

**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 **May 3, 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, Treasurer
Jeff Moorhouse – Secretary - **Absent**
Mike Modugno – Secretary Pro-Tem
Board Member Vacancy

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

Legal Counsel
Present: Anthony Trembley

Public Present: Jeff Shaw, Shaw Contracting

President Graf called the meeting to order and led the Board, staff and public in the Pledge of Allegiance.

President Graf said, for the record, Director Moorhouse was absent from tonight's meeting.

Board Approval of Agenda - President Graf asked if there were any modifications and/or changes to the agenda. General Manager moved Item III. 9 up on the Agenda to be heard after Item III. 1, the General Manager's Status Report. President Graf said the Agenda was approved as modified.

Board Approval of Minutes of the Meeting of April 19, 2011 – General Manager made one correction on page three of the minutes, last line to reflect the modified motion was approved by a 4-0-1 vote, with Director Treloar abstaining from voting. Director Horwitz made a motion that the Minutes of the May 3, 2011 Board meeting be approved as corrected; Director Modugno seconded the motion, and the motion was approved by a 3-0 vote.

Public Forum – None.

General Manager's Status Report – General Manager reported on the following:

Customer Correspondence – District staff recently received input from two customers in response to the District's Spring 2011 Newsletter. The first was an email from Mr. John Schmidhauser, a customer providing input on recycled water opportunities and the issue of root intrusion from street trees. Director Horwitz asked if General Manager could bring the issue of trees up at the meeting of local Carpinteria managers that General Manager attends monthly. Director Modugno asked if District staff attended the Tree Advisory Board meetings and if staff reviewed tree selection as it related to root intrusion. General Manager said staff's primary interaction with the Tree Advisory Board had been when the District had to do maintenance on the Portola Sycamore. Mr. Ben Martin phoned the District to inform us of his interest in getting some of the compost he read about in our newsletter. General Manager said our goal was to get a load of compost this summer and make it available to homeowners. Mr. Martin suggested making the compost available during the spring or planting season. General Manager said he had contacted Bob Engle and was working out a schedule to get the compost delivered earlier than planned. Mr. Martin also inquired about the pending rate increase and if the District would consider rate relief for low-income or fixed-income users;

Solids Handling Facilities Plan Update – A task order was issued to Penfield & Smith to perform limited structural engineering analysis of existing tanks to assess feasibility of removing the digester roofs and replacing them with a concrete catwalk. General Manager said engineers from Carollo had completed their study and staff was looking at refining some approaches to some of Carollo's recommendations and ways to accomplish long-term capital improvements. General Manager said staff wanted to analyze the structural integrity of the existing tanks if the roofs were taken off entirely. General Manager said that was not in the scope of work for Carollo Engineers. A structural engineer from Penfield & Smith was engaged to do a limited scope study to give us information on the structural and design integrity of the tank if the tops were removed, and if we put a catwalk around the top of the tank how would that add to the structural stability. This should help us in the decision-making process to determine what the best solution might be for restoration, rehabilitation, and renewal of the digester tanks. Director Horwitz asked if taking the top of the tank would have any odor impacts. General Manager said the odor impacts would not be significant, since it would be like the other existing open tanks at the plant that are continuously aerated;

Operations Update – The treatment plant is running fine and in compliance with our NPDES permit. The collection system is operating well with no problems to report since our last meeting. One local contractor was authorized to complete two minor main line repairs, one on Church Lane and one on Alva Street, as part of the District's budgeted mainline repair program. Staff completed its bi-annual First Aid and CPR training here at the District office on April 26, 2011.

Sandyland Cove and Sand Point Road Septic to Sewer Conversion Projects – **Report on Bids Received** - General Manager said on April 21, bids were opened for construction of the Sandyland Cove and Sand Point Road components of the South Coast Beach Septic to Sewer Conversion Project. General Manager said staff intended to come back to tonight's meeting to award a contract, however the magnitude of the bids received was far in excess of the engineer's estimate of probable construction cost. The bid prices were higher than the funds collected through the formation of Assessment District 2007-1 and the associated bond issue to complete this project.

