

**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 **April 5, 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

Public Present: Peter Dugré, *Coastal View News*

President Graf called the meeting to order and led the Board, staff and public 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 Special Meeting of February 22, 2011 – Director Treloar made a motion that the Minutes of the February 22, 2011 Special Board meeting be approved as submitted; Director Horwitz seconded the motion, and the motion was approved by a 5-0 vote.

Board Approval of Minutes of the Meeting of March 15, 2011 – Director Modugno made a motion that the Minutes of the March 15, 2011 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:

Quarterly Incident Report - A summary of incidents reported during the first quarter of 2011 were submitted to the Board for their information. General Manager said of the seven incidents reported, the majority of the incidents were problems reported on private property or blockages in private sewer laterals that were not the District's responsibility, but often times staff was called out and would respond and provide guidance to the customers. General Manager said there were a couple of odor complaints where staff responded, but did not identify any problems in the District's systems. Staff met with the property owners and asked them to let them know if the odor was detected again. Director Treloar asked if the District received incident or complaint calls directly or if they came from other sources. General Manager said a caller may call the District's main number during regular business hours, but after hours they were directed to call our emergency line. General Manager said the Fire Department might also get a call from a customer and then call the District. Director Horwitz said when you call our regular number the message directs callers to call the emergency number if they are calling about a sewer overflow or other emergency. General Manager said staff responded to an incident on Sunday, April 3, 2011, which was not on the quarterly summary. General Manager said the Fire Department received a 911 call and then called the District's emergency number to report a sewer overflow occurring at the Camino Real Apartments on Carpinteria Avenue. Staff responded with District equipment, even though the incident was a private sewer lateral problem. District crew contained the spill and assisted the Fire Department by vacuuming up some of the flow that was going into the storm drain. General Manager said a plumber was engaged by the apartment complex to unplug the blockage and finish the cleanup;

South Coast Beach Communities Septic to Sewer Project Update – The Sandyland Cove and Sand Point Road components of the project are out for bid. A mandatory pre-bid job walk was held on March 23, 2011. The Sandyland Cove portion of the job walk was held in spite of rain that day, but the job walk for Sand Point Road was postponed and later conducted by Penfield & Smith on Friday, April 1st. General Manager said based on the feedback from the prospective bidders, and the complexities of the project from a bidding standpoint, the decision was made to issue an addendum to extend the bid date from April 7, 2011 to April 21, 2011. Director Horwitz asked how many contractors showed up for the job walk. General Manager said there were six or seven Class A licensed contractors and some subcontractors. Director Treloar asked why the prospective bidders wanted more time beyond the deadline. General Manager said the contractors needed more time to obtain fair pricing for the site restoration and landscape subcontractor bids. General Manager said the District received a letter with good news last week from the Caltrans, District 5 office, saying that our encroachment permit had been approved with a few conditions. Caltrans wanted a tracer wire to be provided with the pipe that the District had already planned to include. Caltrans wanted the District to waive rights to any reimbursement of costs that might be associated with relocation of the pipe in the future, and General Manager said this was something that staff knew in 2005 when discussing the project with Caltrans they would need to include. General Manager said the permit would also state that the Force Main be placed five feet outside the edge of the pavement. General Manager said staff would ask Caltrans to revisit that condition, but either way this alignment was far superior to any of the other alignments. President Graf asked if Caltrans widened the freeway at this location would the District be required to move the line. General Manager said a project to widen the freeway in this location was in the works, and Caltrans has said any plans to widen the freeway would go towards the center or the median and would not go the direction that would require the District to move the line. General Manager said staff had worked with representatives from the Rincon Point Property Owners Association on suggested revisions to the Low Pressure Sewer Use Agreement. Director Horwitz asked if Rincon Point residents had a problem signing the agreement.

