

**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 15, 2012**, at 5:30 p.m. at its District administrative office located at 5300 Sixth Street, Carpinteria, California.

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

Staff Present: Craig Murray – General Manager  
Kim Garcia – Board Clerk  
Hamid Hosseini – Finance Director

Legal Counsel  
Present: Anthony Trembley – Musick, Peeler & Garrett, LLP  
Karen Gabler – Light, Gabler, LLP

Public Present: None

President Graf called the meeting to order and led 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 May 1, 2012** – Several corrections were noted.

p.1, add *Mr. Thomas Johnsen – Fieldman, Rolapp & Associates* to heading *Public Present*.

p. 3, 12<sup>th</sup> line from the top - remove *said would* and replace with *asked whether* and insert *should* before the words *be to proceed*, line should read *asked whether the plan should be to proceed with the bond refunding and concurrently investigate...*

p.3, 21<sup>st</sup> line from the top - remove *he*, replace with *that* and remove *more*, replace with *better*, line should read *negotiate the best price. Director Moorhouse said that during the last bond issue better...*

p.3, 29<sup>th</sup> line for the top - insert (*including revised form of agreement distributed by Legal Counsel*) between *motion* and *was*, line should read *motion (including revised form of agreement distributed by Legal Counsel) was approved by a...*

p. 4, 28<sup>th</sup> line from the top - add s to the end of the word *Corp*, line should read *the Coastal Commission and the Army Corps of Engineers...*

p. 5, 7<sup>th</sup> line from the top - capitalize the word *county*, line should read *General Manager said the County of Santa Barbara Supervisors is expected to...*

Director Damron made a motion that the Minutes of the May 1, 2012 Board meeting be approved as modified; 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:

**Award Wining Project** – The Sand Point Road Septic to Sewer Conversion Project was recognized twice as an exceptional project. The project received the American Public Works Association, Central Coast Chapter, Project of the Year Award for environmental projects in the small project, less than \$2M, category. On May 9<sup>th</sup> the award was given at the chapter meeting in Santa Maria. Ginger Andersen of Penfield & Smith accepted the award on behalf of the District. The project also won the Award of Merit from the American Planning Association, Central Coast Chapter. Ginger accepted this award at their annual award dinner on May 12<sup>th</sup> in Avila Beach. General Manager said he would like to thank Ginger for her involvement in helping this important project garner these prestigious recognitions.

**GFOA Certificate of Achievement for Excellence in Financial Reporting** – General Manager said for the second consecutive year, the District's Comprehensive Annual Financial Report (CAFR) qualified us to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. General Manager said he would like to thank Hamid, the District's Finance Director, for a job well done and the Finance Committee and the entire Board for their support in pursuing this recognition.

**Sandyland Cove Septic to Sewer Project Update** – General Manager said MGE Underground is nearing completion on this project. A final walkthrough and inspection of each property with the contractor was conducted yesterday, May 14<sup>th</sup>, to generate a punch list of remaining work required to complete the project and meet all of the contract obligations. The team has reviewed and considered extra work tickets for this project and a contract change order will be generated for the Board to consider at a future meeting prior to project acceptance and closeout.

**Bluffs Sewer Relocation Project Update** – General Manager said work on this project is essentially complete. A project job walk with the City of Carpinteria representative and the project biologist occurred today to coordinate habitat restoration in the locations of the abandoned manholes. During the week of May 7<sup>th</sup>, the Rincon Engineering facility, at the eastern end of the new sewer extension in Carpinteria Avenue, abandoned their failed septic system and connected to the new public sewer.

**SCAP Meeting Report** – General Manager said on May 8<sup>th</sup> he attended a meeting of the Southern California Alliance of POTW's Collection System Committee held at the El Estero WWTP in the City of Santa Barbara. This was an excellent meeting with a technical presentation from the Irvine Ranch Water District on a major pump station failure and associated overflow in the City of Laguna Beach. The City of Santa Barbara also gave a comprehensive update on their recent lawsuit with Channelkeeper and the resultant settlement agreement.

