

**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 17, 2009**, 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 - **Absent**
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 - **Absent**

President Damron called the meeting to order and led the Board and staff in the Pledge of Allegiance.

President Damron noted for the record that Director Moorhouse was absent. General Manager said, for the record, that Legal Counsel was also absent this evening.

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 March 3, 2009 – Director Treloar made a motion that the minutes of the March 3, 2009 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 said he had some exciting news to report that was not on his written staff report. General Manager said staff was notified on Friday of last week that our plant is the recipient of the 2008 Plant of the Year Award for the State of California from the California Water Environment Association (CWEA) for all of treatment plants in the state with less than five million gallons per day capacity. President Damron asked the General Manager if the District had ever received this award in the past. General Manager said the District had not received this award. General Manager said staff is

looking forward to going to the CWEA Conference in April to receive the award. Director Graf asked where the conference would be held in April. General Manager said the CWEA Conference will be held in Palm Springs at the Palm Springs Convention Center;

Assessment District 2007-1 Bond Sale Update – The bond financing transaction was completed on March 12, 2009 and everything closed. The funds were wired to the BNY as the District’s trustee and wired to the District’s project accounts. The costs of issuance were dispersed to the bond underwriter and the financial advisor. The bond reserve fund was funded, and the capital interest fund was also funded;

LAFCO Policy Regarding Out of Agency Service Agreements for Agriculturally Zoned Parcels – General Manager said he attended the March 5, 2009 LAFCO meeting and testified on this item. General Manager said it was a report from the Executive Officer and not an action item for LAFCO to approve the policy. General Manager said Bob Braitman gave his report and did not talk about the opposition that was voiced to the policy at prior meetings. General Manager said he spoke up and said we remain in opposition to this policy and look forward to having LAFCO’s legal counsel consider some of the issues raised by this policy. LAFCO directed their adhoc LAFCO committee to work with Bill Dillon, their counsel, on these issues;

Bluffs Sewer Relocation Project Update – A design review meeting was held on March 4th with the engineering firm talking about preliminary alignments for various aspects of the project. General Manager said they were moving along nicely. General Manager said they met with the City of Carpinteria last week to talk specifically about a potential easement through a parcel that is referred to as the “Farmer Parcel”, a small triangular piece of land that is in between the southbound onramp at Bailard onto the 101 and Carpinteria Avenue. General Manager said it was created when the overpass was built, and from a construction standpoint it would make sense to go through this parcel. General Manager said the City purchased it with the intent to make it open space, perhaps part of their stormwater management plan. General Manager said they talked about the project at large and areas that the District might cooperate with the City and the City with the District;

SAMA Meeting Report – The SAMA meeting was held at Goleta Sanitary District on March 10th. There was extensive discussion regarding the practical and fiscal impacts of complying with the California Air Resources Board’s requirements for diesel particulate emissions;

CWEA TCP Exams – Lance Lawhon and Branson Taylor successfully passed CWEA’s Technical Certification Program exams. Lance passed the Grade II Environmental Inspector exam and Branson passed the Grade I Mechanical Technologist exam. These exams are now computer based and administered at a regional testing facility. General Manager said Branson Taylor also just received his Grade II Operator license. Branson passed the Grade II exam some time ago, but he needed to earn hours on the job to qualify him to receive the state license. Congratulations to Branson and Lance! Great job!;

Operations Update – The treatment plant and collections system are both operating fine with no overflows to report. A bid package is being prepared for manhole rehabilitation. Painting activities are continuing within the treatment plant, and the plant looks great. CPR/First Aid training was completed by all District staff members here at the District office last week. Art McCloud, Safety and Training Officer, is putting the finishing touches on an updated Illness and Injury Prevention Program that is an OSHA requirement. This is the District’s safety document that will come back to the Board for approval at a future meeting.

Director Treloar asked if all District staff were certified. General Manager said the certification program has different areas of certification. There are some staff members who have focused their training and certification efforts on the state licensing protocol. A majority of our operations and collections system staff have certifications and some have multiple certifications.

