

**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 **March 15, 2011**, at 5:30 p.m. at its District administrative office located at 5300 Sixth Street, Carpinteria, California.

Directors Present: Lin Graf– President
Pat Horwitz – President Pro-Tem
Jeff Moorhouse – Secretary
Mike Modugno – 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

Others Present: Sudhir Pardiwala, Hannah Phan (Raftelis Financial Consultants)

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.

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 February 1, 2011 – Director Treloar made a motion that the Minutes of the February 1, 2011 Board meeting be approved as submitted; Director Horowitz 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: **District Newsletter – Spring 2011** – The District's newsletter, ***The Mainline***, was mailed out. General Manager said a competition was held amongst employees to select a name for the District's new format newsletter. General Manager said the District's Engineering Technician came up with the winning name. General Manager said one of the articles in the

newsletter was about tonight's Board meeting and some of the topics that would be discussed. General Manager said overall he thought the newsletter turned out well and the feedback had been positive; **SAMA Meeting Report** – The SAMA meeting was held on March 9th at the Goleta Sanitary District. General Manager said bids had been opened on Goleta's upcoming treatment plant upgrade project. General Manager said their General Manager, Kamil Azoury reported their estimated cost for the project was around \$45M, and the bids that came in were clustered around \$30M, with the lowest bid approximately \$28.6M. General Manager said the climate for public works construction project bidding was favorable to the agencies. General Manager said that Channelkeeper filed a notice of intent to sue the City of Santa Barbara over a pattern of sewer overflows that were above the average in recent years. General Manager said agencies throughout the state have to report any sewer overflow onto an online database system that gave the public immediate access. General Manager said in the last year the City of Santa Barbara had implemented an aggressive remedial program in response to the frequency of sewer overflows in recent years. An article on this topic appeared in the *Noozhawk* on March 1, 2011 and was attached for the Board's information. Director Horwitz pointed out the article looked favorably on Carpinteria Sanitary District saying it had only four spills to report since 2007, and all the other local districts reported higher numbers; **South Coast Beach Communities Septic to Sewer Project Update** – Progress has been made in pursuit of an encroachment permit from Caltrans with the support from Assembly Member Das Williams and his staff. A letter supporting approval of the District's encroachment permit from the District 5 office was sent back to headquarters, and we should receive an answer in the next week or two. District staff met with representatives from the Santa Barbara County Parks Department on March 4th to continue discussions regarding acquisition of an easement for the central pump station. General Manager said the meeting was favorable with their staff, and legal documents were being drafted for that easement. The Sandyland Cove and Sand Point Road components of the project are out for bid and are scheduled to be opened on April 7th. A mandatory pre-bid job walk is scheduled for March 23rd to take the contractors through every parcel in those communities to let them know what the issues are for restoration and access. Without any delays, the Board would be asked to consider awarding a construction contract on April 19, 2011. General Manager said the District would provide the equipment to the contractors for this project and would be purchasing the grinder pumps and pertinent equipment directly from the manufacturer. The purchase order for this equipment will be coming back to the Board the same time as the contract award; **CSRMA Annual Report** – Copies of CSRMA Annual Report were distributed to Board Members. General Manager said the pool continued to perform well, and a copy of the complete Comprehensive Annual Financial Report (CAFR) was available for anyone interested; **Proposed LAFCO Budget FY 2011/12** – A copy of the proposed budget for Santa Barbara LAFCO for FY 2011/2012 was included in the Board packet for the Board's information. General Manager said the allocation model remained the same where the special districts were paying one-third of the costs. General Manager said the District's average contribution had been around 4% of the overall special districts' contribution, and for FY 2011/12 the District expects to pay approximately \$3,200, a slight decrease from the previous year. Director Treloar asked if the District's contribution was based upon the annual operating revenue only and did not include the grant monies for the Septic to Sewer project. General Manager said grant funds were not included. Director Moorhouse said the District's share was slightly lower than the previous year because of LAFCO being victorious in a lawsuit and LAFCO was awarded attorney fees. Director Moorhouse said for attorney fees that had been expended in previous years LAFCO is now carrying over as a credit; **SCADA System Upgrade Project** – The District is experiencing some significant challenges in finalizing this project. General Manager said a lot of it stems from issues with software compatibility. General Manager said