**Sphere of Influence Update** – General Manager said a meeting was held with the LAFCO Executive Officer, the Director and long range planning staff from the Santa Barbara County Planning & Development Department on May 10<sup>th</sup> for the purpose of discussing concerns relative to

potential modifications to the District's SOI through the LAFCO Municipal Service Review update process. There are some County policies that are perhaps in conflict with a larger sphere in some areas of our District. The Local Coastal Program and the Toro Canyon Specific Plan deal with extension of sewer service to rural or agricultural parcels. These policies conflict with water quality concerns such as failing septic tanks adjacent to drainages. As the District moves forward with the SOI update process, some of these policies will become topics of consideration. There are unique issues regarding developed agriculture such as green houses versus traditional open field agriculture. The next step will be for the County to make available maps and information so that the District can review spatially to help prepare a SOI that will be more consistent with existing land use policies. **LAFCO Budget Update** – General Manager said he attached a letter from the Santa Barbara LAFCO Executive Officer describing an adjustment to their FY 2012/13 budget. **Operations Update** – General Manager said the WWTP is operating in full compliance with our NPDES permit. General Manager said the collection system is operating well with no problems or overflows to report since our last meeting. General Manager said installation of the magnetic flow meter and vault at Lift Station No. 5 was completed. General Manager said Fugro was on site at the WWTP to conduct geotechnical investigations as part of the design efforts for the digester replacement project. Penfield and Smith was also on site doing required survey work. An existing 24-inch secondary effluent pipe was potholed and its location surveyed concurrently.

**Emergency Outfall Repair Project – Continuation of Emergency Action** – General Manager said this item is very much the same action item that the Board considered at its last regular meeting on May 1<sup>st</sup>. This is a continuation of an emergency condition pursuant to Public Contract Code section 20806 and 1102.

General Manager the District's contractor successfully installed a stainless clamp and reinstatement of the structural weight cementitious coating at and around the location of the break on the outfall pipeline. As of last Friday, the contractor had also completed the stabilization efforts in the areas of unsupported pipeline. General Manager said he is in the process of reviewing a video the contractor had delivered documenting the repair work. This project is nearing completion.

General Manager said it was staff's recommendation that the Board continue the emergency action as prescribed in Resolution No. R-247 until the action is terminated.

Director Damron made a motion that the Board continue emergency action as prescribed in Resolution No. R-247. Director Moorhouse seconded the motion. The motion was approved by the following 5-0 roll call vote. Director Damron voted aye, Director Moorhouse voted aye, President Graf voted aye, Director Horwitz voted aye, Director Modugno voted aye.

**Cash Contract No. 401 – Penfield & Smith - Assessment District Engineering Services** – General Manager said at its May 1<sup>st</sup>, regular meeting, the Board discussed the process of refinancing both the outstanding revenue bonds and the Assessment District 2007-1 land secured bonds. One of the key elements in the process of refunding the assessment district bonds is preparation of an engineer's report. The report will provide a table identifying each parcel in the assessment district, the owner name and relevant contact information, actual assessment amounts of each parcel, and a comprehensive description of the project. This is a formal document, specifically required for refunding assessment district bonds pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds.

General Manager said at the request of the District, Penfield & Smith has submitted a proposal to prepare the reassessment engineers report. The proposal is attached as Exhibit "A" to Cash Contract No. 401 outlining the proposed scope of services which include

preparation of documents, attendance at meetings with District consultants and Board meetings and recordation of the engineers report and assessment diagram with the Santa Barbara and Ventura County Records Office's. The estimated not to exceed amount of \$24,000 is a conservative number with many contingencies built into it and is based on a time and materials reimbursement approach. Penfield & Smith has indicated that the actual cost to complete the work, barring any unforeseen changes, will be substantially less than this maximum amount.

General Manager said Tom Johnsen of Fieldman, Rolapp had mentioned, during his presentation at the Board's last meeting, that many of the fees are contingent and are paid through the cost of issuance. The costs for the proposed service are not contingent on the successful closing of the transaction and are not paid out of cost of issuance. They are obligation of the assessment district. General Manager said it was staff's recommendation to enter into the agreement, to pay Penfield & Smith directly and when the issue closes, and to produce an escrow demand requesting reimbursement.

General Manager said it was staff's recommendation that the Board approve Cash Contract No. 401 between the Carpinteria Sanitary District and Penfield & Smith for professional engineering services related to the refunding of Assessment District 2007-1 land secured bonds, with a not to exceed amount of \$24,000.

Director Horwitz made a motion that the Board approve Cash Contract No. 401 between the Carpinteria Sanitary District and Penfield & Smith dated May 15, 2012 as proposed. Director Moorhouse seconded the motion and the motion was approved by a 5-0 vote.