General Manager said some of the members of the Property Owners Association at Rincon Point came back to staff with a more comprehensive set of comments and changes. General Manager said staff was still working with them on how to administer those changes; **CSRMA Workers' Compensation Program** – Heather Truro, a consultant for CSRMA, conducted a Workers' Compensation training session for District staff on March 21st on coverage and procedures. Unrelated to the training, the District received notification of an increase to our experience modification (ex-mod) factor from 0.98 to 1.12 percent in the coming fiscal year, based on claims and loss history for individual agencies within the CSRMA pool. General Manager said the District's premiums would be affected by this change. Director Treloar asked if the training from CSRMA had any impact on the safety manual that had been written. General Manager said the District's safety manual was comprehensive, and the training offered by Heather Truro was a good opportunity to bring everyone up to speed on the Workers' Compensation program; **Operations Update** – The treatment plant is operating fine and in full compliance with our NPDES permit. An unseasonably strong storm event on Sunday, March 20, 2011 resulted in some overtime as staff responded to alarms of high water conditions at Lift Station No. 5 and Lift Station No. 2, but no process impacts were reported as a result of the high flows. The collection system is operating well with no problems to report. On March 31, 2011 Southern California Edison scheduled a power outage that affected Lift Station No. 2. Staff set up a portable generator and no problems were reported. General Manager said staff was working on a project at a residence on Ninth Street and Holly where their Orangeburg lateral collapsed and staff was making a replacement of that lower sewer lateral.

Draft Wastewater Rate and Fees Study Report

Confirmation of Proposed Rate and Fee Structure (FY 2011/12 to FY 2015/16) –

General Manager said the Board had been presented with the majority of the information in the **Draft Wastewater Rate and Fees Study Report** from Raftelis Financial Consultants (RFC). General Manager said the recommendations included in the report and the findings were presented at the March 15, 2011 Board meeting and the February 22, 2011 Special Board meeting. General Manager said the draft report was included with the Staff Report and had all the detail, background and justifications for the study that was done. What is proposed is a revenue adjustment of 4.5% annually from FY 2011/12 to FY 2015/16. General Manager said the rate modification, the cost of service study did not change from what was presented before. General Manager said in the first year there would be a reallocation between the nonresidential user class and the residential user class. The result being a minor increase to the residential rate in 2011 and a simplification of the District's rate structure for nonresidential users that eliminated a list of 99 classifications of users, consolidated those into six categories of nonresidential users, and apportioned the sewer service charges to those various classes. General Manager said discussion was held at the previous meetings regarding the methodology used in determining the Development Impact Fee (DIF) and that had not changed. An increase from \$2400 to \$2936 per Equivalent Dwelling Unit (EDU) was proposed. A minor modification to the formula used for determining non-residential impact fees was also recommended. The report summarized an update to the District's fee schedule for other miscellaneous services, including permit issuance, construction inspections, annexation processing and per acre annexation fees.

General Manager said the **Draft Wastewater Rate and Fees Study Report** was very detailed and the consultant did a good job explaining the work done and the modeling efforts. General Manager said a list of other agencies and their fees were included in the report. General Manager said at the Board's next meeting on April 19, 2011, the Board would be asked to approve distribution of the Prop. 218 notice to ratepayers that described the proposed modifications. The notices would be mailed out to all customers within the District

and would start a 45-day review period. General Manager said a Public Hearing would be held on June 7th.

General Manager said this item on the agenda was for the Board to confirm the findings of the report, to move forward with the rate and fee structure that was presented within the report, and to give the Board an opportunity to give any feedback.

President Graf called for questions or comments from the Board. Director Modugno asked if the increase would be effective after the Prop. 218 hearing. General Manager said there would be an ordinance that would be part of the package. Legal Counsel said if the Board approves the ordinance, it would be effective seven days after approval of the ordinance. General Manager said the new rates would be effective July 1, 2011.