Cash Contract No. 359 – Cushman Contracting Corporation

WWTP Yard Improvements Project (Phase 2) - General Manager said at their last meeting the Board approved a cash contract for Cushman Contracting Corporation to complete the first phase of our WWTP Yard Improvements Project. General Manager said the work included a concrete pad for the storage of the bins for the biosolids hauling. General Manager said this was a separate project to construct a dump station for the District's Vac Con. The District received informal quotes from contractors for Phase Two of the work, and based on those proposals Cushman Contracting Corporation submitted the lowest price proposal. General Manager said Cushman was capable and available to complete the project, and was still mobilized from Phase One. General Manager said that was probably the reason they were able to do the work for the proposed price.

General Manager said Cash Contract No. 359 was reviewed by District Counsel, and it was staff's recommendation that the Board approve Cash Contract No. 359 between the District and Cushman Contracting Corporation for the WWTP Yard Improvements Project (Phase 2) and authorize execution by the General Manager.

Director Treloar made a motion that the Board approve Cash Contract No. 359 between the District and Cushman Contracting Corporation for the WWTP Yard Improvements Project (Phase 2) and authorize execution by the General Manager; Director Graf seconded the motion. Director Treloar said he was surprised to see this project come up so quickly. Director Treloar said he asked at the last meeting if this could be added as a change order to Phase One. General Manager said they were two discrete projects and he was pleasantly surprised that Cushman finished with Phase One so quickly and was ready to go on to Phase Two.

President Damron called for a motion, and the motion passed by a 4-0 vote.

Change Order No. 002 to Cash Contract No. 346 – Lift Station No. 4

Modifications Project - General Manager said the contractor just today completed the startup of the facilities. The pumps and control panels have been installed. Start up with the new pumps and controls have begun, and the District is in a test-monitoring period for a couple of days before the bypass pump will be removed. There's some site restoration and clean up to complete before Timothy J. Ferrie, Inc. moves on to do the work at Lift Station No. 5.

General Manager said a couple of items came up during construction that were not included in the original contract. When the base of the existing wetwell was exposed, it was clear that some slurry was needed in the bottom to support the inlet pipes. A second item was replacement of the Edison electric meter that was not contemplated in the design. General Manager said staff met with Tim Ferrie at the site and asked him to provide a quote to do some additional work. General Manager said there was some site restoration where some existing structures were demolished, and the contractor was going to come back in and saw cut, repave and clean up following their work, but in looking at the site staff decided there were some improvements that would make this station look like a new station. The driveway would need to be replaced and the grading changed, which would allow staff to be able to get our crane in to remove pumps for maintenance. Another change would be to extend the fence that runs along the frontage road and add a new gate into the station so it would blend in with the environment. Also, the fencing around the lift station needed to be replaced. That station looks into the yards of the mobile homes, so the chain link fence would be replaced with some privacy fencing, making it a security and visual enhancement. Instead of landscaping the area with plants, some landscaping rock will be added for low maintenance. These changes were sketched out, and Tim Ferrie came back with a price of \$10,650 that included credit for what they were going to do at the site, plus the cost to do the additional work.

General Manager said Change Order No. 2 accounts for the two owner directed changes, and the owner initiated proposal for the lift station site improvements. Change Order No. 2 would increase the contract price by \$13,418.00, making the revised total \$605,263.00, but would not change the contract time. General Manager said it was staff's recommendation that the Board approve Change Order No. 2 to Cash Contract No. 346 with Timothy J. Ferrie, Inc.

Director Horwitz made a motion that the Board approve Change Order No. 2 to Cash Contract No. 346 with Timothy J. Ferrie, Inc. as presented; Director Graf seconded the motion, and the motion was approved by a 4-0 vote.

Cash Contract No. 355 – Cushman Contracting Corporation

Lift Station No. 1 and No. 2 Replacement Project - General Manager said the Board approved the issuance of a Notice of Award for this project at its March 3, 2009 Board meeting. Cushman returned executed copies of the agreement, along with the performance and payment bonds, which were then reviewed to verify compliance with contract requirements. The contract amount will be \$180,000 for the Lift Station No. 1 and No. 2 Replacement Project. If approved by the Board a Notice to Proceed would be issued to Cushman. The contract performance period is 180 calendar days from the NTP date, and liquidated damages would apply for schedule noncompliance.