**Amendment to Cash Contract No. 364 – NBS - Consulting Services Related to the Assessment District No. 2007-1 Reassessment and Refunding** – General Manager said NBS Government Finance Group is a company who provides bond administration services and continuing disclosure services for the existing Assessment District 2007-1. For this refunding effort, NBS will be providing a variety of tables and data to the bond counsel and the assessment engineer for the purpose of developing the required official statements and documents.

General Manager said attached to the staff report is a proposal from NBS, dated May 7, 2012, outlining the scope of services and fee of \$9,500. The District and NBS have an existing agreement, Cash Contract No. 364, entered into in June 2009 and valid through the end of June 2012. If authorized by the Board, the District General Manager would approve an amendment to Cash Contract No. 364 to account for the proposed additional costs specific to the refinancing.

General Manager said it was staff's recommendation that the Board approve the amendment to Cash Contract No. 364 between the Carpinteria Sanitary District and NBS for professional consulting services related to the Assessment District No. 2007-1 Reassessment and Refunding process.

Director Damron made a motion that the Board approve the proposed amendment to Cash Contract No. 364 between the Carpinteria Sanitary District and NBS for professional consulting services related to the Assessment District No. 2007-1 Reassessment and Refunding process. Director Modugno seconded the motion and the motion was approved by a 5-0 vote.

**RESOLUTION No. R-248 – Setting the Date for a Hearing and Giving Notice Thereof of Election to Collect Sewer Service Charges on the County Tax Roll for the Fiscal Year 2012/2013** – General Manager said this was the resolution passed each year to let the public know the District is setting the hearing date for collecting sewer service charges

on the County Tax Roll. The decision, which initially authorized the collection of sewer service charges on the Santa Barbara county Assessor's tax roll, was authorized by the Board's action of Ordinance No. 1987-1 on June 16, 1987.

General Manager said attached to the staff report is a copy of Resolution No. 248 setting the hearing date for June 5, 2012 and a copy of the public notice to be published in the local newspaper. A public hearing will be held on that date to consider the sewer service charges proposed for the FY 2012/2013 and the public would have an opportunity to comment. General Manager said a list of all the sewer service charges by parcel would be available for the public on May 23, 2012.

General Manager said it was staff's recommendation that the Board adopt Resolution No. R-248.

Director Modugno made a motion that the Board adopt Resolution No. R-248 setting the location, time and date of the hearing and authorizing publication and notice per State law; Director Damron seconded the motion, and the motion was approved by the following 5-0 roll call vote: Director Damron voted aye, Director Moorhouse voted aye, President Graf voted aye, Director Horwitz voted aye, and Director Modugno voted aye.

**Finance Committee** – Did not meet.

**Personnel Committee** – Did not meet.

**Public Relations Committee** – Director Moorhouse said the committee met to discuss and address a current issue. General Manager said other outreach is in progress and he would like to schedule another meeting.

**CASA Legislative Committee Report** – None.

**LAFCO Report** – Director Moorhouse said he will be attending the LAFCO meeting on Thursday, June 7<sup>th</sup>.

**SBCSDA Report** – None.

**Board Member Vacation Dates** – Director Damron will not be here July 3<sup>rd</sup>.

**Future Agenda Items** – None.

**CLOSED SESSION** – 6:06 p.m.

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:** Significant exposure to litigation pursuant to Government Code Section 54956.9(b): two cases. 1) Concerning April 24, 2012 "Frac-out" minor release of drilling mud in Carpinteria Creek as part of the Bluffs Sewer Relocation Project.; 2) Personnel related litigation.

**CONFERENCE WITH LABOR NEGOTIATORS:** Per Government Code Section 54957.6. Agency designated representatives: Anthony Trembley, District Legal Counsel. Unrepresented employee: General Manager.

**RECONVENE OPEN SESSION** – 7:04 p.m. President Graf reconvened the open session and stated that there was no action taken on closed session item **CONFERENCE**

WITH LEGAL COUNSEL – ANTICIPATED LITIGATION on either case and also stated that the Board did not confer on item CONFERENCE WITH LABOR NEGOTIATORS.

**Adjournment.** There being no further items to discuss, President Graf adjourned the meeting at 7:05 p.m.

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Lin Graf  
President

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Mike Modugno  
Secretary

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Jeff Moorhouse  
President Pro-Tem

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Michael Damron  
Secretary Pro-Tem

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Pat Horwitz  
Treasurer