staff was working with our integrator, the software vendor and the software manager towards a resolution. General Manager said staff would continue to work on this project and a more complete report would be provided to the Board at a future meeting; **Bluffs Sewer Relocation Project Update** - In the March 3rd edition of the *Coastal View News* there was a report on the topic of an easement the District was trying to acquire from Venoco. General Manager said staff and Board representatives are continuing to work with Venoco, but no progress had been made to date. President Graf said he has had conversations with the President of Venoco and took over some additional documentation for their review. President Graf said the District is waiting for a final decision; **Caltrans US 101 Widening Project** - Caltrans is moving forward to finalize a project to widen 101 through Carpinteria. General Manager said this project presents several conflicts with existing District infrastructure. General Manager said staff thought the District's sewer and pipe bridge over Carpinteria Creek would be avoided. General Manager said there was a recent realignment of the proposed extension of Via Real west of Casitas Pass Road that resulted in serious and direct conflict with our existing above grade sewer and pipe bridge in this vicinity. General Manager said staff met with Caltrans' District 5 representatives to review their project and make them aware of the complications with the realignment. General Manager said careful coordination and planning would be necessary to maintain reliable sewer service during and after construction. Director Horwitz asked if there were funds from Caltrans to mitigate these issues. General Manager said if they put a road where the District's pipeline was located, it would be their responsibility. Director Treloar asked if this project had any impact with the District trying to obtain a permit from Caltrans regarding the Rincon project. General Manager said it did not; **Operations Update** - The treatment plant is operating fine with no problems. There was a two-week delay in delivering the rotary screw press that will not effect implementation. Some changes have been made to operating set points at Pump Station No. 3 that seem to be effective in addressing some of the recurrent failures and overtime issues. Warranty repairs to the crane on the District's new utility truck are being made by the crane manufacturer. The collection system is operating well with no problems to report since our last meeting. A new sign was installed at the District's Administration building. Staff is working with a new GIS consultant, Dawn Robbins of Robbins Geographic Information Systems. General Manager said it seemed to be a good fit for what the District needed in the area of ongoing GIS support.

Presentation of Preliminary Sewer Rate and Fee Study

Raftelis Financial Consultants - Information was presented to the Board by RFC based on input and direction from the Board at the February 22, 2011 Special Board meeting. Based on projected operating and maintenance costs, debt service requirements, bond ratio obligations and targeted reserve levels, the financial model indicated a necessary revenue increase of 4.5% per year through FY 2015/16. A comprehensive cost of service analysis was performed and resulted in reallocation of costs in the first year of this five-year program to reestablish equitable distribution between residential and non-residential user classes. An updated Development Impact Fee (DIF) structure was proposed based on a widely accepted methodology for wastewater utilities. A minor modification to the formula for determining non-residential impact fees was also recommended. An update to the District's fee schedule for other miscellaneous services, including permit issuance, construction inspections, annexation processing and per acre annexation fees was also summarized. General Manager said he would recommend that at the next scheduled meeting on April 5th a summary of the analysis and workshops with the Board be presented. General Manager said there could be an action by the Board to move forward and on April 19th come back with a 218 notice approval and go from there.

CSDA Board of Directors – Call for Nominations – General Manager said this was a call for nominations for one open seat in Region 5 for the Board of Directors of the California Special Districts Association, and this item was placed on the Agenda in case anyone was interested in running for election.

2011 CASA Spring 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. Director Moorhouse said an appointment had been scheduled with Assembly Member Das Williams on March 27th.

Finance Committee – Director Treloar reported the Finance Committee met on Friday, February 18th and reviewed the monthly budget report, quarterly investment report, Cost of Living Adjustment for FY2011/2012, semi-annual insurance report, and the Assessment District 2007-1 annual disclosure report and delinquency report. Director Treloar said the next Finance Committee meeting was scheduled for March 18th.

Personnel Committee – Did not meet.

Public Relations Committee – Did not meet. General Manager said Directors Graf and Moorhouse would be contacted to schedule a Public Relations Committee sometime next week.

CASA and CSDA Legislative Committee Reports – Director Moorhouse said he traveled to Sacramento on March 4th and chaired the CASA’s Legislative Committee. Director Moorhouse said the committee went through about 40 bills and left a summary of those bills for anyone interested. Director Moorhouse said special districts were being looked at as a potential source of borrowing property taxes to balance the state budget. Director Moorhouse said he would keep the District up to date on bills that would impact the District.

LAFCO Report – Director Moorhouse talked about a LAFCO employee evaluation process and the transparency issue that came about that resulted in the Santa Barbara Grand Jury’s report of salaries of higher paid executives in the cities, school districts, special districts and the County of Santa Barbara.

SBCSDA Report – Director Moorhouse said he was elected to the Board of the local chapter of CSDA. Director Moorhouse said the next meeting was scheduled for March 28, 2011. Director Moorhouse said it was a goal to have these meetings alternate between the north and south counties because they had always been held in a north county location. Director Moorhouse said most of those that attended were from the south county.

Future Agenda Items – Director Modugno said he’d like to see an item placed on a future agenda to discuss the District’s interest in looking for recycled water development opportunities in the Carpinteria Valley and perhaps consider formation of an ad hoc committee of the Board to interact with other policy makers on this topic. General Manager said he thought it would be a good idea to make this issue a future agenda item.

Adjournment. There being no further items to discuss, President Graf adjourned the meeting at 6:45 p.m.

Lin Graf
President

Mike Modugno
Secretary Pro-Tem

Pat Horwitz
President Pro-Tem

Doug Treloar
Treasurer

Jeff Moorhouse
Secretary