General Manager said it was staff's recommendation that the Board approve and execute Cash Contract No. 355 between the District and Cushman Contracting Corporation. Director Horwitz made a motion that the Board approve and execute Cash Contract No. 355 between the District and Cushman Contracting Corporation for the Lift Station No. 1 and No. 2 Pump Replacement Project; Director Graf seconded the motion. Director Treloar asked if this project also included piping. General Manager said the space was so constrained that the piping had to be reconfigured, and some piping and valves would be replaced as part of the project.

President Damron called for a vote, and the motion was approved by a 4-0 vote.

Resolution No. R-219 Approving Cash Contract No. 360 with Cushman Contracting Corporation for the Plant Piping Modifications Project – General Manager said this was a compilation of a number of small projects at the plant that would help staff from an operations standpoint. There are five basic components that represent a minor construction effort, but to accomplish them staff felt an onsite support contractor would be the best way to complete this larger project and still allow the District to use inhouse staff to the greatest extent possible. General Manager said he would also be utilized as a licensed engineer to make sure the work was done properly. The District would avoid the cost of putting together a full set of engineered plans and specifications. General Manager said the procurement approach that is proposed would be to engage a contractor on a time and materials basis.

General Manager said that State law does provide exceptions to public bidding requirements under certain circumstances. Generally, public projects above \$15,000 are required to be publicly bid, but where requests for competitive proposals would be futile, unavailing or would not produce an advantage, statutes requiring competitive bidding do not apply. General Manager said based on the nature of the work and the potential to avoid design costs, a competitive bidding process would be unavailing or of no benefit versus a negotiated approach using a time and materials contract with a qualified contractor.

General Manager said Cushman Contracting Corporation has the expertise, the continuity and the understanding of our plant. They have the staffing resources that are local and are able to undertake the work in a seamless and efficient manner. General Manager said staff met with Cushman and went over the project. General Manager said he

did not believe there was another contractor in the area that could do the work as efficiently as Cushman.

General Manager said Cash Contract No. 360 was reviewed by District Counsel. For the Board to approve Cash Contract No. 360 with Cushman Contracting Corporation, Resolution No. R-219 would need to be adopted. This resolution would make certain findings related to public bidding requirements for the Plant Piping Modifications Project and would approve Cash Contract No. 360 with Cushman Contracting Corporation. General Manager said it was staff's recommendation that the Board adopt Resolution No. R-219 and approve Cash Contract No. 360 with Cushman Contracting Corporation.

Director Graf made a motion that the Board adopt Resolution No. R-219 approving Cash Contract No. 360 with Cushman Contracting Corporation for construction support services on the Plant Piping Modifications Project; Director Horwitz seconded the motion, and the motion was approved by the following 4-0 roll call vote: Director Horwitz voted yes, Director Graf voted yes, Director Treloar voted yes and President Damron voted yes.

Cash Contract No. 361 – Rincon Consultants, Inc. – General Manager said the design phase of the Bluffs Sewer Relocation Project was at the 75% completion level, and the next step would be to initiate the environmental review to achieve CEQA compliance. General Manager said the District would be receiving grant funding from the State and they also have CEQA requirements.

General Manager said proposals were solicited from qualified environmental consulting firms in February, and three proposals were received. The scope of services in the RFP was based on preparation of an Initial Study, followed by a Mitigated Negative Declaration. District staff reviewed the proposals from the three respondents. General Manager said he also had the Community Development Director from the City look over the proposals, and it was determined that all three firms were qualified to complete the work. General Manager said the proposal from Rincon Consultants exhibited a breadth of experience on pipeline projects, including a recent project in Carpinteria with potential impacts to Carpinteria Creek, and they also did the EIR for the Lagunitas Project. General Manager said Rincon Consultants had a lot of experience doing pipeline-related projects. General Manager said the District has not worked with Rincon Consultants in the past, and he met the Rincon's proposed project manager and project principal to discuss the project, and he was confident that Rincon Consultants could provide the services. The work would be completed on a time and materials reimbursement basis with a not to exceed contract amount of \$25,919. General Manager said Cash Contract No. 361 has been prepared to engage Rincon Consultants on this project, and the agreement was reviewed by District Counsel and the Rincon Consultants.

