

**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 20, 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 - **Absent**
Jeff Moorhouse – Secretary
Pat Horwitz – Secretary Pro-Tem
Doug Treloar – Treasurer - **Absent**

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

Legal Counsel
Present: Anthony Trembley

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

President noted for the record that Director Graf and Director Treloar were absent from the meeting.

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 16, 2010 – Director Horwitz made a motion that the Minutes of the March 16, 2010 Board Meeting be approved as submitted; Director Moorhouse seconded the motion, and the motion was approved by a 3-0 vote.

Public Forum – Ms. Eunice Palacios, a homeowner within the Carpinteria community, said she wanted an explanation of why she paid \$400 for her property taxes per year and the Sanitary District charged \$515 for sewer service. General Manager said Ms. Palacios came into the District Office and talked with him and explained her circumstances, saying her tax bill included the District’s sewer service charges that amounted to more than her actual property tax bill. General Manager said he explained to her that she paid the same rate as every residential single family dwelling in Carpinteria – whether it’s a condominium, apartment or single family house. The rate was established through a process of evaluating the cost of service. General Manager said at the staff level there wasn’t anything he could do

to mitigate the charge and that there was not a procedure to forgive or reduce fees for any individual sewer user. General Manager said he explained to her that she had the opportunity to come to express her concerns to the Board. General Manager said the Board may elect to respond or may elect to consider this as a future agenda item.

Ms. Palacios said she lived on a small social security income. President Damron said he was sorry, but special arrangements were not made for individual ratepayers, and thanked Ms. Palacios for coming. Ms. Palacios said she thought the District could check into the matter more diligently.

General Manager's Status Report – General Manager reported on the following:
IRWMP Proposition 84 Process Update – The second project selection workshop for the Proposition 84 Integrated Regional Water Management grant process was held on April 13th in Solvang. There were a group of around 20 agency representatives talking about the next steps. General Manager said many of the representatives were from agencies that would like to have projects considered for Round 1 of the IRWMP process. Sixteen projects advanced for Round 1 funding consideration and agency representatives made short presentations. General Manager said with the consultant's help and a new project manager on board, the group went through the projects and a process to rank them. General Manager said the process was ongoing. Director Horwitz asked if the District's project was part of the sixteen projects advancing for Round 1 funding. General Manager said the grant the District received for IRWMP funding is a Proposition 50 grant; **LAFCO Update** – Congratulations to Director Moorhouse who was officially sworn in as a LAFCO Commissioner on April 1st at their regular monthly meeting. General Manager said LAFCO's proposed budget for 2010/2011 was attached to the Staff Report and showed only a very minor increase in expenditures over the prior year budget; **Septic to Sewer Project Update** – Permitting activities are ongoing. City of Carpinteria CDP/CUP was approved and passed the Coastal Commission appeal period. General Manager said an application had been submitted to the County of Santa Barbara, but application has not yet been deemed complete. Ventura has deemed the District's application complete and they have been put on hold to go to the Ventura County Planning Commission until some issues have been addressed regarding site pump station issues in the Rincon Point area. The CalTrans encroachment permit application was preliminarily denied. General Manager said Dave Rundle from Penfield & Smith and he spent a day out in the field identifying other potential pipeline alignments and ruling out the ones that were first considered in the EIR stage. General Manager said he has had conversations with the permits supervisor at CalTrans and it now looks more positive than it did when the denial letter was received. Meetings with the County Parks Department staff have occurred related to a potential location for the central Rincon pump station. Follow-up meetings have taken place with the homeowner representatives at Rincon Point. Geotechnical and archaeological investigations within Rincon Point commenced in early April. Penfield & Smith drafted all the easement documents for all the required easements in the Sand Point and Sandyland Cove communities. They are being reviewed by staff prior to distribution to the prospective grantors. Grant administration is continuing on schedule. General Manager said he just got word from SWRCB that the District's first grant invoice was approved for a \$94,000 payment from the State; **Operations Update** – Treatment Plant is running in full compliance with the District's NPDES permit. There was an operation problem that occurred on April 13th that required staff to pump solids from the primary clarifier to the digester resulting in generation of some odors. Two telephone complaints were received from the public. General Manager said by the time the District received the calls, operations had returned to normal. General Manager said he'd like to commend the staff for the actions they took to avoid any violations of the District's permit. The plant water pump was rebuilt and installed. It ran for approximately two weeks before exhibiting some

abnormal vibrations. The vendor came out and removed the pump to work on at their shop in Los Angeles. The pump, under warranty, is expected back in two to three weeks. The Collection system is operating fine with no problems. Excellent progress is being made on the District's comprehensive hydrocleaning and CCTV inspection program. Identified structural defects are being programmed for repair and/or rehabilitation in forthcoming capital projects. Staff met with SCE power quality specialists on Friday, April 16th in response to recent voltage spikes. General Manager said there was a major voltage drop in the Edison grid that corresponded with this event. They had a problem that affected the District. General Manager said Edison made some recommendations and a report would be coming related to installing some protective device in the District's electrical circuits for the pumps at Lift Station's No. 1 and No. 2. General Manager said some of the liability issues were still being worked out. The annual budget preparation is underway and will go to the Finance Committee level before being considered by the full Board in June.