General Manager said Penfield & Smith put together a bid tabulation summary that included a line item for each property. The bids were summarized from each of the three contractors that bid the project. General Manager said Shaw Contracting of Carpinteria submitted the lowest combined bid for both areas, and Jeff Shaw, representing that company was in attendance tonight. General Manager said Shaw was the low bidder on Schedule A

for Sandyland Cove and John Madonna Construction was low bidder on Schedule B for Sand Point Road. General Manager said the average bid price per parcel for Sandyland Cove ranged from \$33,000 up to \$34,500, exclusive of the main line installation and the other site work. General Manager said for Sand Point Road, the range was between \$29,000 to \$34,500 per parcel. General Manager said the costs exceed the funds available per parcel by a significant amount. General Manager said in looking back to the time when the Assessment District Engineer's Report was prepared and refined, that set the basis for the cost and how much was collected from each homeowner. General Manager said at that time the estimates were based on engineering best judgment and what other communities had seen in terms of installation costs for grinder pumps. General Manager said funds were added to take in consideration some of the conditions there – high groundwater and hardscape/landscape improvements at these properties. This resulted in estimates of around \$20,000 per parcel to accomplish this work. General Manager said everything else in the public works construction and construction in general, since late 2007, had stayed flat or gone down. General Manager said a \$42M Engineer's estimate had just been awarded by Goleta Sanitary District for their wastewater plant at \$28M. General Manager said when the District went out to bid, staff and the engineering team did not feel the costs were off base at all. General Manager said the engineering team and staff were conducting a thorough analysis to understand what happened. General Manager said they had communicated with representatives from E-One, the grinder pump unit manufacturer. One other fact to mention is that the bids did not include the cost of the equipment, which the District will purchase and supply to the contractor.

General Manager said staff and Penfield & Smith engineers had made a lot of contacts, talking with some of the bidders and some of the interested parties who chose not to bid. General Manager said Ventura Regional Sanitation District had a low-pressure sewer system in a community called Bell Canyon that had high-end estates, and the cost for installation there was between \$10,000 and \$15,000 per parcel. The highest paid on a parcel was \$17,000. General Manager said E-One and the manufacturers representative, Signa Mechanical were as surprised as they were. General Manager said they talked with one of the subcontractors on this project that does directional drilling to get some feedback. From the contractors and interested bidders, the census was there were high cumulative construction risks – the groundwater issue, the site restoration issues, the concerns that the homeowners were about their hardscape and the stature of these people.

General Manager said the contractors said the design package was very well done and the concept was really good. General Manager said some of the interested contractors may not have bid the project due to the size of the project, the Class A license requirement, and the contract period of 105 working days.

General Manager said staff was not recommending that the Board accept the bids or reject the bids at the Board meeting tonight, and staff anticipated coming back to the next Board meeting with some kind of recommendation of how to proceed.

Jeff Shaw from Shaw Contracting was present and said there were twelve interested contractors from Camarillo to San Luis Obispo that normally bid on projects like this, and they all thought it was a well-designed project in concept for that area. Mr. Shaw said those two specific sites were challenging in terms of groundwater, type of soils and landscape issues. Mr. Shaw said his company bid the project aggressively and for this scope of work he did not believe significant cost savings could be realized.

Resolution No. R-237 Recognizing Doug Treloar for 20 Years of Outstanding and Dedicated Service to the Carpinteria Sanitary District - General Manager said the Board and staff were surprised after the last Board meeting when Director Treloar, after 20 years, tendered his resignation from the Board, effective April 19, 2011. General Manager said, in

Doug's typical spirit, he did not want any fanfare or plaque, so staff was recommending that the Board accept his resignation, effective April 19, 2011 and consider adoption of Resolution No. R-237, honoring Doug for twenty years of outstanding service to the community. General Manager said he had a presentation copy of the resolution that would be delivered to Doug.

Director Horwitz made a motion that the Board accept the resignation of Director Doug Treloar, effective April 19, 2011, and that Board Resolution No. R-237 be adopted as presented; Director Modugno seconded the motion, and the motion was approved by the following 3-0 roll call vote: Director Modugno voted aye, Director Horwitz voted aye, and President Graf voted aye.