Director Horwitz asked if, when looking at fees and charges, the process of figuring out billing had been determined. General Manager said the miscellaneous fees and charges were outside the 218 hearing process, and would not be included in the notices. General Manager said those miscellaneous fees and charges could be modified by Board ordinance, and it had not been determined how those fees and charges will be structured and implemented. General Manager said there were not significant changes to the current structure. Director Horwitz said one of her concerns was the industrial permit fee becoming an annual fee for certain businesses. General Manager said currently the District has a percentage-based surcharge on top of the annual sewer service charge. Director Horwitz asked Legal Counsel if we would be able to place these charges on our property tax bill. Legal Counsel said he did not know if the General Manager was contemplating anything differently, but traditionally the District had placed those sewer service charges on the property tax roll for collection. General Manager said there was not any intention of doing anything differently, but different approaches to collecting those permit fees or the industrial permit fees had been discussed.

President Graf called for a motion. Director Horwitz made a motion that the Board approve the proposed rate and fee structure presented in the ***Draft Wastewater Rate and Fees Study Report*** prepared by RFC; Director Modugno seconded the motion, and the motion was approved by a 5-0 vote.

Recycled Water Development Planning Opportunities – General Manager said this item was placed on tonight’s agenda in response to a suggestion made at last Board meeting by Director Modugno. General Manager said it stemmed from his report to the Board on a pending regional planning study that was in the process of being crafted through the Proposition 84 IRWMP Grant Program. That study will look at opportunities related to recycled water development within the southern Santa Barbara County region between Goleta and Carpinteria. General Manager said the study will look at what exists now in terms of recycled water infrastructure, what the potential opportunities would be to increase the production and distribution of recycled water, and where it would make the most sense to implement from a cost benefit standpoint. It would be a joint project that would involve the sanitary and water districts in the South Coast region. General Manager said historically, the District had coordinated with the Carpinteria Valley Water District on a local recycled water project in the early 1990’s when there was significant drought affecting our area. General Manager said there had also been more recent discussions with some advocates for recycled water, including Heal the Ocean and the General Manager of CVWD. General Manager said he thought what was raised by Director Modugno was the idea of developing a forum to have those discussions, maybe at a policy level or some higher planning level in our community and specifically for the Carpinteria Valley.

Director Modugno said Prop. 84 was a framework moving the District in the right direction, identifying a source and a means of getting that water to locations. Director Modugno said in recent conversations the City had with the Water Board, they are trying to get agricultural water rates for parks and sports fields. It might be time, since they are a

customer, to have some dialog. Director Modugno said what he thought could be done was to put a committee together with those two agencies, the City and the Water District, to address the opportunity and see if there were any funds and interest to pursue. Director Modugno said now would be a good time to look at it when the reservoirs are full.

Director Moorhouse said this was not a new issue to this agency or to the wastewater treatment plants throughout the state of California. It is an issue that has been discussed at many committee levels through organizations such as CASA. Over the course of the past several years Director Moorhouse said he had been serving on the CASA State Legislative Committee, and this issue had been raised. Director Moorhouse said our agency could not compete with other local agencies by selling water, but it would not hurt to have discussions with the other entities locally.

General Manager said one of the things that might pull our agencies in at some point would be future legislation. General Manager said recent conversations with the General Manager of CVWD suggest that they are very much interested in looking at recycled water. General Manager said one of things you see statewide are projects developed in partnership. The Goleta Water District and the Goleta Sanitary District project was developed in that kind of partnership.

Director Horwitz said going back to the Prop. 84 plan that was being developed and going forward, most of the information needed to discuss recycling would come out of that study, and asked wouldn't that be a practical place to start. Director Horwitz said CASA was working on the political, and perhaps when the practical part was ready everyone could get together and that would be the time to do a presentation to the public. Director Horwitz said to start an ad hoc meeting you need your background and information going in so everyone knows what it's all about. President Graf asked about the timeline for the Prop. 84 study. General Manager said the timeline just got pushed back several months, but the funding had been approved. General Manager said the District would need to lend information and some guidance to the process.

Director Moorhouse agreed with Director Horwitz that the Prop. 84 study should be the starting point. Director Moorhouse also mentioned there were earlier discussions about not only treating the water and reusing, but sending the water up river as a possible means to restore the steelhead habitat.

