Sewer System Management Plan (SSMP). General Manager there were eleven elements to address in the SSMP.

General Manager said the Board had previously approved certain components of the SSMP, including the program goals and the District's SSO Response Plan. General Manager said the SSMP included a lot of information the Board had already seen, including information on how the District documents the condition of our infrastructure, how to include that in the District's Capital Improvement Program, how to rehabilitate infrastructure that had deteriorated, and how to develop hydraulic modeling and comprehensive flow monitoring efforts.

General Manager said the main body of the document was included with the Staff Report. General Manager said the detailed SSMP appendices, which were included in the final bound SSMP documents was available for the Board to review and would be made available in electronic format on the District's webpage.

General Manager said the SSMP was coming to the Board for two reasons: a) it's important for everyone to understand the District's maintenance activities and approach to maintaining and operating our collection system, and b) its a requirement of the WDRs that the District must verify completion of all of the SSMP elements through Board certification. General Manager said it was staff's recommendation that the Board adopt the District's Sewer System Management Plan as presented.

Director Horwitz said she found it very strange that on page 19, *Inspection and Testing Jurisdiction* that the County maintains jurisdiction for inspection and testing of any repairs of lines outside of the City of Carpinteria. Within the City the District has jurisdiction. Director Horwitz said she just wanted to make sure the Board was aware of this.

Director Horwitz said the SSMP was an excellent document to show the growth of this organization and where the District had come from.

Director Horwitz made a motion that the Board adopt the District's Sewer System Management Plan as proposed; Director Graf seconded the motion, and the motion was approved by a 5-0 vote.

#### **LAFCO Commission – Special District Member Vacancy**

Independent Special Districts Selection Committee – General Manager said at the Board's last meeting it was reported there was a vacancy on the Local Agency Formation Commission (LAFCO). Larry Wilson of the Montecito Water District is stepping down as one of the two regular Special District Representatives. General Manager said a meeting of the Independent Special Districts Selection Committee would be held on Monday, February 22, 2010 in Buellton for the purpose of electing a Special District Representative to LAFCO to fill the vacancy. General Manager said attached to the Staff Report was a packet of information from LAFCO providing details of the meeting and agenda. General Manager said Director Moorhouse was one of the nominees for the position. General Manager said the President of the District's Board of Directors was authorized to cast a vote on behalf of the District, but if not able to attend, the Board may designate an alternate voting member in writing. Director Graf asked if President Damron would be at the meeting. President Damron said he was planning on attending. Director Moorhouse added there was no cost a district if a member of that district is on the LAFCO Board; the LAFCO Board picks up the cost.

**Finance Committee** – Director Treloar said the Finance Committee had met this morning and went over the monthly budget and the quarterly investment report. The committee also reviewed a semi-annual report on insurance expenses and a disclosure annual report provided by NBS, the company that handles the bond administration for Assessment District No. 2007-1.

**Personnel Committee** – did not meet.

**Public Relations Committee** – Director Graf said the PR Committee met on February 10<sup>th</sup> and discussed the next District newsletter and was looking at new vendors. Public outreach regarding the Bluffs and S2S projects was also discussed. Director Graf said the committee would have more to report at a future Board meeting.

#### **Board General Items**

**CASA Legislative Committee Report** – Director Moorhouse said he would be participating in a conference call on March 5th regarding NPDES permit fees and would meet with the General Manager prior to his call to get some information.

#### **Future Agenda Items**

**Adjournment.** There being no further items to discuss, President Damron adjourned the meeting at 6:32 p.m.

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Michael Damron  
President

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Pat Horwitz  
Secretary Pro-Tem

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Lin Graf  
President Pro-Tem

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Doug Treloar  
Treasurer

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Jeff Moorhouse  
Secretary