Board Treasurer and Finance Committee Position Vacancies – Director Doug Treloar resigned from the Board on April 19, 2011 leaving a vacancy of Treasurer on the Board and Chairperson of the ad hoc Finance Committee. President Graf made a motion to move Director Horwitz into the Treasurer position on the Board; Director Modugno seconded the motion, and the motion was approved by a 3-0 vote. President Graf moved Director Horwitz into the Chairperson position on the Finance Committee and Director Modugno was appointed to the member seat on the Finance Committee.

Filling Board of Directors Vacancy – General Manager said, with the resignation of Doug Treloar from the Board of Directors on April 19, 2011, Government Code Section 1780 stipulated the process for filling this vacancy. General Manager said the Santa Barbara County Registrar of Voters office had been notified of the vacancy. General Manager said the Board may decide to appoint someone to fill the vacancy and such appointment must be made within 60 calendar days of the effective date of the vacancy (by June 18, 2011). General Manager said the Board could call for an election to fill the vacancy, which should also be made within 60 calendar days. General Manager said if the vacancy was not filled by Board appointment or election within 60 days, the Santa Barbara County Board of Supervisors may fill the vacancy by appointment or may order the District to call an election to fill the vacancy. General Manager said if the Board decided to appoint someone to fill the vacancy, it must first post a notice of the vacancy in three or more conspicuous places at least 15 days before the appointment was made.

After Board discussion with staff and Legal Counsel, Director Horwitz made the following motion: 1) Board to make an appointment to fill the Board Director vacancy pursuant to Government Code Section 1780, and; 2) authorize District staff to immediately post a Notice of Vacancy in at least three (3) conspicuous places in the District, and 3) set a Special Board meeting date of May 20, 2011 at 3:00 p.m. to consider the letters of interest received by interested candidates and to fill the vacancy. Director Modugno seconded the motion, and the motion was approved by a 3-0 vote.

Certificate of Achievement for Excellence in Financial Reporting for Fiscal Year Ended June 30, 2010 – General Manager said during the audit for Fiscal Year 2009/2010, District staff was encouraged to prepare a comprehensive annual financial report (CAFR) in accordance with Government Finance Officers Association (GFOA) standards for governmental accounting. General Manager said the District received notification of the award last week. General Manager said only a handful of special districts in the state of California had received this award. General Manager said the District's Finance Director, Hamid Hosseini did an excellent job preparing the CAFR and congratulated him for this significant achievement. General Manager said a news release had been sent to the *Coastal View News* and the certificate of award would be posted on the District's website.

The Board congratulated Finance Director for this award.

SCADA Software System Upgrade – Cash Contract No. 370 Amendment Request –

General Manager said going back to 2009, the decision was made during the budget process to replace the District's SCADA system. General Manager said the SCADA system was the software that ran the wastewater plant by monitoring, logging all operating data and generating alarms for conditions that were abnormal. General Manager said the software was reaching its obsolescence, so the decision was made to pursue a project to migrate to an alternate SCADA platform based on Rockwell Software's Factory Talk SE application. General Manager said the Board approved a CIP project that included a new server and associated hardware, the software package and licensing and necessary programming and integration services. General Manager said the approved budget for the entire project was \$80,000.

General Manager said in December 2009 the Board authorized Cash Contract No. 370 with AIA Automation (AIA), Nader Vakilian, the software integrator the District has used for over a decade, for a total of \$52,990. General Manager said when the District was trying to determine and confirm the software, hardware and operating system compatibility, District staff and Nader were sent to an Automation Fair in Anaheim, CA to meet with vendors and developers.

The project got underway and near the development stage in mid-2010 it was determined that a serious problem existed in that the Factory Talk SE software could not write data to the SQL 2008 database. General Manager said the software vendor, CED Industrial, provided some on-site support to assist with troubleshooting this critical function. General Manager said over a period of many months, all the involved parties attempted to find a remedy to this problem. In November 2010, the District authorized AIA to perform work necessary to reinstall and configure the Factory Talk application and issued an amendment that added \$3,800 to the contract price. General Manager said on-site meetings and collaboration continued through early 2011 and the District authorized AIA to provide additional on-site support that was not in their contract totaling \$2,790 in additional costs.

General Manager said in April 2011, following numerous meetings with the software vendor and manufacturer, one of Rockwell Automation's developers came to the District site and successfully remedied the software conflict. General Manager said the data logging functions had been tested and confirmed.

