

**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 **June 5, 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 asked Director Modugno to lead 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 15, 2012** – General Manager noted one correction.

p. 3, 9<sup>h</sup> line from the top - remove *spaciously* and replace with *spatially*. Director Damron made a motion that the Minutes of the May 15, 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: **CSRMA Training Seminar** – General Manager said District staff members attended a half day seminar sponsored by CSRMA Risk Control Service at the Pepper Tree Inn on May 23<sup>rd</sup>. The informative session focused on workplace violence and interacting with difficult customers. **IRWM South Coast Recycled Water Development Planning Workgroup** – General Manager said on May 24<sup>th</sup> the District hosted a meeting of the South Coast Recycled Water Development Planning Workgroup. The participants in the planning study, water and wastewater agencies between Goleta and Carpinteria, looked at ways to optimize recycled water development on the South Coast. The Coastal View News ran an article on the meeting in its May 31, 2012 edition. **ELAP Certification Inspection** – General Manager said the California Department of Public Health conducted its annual inspection of the District's laboratory related to renewal of our Environmental Laboratory Accreditation Program certificate. A number of minor concerns were noted that District staff has addressed and will follow up with a written response to the State by June 19<sup>th</sup>. Overall a very positive outcome of the annual inspection of the District's accredited laboratory. **CASA News From the Capitol** – General Manager said attached to the Board packet is an update from CASA containing a State budget update following the Governor's May Revise and a report on pending legislation that may impact the District. **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 new control panel at Lift Station No. 6 was completed by District staff using in-house resources. General Manager said the Dahlia Court Apartments development is underway and District staff is monitoring construction to ensure conformance with our standards. General Manager said District staff will be filing a Notice of Elective Offices to be Filled with the clerks of Santa Barbara and Ventura County as required for the November 6, 2012 general election.

**RESOLUTION No. R-249 –Sewer Service Charges on Assessor Rolls Hearing** – General Manager said this item was on the agenda each year at this time. A notice was published twice in the *Coastal View News* about tonight's hearing. General Manager said Resolution No. R-249, according to state law, allows the District to place our sewer service charges on the tax roll. A procedure text was provided to the Board President for conducting the hearing.

President Graf opened the hearing and asked General Manager to call the roll. Answering "present" were: Directors Modugno, Horwitz, Moorhouse, Damron and President Graf. General Manager said there were five Board members present, and that met the 2/3's quorum required by State law to adopt the resolution setting rates on the County Assessor's Rolls.

President Graf asked General Manager to file the Notice of Hearing and Proof of Publication of the hearing with the Secretary. General Manager delivered Proof of Publishing of the Notice of Hearing to Board Secretary, Director Modugno.

President Graf noted for the record there were no members of the public present. General Manager said there was no majority protest. President Graf said since there was no majority protest, the hearing was declared closed. President Graf asked for a motion on the resolution. Director Horwitz made a motion that the Board adopt Resolution No. R-249, ordering the filing with the County Auditor of a report of sewer service charges for FY 2012/2013 to be placed on and collected by the County Assessor's Rolls; Director Damron seconded the motion, and the motion was approved by the following 5-0 roll call vote: Director Modugno voted aye, Director Horwitz voted aye, President Graf voted aye, Director

Moorhouse voted aye and Director Damron voted aye. General Manager said the Resolution passed with the required 4/5's affirmative vote.

**Emergency Outfall Repair Project – Termination of Emergency Action** – General Manager said this item will terminate the emergency action related to critical emergency repairs to the District's 24-inch diameter ocean outfall pipeline in accordance with Public Contract Code Section 22050(c)(3).

General Manager said the District has received the final report from the contractor documenting the work performed to the outfall pipeline. All emergency repairs have been completed to address the break in the outfall pipe and underpinning support necessary to mitigate the imminent threat of failure. The emergency condition no longer exists.

General Manager said the invoice from the contractor is being processed and is for slightly more than \$80,000, which is within the capital improvement budget set for this project before it became an emergency.

General Manager said it was staff's recommendation that the Board terminate the emergency action.

Director Damron made a motion that the Board terminate the emergency action related to the District's emergency outfall repair project in accordance with Public Contract Code Section 22050(c)(3). Director Moorhouse seconded the motion. Director Modugno asked if the completed repairs satisfy the intention of the original project. General Manager said the District is satisfied and will continue to monitor the condition in accordance with the permit and perhaps at an accelerated frequency. President Graf asked how often the line is inspected. General Manager said a video inspection is conducted at least once annually. The motion was approved by a 5-0 vote.

**Agreement for Bond & Disclosure Counsel Services – Jones Hall – Assessment District 2007-1 (Reassessment and Refunding of 2012)** – General Manager said the District Board has, in its prior meetings, authorized necessary contracts with a financial advisor and assessment engineer for the refinancing of the outstanding bond obligation for Assessment District 2007-1. This agreement between the District and Jones Hall would provide for bond counsel and disclosure counsel services related to the refinancing process.

General Manager said based on positive experiences working with Jones Hall, District staff requested a proposal for legal services for this refinancing process. The proposal includes a graduated percentage based fee for bond counsel services and a fixed fee of \$30,000 for disclosure counsel services. The fees are fully contingent on successful completion of the transaction and would be paid directly from bond proceeds.

General Manager said it was staff's recommendation that the Board approve the Agreement for Legal Services between the Carpinteria Sanitary District and Jones Hall related to the reassessment and refunding of Assessment District 2007-1 bonds, dated June 5, 2012.

Director Horwitz asked how the schedule for the refunding of the wastewater revenue bonds was moving in relation to the Assessment District 2007-1 bonds. General Manager said while the schedules are not exactly parallel, both processes are moving forward. Director Horwitz asked how that would affect the cost savings. General Manager said the District is still expected to achieve the anticipated benefits by coordinating both refundings.

Director Horwitz made a motion that the Board approve the Agreement for Legal Services between the Carpinteria Sanitary District and Jones Hall dated June 5, 2012 as proposed. Director Modugno seconded the motion and the motion was approved by a 5-0 vote.

**Finance Committee** – Director Horwitz reported the Finance Committee met on May 21<sup>st</sup> and reviewed the monthly budget report and the preliminary FY 2012/2013 budget.

**Personnel Committee** – Did not meet.

**Public Relations Committee** – Did not meet.

**CASA Legislative Committee Report** – Director Moorhouse reported that he had participated in a conference call where the committee reviewed the legislature that had been presented in the General Manager’s report.

**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** – 5:59 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** – 6:30 p.m. President Graf reconvened the open session and stated that there was no action taken on any closed session items.

**Adjournment.** There being no further items to discuss, President Graf adjourned the meeting at 6:30 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