Director Moorhouse asked if a replacement pump was installed when a pump is removed. General Manager said in this case the District has three pumps and the one out of service is being repaired while the other two are continue to operate.

2010 CASA Spring Conference – President Damron said if any of the directors were interested in attending the 2010 CASA Spring Conference to let staff know so arrangements could be made.

AB 2256 (Huffman) Support Letter – Flushable Wipes - General Manager said the letter from Mike Dillon attached to the Staff Report provided background on AB 2256 introduced by Assemblymember Jared Huffman. General Manager said the bill addressed the ongoing problem of “flushable wipes” which have created major operational problems for wastewater utilities across the U.S. Director Moorhouse said this was a problem that the CASA Legislative Committee had been dealing with for quite a while. General Manager said the District had experienced increased instances of pump clogging that required a lot of maintenance. General Manager said the District had invested significantly in new pumps at our lift stations to mitigate impacts from these incompatible products. General Manager said there was a letter in the Staff Report from President Damron to Assemblymember Pedro Nava in support of AB 2256, and it was staff's recommendation that the Board approve the letter of support for AB 2256 to Assemblymember Pedro Nava.

Director Horwitz made a motion that the Board approve the letter of support for AB 2256 to Assemblymember Pedro Nava; Director Moorhouse seconded the motion, and the motion was approved by a 3-0 vote.

Contract for Deposit of Moneys – Santa Barbara Bank & Trust Assessment District 2007-1 Funds - General Manager said the District has had a banking relationship with Santa Barbara Bank & Trust (SBBT) for several decades. General Manager said when the District did the plant upgrade in the early 90's, the District entered into an agreement, called a Contract for Deposit of Moneys with SBBT to deposit project-related funds for the treatment plant upgrade up to \$20 million. The agreement outlined requirements that came from the Government Code and required the bank to collateralize the public agency deposits. General Manager said the agreement did not have a sunset date and was still in effect when funds from the Assessment District 2007-1 were being considered for deposit. General Manager said staff talked with the Finance Committee and at Board level about where to deposit those monies and whether they should be deposited in LAIF or at a local bank, what security was offered, and how the FDIC limits applied to deposits of that nature. At that time the decision was made to invest project funds for the Septic to Sewer Project, approximately \$8M, into a number of different accounts at SBBT. Before the funds were deposited staff

looked at the agreement from 1993. General Manager said with Legal Counsel's involvement, it was determined the agreement was still in effect and SBBT still had the obligation to provide 110% collateralization of the funds on deposit. General Manager said the security was in place to protect those funds. General Manager said at the same time staff and Legal Counsel looked at the agreement from 1993 and it determined it would make sense to redraft that agreement. General Manager said staff and Legal Counsel worked with the SBBT manager and officers in their corporate banking division. A Contract for Deposit of Monies was prepared and updated. General Manager said the new agreement reflects the current Agent of Depository and updated the Depository information to reflect SBBT as a division of Pacific Capital Bank, N.A.

Director Moorhouse said he had received a call from someone at SBBT. Director Moorhouse said another entity had gotten approval for an insured type of deposit for .08% more, which would equate to approximately \$50,000 annually in interest to the District. Director Moorhouse said he advised them to contact the General Manager or Finance Director to discuss this, which could result in better terms on interest rates.

General Manager said he attached one document to the Staff Report that came from the bank called a "Waiver of Security." General Manager said Legal Counsel pointed out there was no contractual obligation for the District to sign the "Waiver of Security." Director Moorhouse asked if the District paid for the FDIC insurance. General Manager said he would follow up and find out whether the interest rate they are paying reflected this. Legal Counsel said this was a one-page waiver that was strictly discretionary on part of the District. Legal Counsel said the Board could look at it to say the District was already collateralized for these funds, why have the FDIC insurance in place. On the other hand why not have the insurance because it's paid for. It's a policy decision for the Board. Legal Counsel said the Board could approve the contract for deposit of monies and not take any action on the waiver, or you approve the entire contract.

General Manager said it was staff's recommendation that the Board approve the Contract for Deposit of Moneys between the District and SBBT and perhaps make a decision on the "Waiver of Security" and authorize the Board Treasurer to sign it.

Director Moorhouse made a motion that the Board approve the Contract for Deposit of Moneys between the District and Santa Barbara Bank & Trust with no action on the waiver; Director Horwitz seconded the motion, and the motion was approved by a 3-0 vote.

Finance Committee – did not meet

Personnel Committee – Director Moorhouse said the Personnel Committee met and the Board would be going into Closed Session later in the meeting.

Public Relations Committee – did not meet.

Board General Items

CASA Legislative Committee Report – None to report.

Future Agenda Items

ADJOURN TO CLOSED SESSION – Legal Counsel led the Board and staff into Closed Session at 6:06 p.m. to discuss both items listed under Item V on the agenda.

RECONVENE OPEN SESSION – The Board reconvened at 6:33 p.m. and reported there was no action taken in Closed Session.

Adjournment. There being no further items to discuss, President Damron adjourned the meeting at 6:33 p.m.

Michael Damron
President

Pat Horwitz
Secretary Pro-Tem

Lin Graf - **Absent**
President Pro-Tem

Doug Treloar - **Absent**
Treasurer

Jeff Moorhouse
Secretary