General Manager said so much time had gone by and so many changes had been made, including upgrading from the software package purchased to the newer version of the package, that it was necessary for AIA to perform two discrete tasks to complete the project: 1) hardware updating of the server, and 2) take everything that was configured for the 5.1 version of the Factory Talk application and reprogram it to the 6.0 version. General Manager said staff was recommending that the Board approve a contract amendment with AIA Automation, Inc. and a modification of the budget for CIP Project P-123 to a total of \$92,500.

General Manager said he put together a tabulation of the project expenses to date that was included with the Staff Report. General Manager said the District directly purchased the server and all the hardware, as well as the software. General Manager said if the additional costs were authorized and the extra work completed, when the new SCADA system was put online full-time, the Board may consider a site visit to see the application in real-time operation. General Manager said it was a major improvement over the prior application and would serve the District for many years to come.

President Graf called for a motion. Director Horwitz made a motion that the Board approve a \$9,290 amendment to Cash Contract No. 370 with AIA Automation, Inc. and a modification of the budget for CIP Project P-123 to a total of \$92,500 as proposed and transfer the funds to CIP, if necessary; Director Modugno seconded the motion, and the motion was approved by a 3-0 vote.

SWRCB Sanitary Sewer System Waste Discharge Requirements – District Comment Letter on Proposed Revisions – General Manager said the SWRCB first adopted General Waste Discharge Requirements (WDRs) for sanitary sewer overflows (SSOs) in 2006. General Manager said the District enrolled in this new regulatory program as required and prepared a comprehensive Sewer System Management Plan. General Manager said the State was now proposing a number of significant changes to the WDRs that would impact the District financially and could expose the District to unwarranted public scrutiny and third party Clean Water Act lawsuits. General Manager said the changes also created an increased regulatory compliance burden for agencies like the District who have an exemplary performance history. General Manager said a copy of the SWRCB notice was attached to the Staff Report and invited comments on the proposed changes. General Manager said staff drafted a comment letter on the proposed WDR revisions, based on a model letter prepared and distributed by SCAP.

Director Modugno said this issue came up at the CASA Conference, and Russell Norman from the SWRCB got a lot of feedback.

As-Needed Engineering Contract – Penfield & Smith

Civil Engineering Services – General Manager said the District had worked closed with Penfield & Smith on engineering design and planning projects for over a decade. The most recent as-needed agreement was in effect through April 23, 2011. General Manager said the District was very pleased with the support provided by Penfield & Smith. They are local and have a variety of resources from planning, GIS consulting, structural engineering and pipeline design. General Manager said the as-needed engineering contract extends the term for three more years, beginning May 3, 2011 and ending May 3, 2014. General Manager said the agreement allows the District to consider cost increases to their standard rates, and the standard agreement had not changed from the one Legal Counsel reviewed previously. General Manager said it was staff's recommendation that the Board ratify the Agreement for As-Needed Engineering Services between the Carpinteria Sanitary District and Penfield & Smith, dated May 3, 2011.

Director Modugno made a motion that the Board ratify the Agreement for As-Needed Engineering Services between the Carpinteria Sanitary District and Penfield & Smith, dated May 3, 2011; Director Horwitz seconded the motion, and the motion was approved by a 3-0 vote.

Finance Committee – Did not meet.

Personnel Committee – Did not meet.

Public Relations Committee – Did not meet.

CASA and CSDA Legislative Committee Reports – Director Moorhouse was absent, but Director Modugno, who had attended the CASA conference in Sacramento last week along with Director Moorhouse, said it was a very good conference. Director Modugno said he would like to comment that Director Moorhouse does a lot of work for CASA and CSDA and he was well received at CASA. Director Modugno said it was good for the District to have someone involved at that level. Director Modugno commented most of the districts were not limited by the number of Board Members and staff attending. Director Modugno said they met with Senator Tony Strickland and had scheduled a meeting with Das Williams, but Assemblyman Williams was unable to make the meeting.

Adjournment. There being no further items to discuss, President Graf adjourned the meeting at 7:03 p.m.

Lin Graf
President

Mike Modugno
Secretary Pro-Tem

Pat Horwitz
President Pro Tem/Treasurer

Jeff Moorhouse
Secretary