President Graf asked if the Carpinteria Valley Water District had mentioned being interested in having discussions with our agency and would they be willing to have board members part of an ad hoc committee. General Manager said he had not had those conversations.

Director Treloar said when we upgraded our plant some years ago we had tertiary treatment included and at that time we eliminated it because the water district was the purveyor of water – all we could do was sell it to them and they would distribute. They were not interested at the time. When we had the drought, and they needed water, they put all their eggs in the state water basket and did not want to consider tertiary treatment. At the time the state was required to take the recycled water, and the cost to provide it to the state park and highway landscaping was prohibitive. The plant did not put in the tertiary component, but did put in the valves so it would be less costly for us in the future. Director Treloar said he thought we do need to look at reclaimed water, but the water district is the water purveyor and they should be the lead agency. Director Treloar said he would be happy to have a committee work with them on proposals, but he would not like to see the District become the lead agency.

General Manager said when the District upgraded the plant we were working in partnership with the Carpinteria Valley Water District and they were going to fund the improvements. They elected to participate in the regional State Water Project and that caused the District to modify our upgrade project.

Director Moorhouse said this was a regional issue, and not a local issue, so it would involve all the local water and sanitary districts.

General Manager said he would like to say that the Carpinteria Valley Water District is very plugged into the Prop. 84 process and had been involved in the IRWMP process all the way through. The idea behind the planning study was to provide a basis for future implementation projects, which could be funded, in part, through upcoming grant programs.

Director Modugno said it sounded like the Prop. 84 study would be the next step going forward, and asked General Manager to make sure the water district was actively involved because they were the ones that would be needed to make it work. General Manager said he would let the General Manager at the water district know the Board had this conversation and there was interest from our Board in discussing and working with the water district on this.

Legal Counsel said he wanted the Board to be aware of his recent appointment as chief counsel for the Cachuma Operations and Maintenance Board (COMB), which is a JPA made up of several member units including the Carpinteria Valley Water District (CVWD). Legal Counsel said if the District ever negotiated any transactions (including recycled water) with the Carpinteria Valley Water District, he did not believe there would be a direct conflict but that it was an issue to be aware of going forward.

President Graf asked the General Manager to keep the Board up to date on the Prop. 84 study process until the time came where the Board might need to take further action.

Finance Committee – Director Treloar reported the Finance Committee met on Thursday, March 17th and reviewed the monthly budget report and also reviewed some of the wastewater and fee study that was discussed earlier on the agenda.

Personnel Committee – Did not meet.

Public Relations Committee – President Graf reported the Public Relations Committee met on March 22nd and talked about the newsletter that was mailed out and had a discussion regarding outreach related to the Prop. 218 notices for the rate adjustment.

Director Modugno asked if the Public Relations committee reviewed the District's website. General Manager said the Public Relations committee periodically reviewed the site and provided feedback. General Manager said many of the updates occur at staff level as information changes. Director Modugno said the District's website needed to be updated to inform the public that the Sheriff's Department had a drop-off box at the station, next to City Hall, to dispose of unwanted pharmaceuticals. President Graf said we could put that on our website and also in our next newsletter. General Manager said we would update our website with the information.

CASA and CSDA Legislative Committee Reports – Director Moorhouse said he would be at CASA in Sacramento the end of this month and was scheduled to meet with Assemblyman Das Williams and Senator Tony Strickland.

LAFCO Report – Director Moorhouse said LAFCO would meet on Thursday regarding a personnel issue and also the issue of Out of Agency agreements.

SBCSDA Report – Director Moorhouse said he was elected to the Board of the local chapter of CSDA 2011. Director Moorhouse said it was his goal to provide meaningful speakers that would educate staff and directors and be a forum for providing legislative updates.

Future Agenda Items - None

Adjournment. There being no further items to discuss, President Graf adjourned the meeting at 6:38 p.m.

Lin Graf
President

Mike Modugno
Secretary Pro-Tem

Pat Horwitz
President Pro-Tem

Doug Treloar
Treasurer

Jeff Moorhouse
Secretary