Director Treloar asked what other firms submitted proposals. General Manager said the District received proposals from Padre and Dudek.

General Manager said the District has been selected to receive partial grant funding for the Bluffs Sewer Relocation Project under the SWRCB Prop. 50 Integrated Regional Water Management Plant Grant Program. General Manager said our region was placed on an exception list, and what he was hearing from the IRWMP coordinator at the Santa Barbara County Water Agency is that our grant is not frozen and we would be able to move forward.

Director Horwitz asked if the grant funds were tied to construction, or would it be possible to send in an invoice to see if we got reimbursed. General Manager said when the grant proposal was submitted, the reimbursement was tied into the construction phase. General Manager said it was presented to the State as the District paying some upfront costs of the design and environmental review that would constitute our match. The District has to spend funds before we request reimbursement.

Director Treloar made a motion that the Board approve Cash Contract No. 361 between the District and Rincon Consultants Inc. for environmental services on the Bluffs Sewer Relocation Project; Director Horwitz seconded the motion, and the motion was approved by a 4-0 vote.

2008 Consumer Price Index Update – Cost of Living Adjustment Budget Forecast

President Damron reported that Director Treloar asked that this item be placed on the agenda, so he turned discussion of this item over to Director Treloar. Director Treloar said the Board should have the cost of living index report that was included in the Staff Report. Director Treloar said the cost of living index for January 2009 is a negative 0.6. Director Treloar said he thought it was something that the entire Board needed to take a look at, and the increase would cost the District \$52,000, which amounts to about \$7.50 per connection annually.

President Damron said the purpose of this item was not to take action. President Damron said since it was brought up he had given this some thought. President Damron said in these economic times the District should be looking at everything, but several factors come into play. Our District, compared to state and federal government, is very well run, and he is not in favor of penalizing our staff and employees economically more than they're going to be with paying an extra 1% sales tax and the increase in their state taxes. They are feeling the pinch without doing anything. On top of this is the fact that they achieved Plant of the Year for both Tri-Counties and the State this year, and I think they have earned whatever the calculation for cost of living is going to be. President Damron said when it came to the point of approving, that is what he would recommend.

President Treloar said he too had a hard time with it, given all the accomplishments this year, but he was just looking at where some cuts could be made, and would rather do a little cut now than a drastic cut later. Director Treloar said, based upon what's going on in the rest of the county, the rest of the state, the rest of the nation, it would benefit the District in the long run.

Director Horwitz said she understood consistency, but there might be a compromise that could be made. Director Horwitz said the District may not get as much property taxes, and any kind of investments we have will be down in interest. There's a lot that factors into this, and it was just something the Finance Committee wanted to bring to the full Board.

General Manager said this allows the Board to focus in on something that may not have gotten as much focus in past years. General Manager said the proforma projections that staff looked at included a cost of living increase. General Manager said he thought the District could put off a rate increase this year with some careful accounting and modest cost controls.

Finance Committee – Director Treloar, Chairperson, said the Finance Committee met on March 16th and looked at the monthly budget report, cost of living index and sale of the bonds.

Personnel Committee – did not meet.

Public Relations Committee – did not meet.

Board General Items

CASA Legislative Committee Report - none

Future Agenda Items – CSD Open House

Adjournment. There being no further items to discuss, President Damron adjourned the meeting at 6:25 p.m.

Michael Damron
President

Pat Horwitz
Secretary Pro-Tem

Lin Graf
President Pro-Tem

Doug Treloar
Treasurer

Jeff Moorhouse - **Absent**
Secretary