

**MINUTES OF THE REGULAR MEETING OF THE
CARPINTERIA SANITARY DISTRICT GOVERNING BOARD
June 17, 2014**

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 17, 2014**, at 5:30 p.m. at its District administrative office located at 5300 Sixth Street, Carpinteria, California. The agenda notice for this meeting was posted in the front window of the administrative office of the Carpinteria Sanitary District and on the District's website at least 72 hours in advance of the meeting.

CALL TO ORDER

President Modugno called the meeting to order at 5:30 p.m. and noted for the record that Director Damron would be absent from tonight's meeting.

Directors Present: Mike Modugno – President
 Jeff Moorhouse – Treasurer
 Gerald Velasco – Secretary
 Lin Graf – Secretary Pro-Tem

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

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

Public Present: None.

PLEDGE OF ALLEGIANCE

President Modugno led those present in the Pledge of Allegiance.

BOARD APPROVAL OF AGENDA

President Modugno asked if there were any modifications and/or changes to the agenda. Hearing none, the agenda was approved as submitted.

I. BOARD APPROVAL OF MINUTES OF THE MEETING OF June 3, 2014

Two corrections were noted. Page 4, the sentence under heading CLOSED SESSION REPORT, strike *either of* and change *items* to *item*. Page 5, the sentence under heading ADJOURNMENT change *Moorhouse* to *Modugno*.

Director Graf made a motion, seconded by Director Moorhouse that the Board approve the Minutes of the June 3, 2014 Regular Board meeting as modified. The motion carried by the following vote:

AYES:	4	Velasco, Graf, Modugno, Moorhouse
NOES:	0	None
ABSENT:	1	Damron
ABSTAIN:	0	None

II. PUBLIC FORUM

None

III. CLOSED SESSION

Legal counsel led the Board in to closed session at 5:34 on the following agendized items:

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

CONFERENCE WITH LEGAL COUNSEL — ANTICIPATED LITIGATION: Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): one case. December 10, 2013 Notice of Violation from Central Coast Regional Water Quality Control Board

CONFERENCE WITH LEGAL COUNSEL — EXISTING LITIGATION: Pursuant to Government Code Section 54956.9(d)(1): Name of Case: The People of the State of California v. SCP Woodland, LLC, Carpinteria Sanitary District, et al. Santa Barbara Superior Court Case No. 1440021.

IV. RECONVENE OPEN SESSION

A. CLOSED SESSION REPORT

President Modugno reconvened the open session at 6:17 p.m. and stated that there was no action taken on the closed session items.

President Modugno said that the Board would take a short recess at 6:17 p.m.

President Modugno reconvened the meeting and came out of recess at 6:24.

V. MATTERS BEFORE THE BOARD

A. GENERAL REPORTS:

1. General Manager's Status Report

General Manager reviewed his written report regarding the following:

- ASHT Replacement Project
- Rincon Point Septic to Sewer Project Update
- Collections System Rehabilitation Project Update
- SAMA Meeting Report
- AB 371 Opposition Letters
- GM Vacation Schedule
- Operations Update

2. PUBLIC HEARING - Resolution No. R-275 – Sewer Service Charges on Assessor Rolls

General Manager that notice was published twice in the *Coastal View News* about tonight's hearing and that Resolution No. R-275, according to state law, allows the District to place sewer service charges on the tax roll. A procedure text was provided to the Board President for conducting the hearing.

President Modugno opened the hearing and asked General Manager to call the roll. Answering “present” were Directors Graf, Moorhouse, Velasco, and President Modugno. General Manager said there were four 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 Modugno 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 Velasco. President Modugno noted for the record there were no members of the public present. General Manager said there was no majority protest and President Modugno declared the hearing closed.

President Modugno asked for a motion on the resolution. Director Moorhouse made a motion, seconded by Director Graf that the Board adopt Resolution No. R-275 ordering the filing with the County Auditor of a report of sewer service charges for FY 2014/2015 to be placed on and collected by the County Assessor’s Rolls. The motion carried by the following roll call vote:

AYES:	4	Velasco, Graf, Modugno, Moorhouse
NOES:	0	None
ABSENT:	1	Damron
ABSTAIN:	0	None

General Manager said the Resolution passed with the required 4/5’s affirmative vote.

3. Resolution No. R-276 – Setting Appropriations Limits for FY 2014/15

General Manager said Section 7910 of the Government Code required Special Districts to adopt a resolution each year to establish its appropriations limit for the following fiscal year. The appropriations limit represented the maximum amount that a municipal entity or other local governmental entity may collect from property tax revenue. General Manager said the District’s appropriations limit for FY 2014/2015 was \$3,383,825, and the projected property tax revenue for this period was \$507,900, well within the established limit.

Director Moorhouse made a motion, seconded by Director Graf that the Board adopt Resolution No. R-276 setting the appropriation limit for FY 2014/15 as presented. The motion carried by the following roll call vote:

AYES:	4	Velasco, Graf, Modugno, Moorhouse
NOES:	0	None
ABSENT:	1	Damron
ABSTAIN:	0	None

4. Resolution No. R-277 – Adoption of the FY 2014/15 Annual Budget

General Manager submitted for Board review and adoption the Fiscal Year 2014/15 Budget for the Carpinteria Sanitary District. General Manager thanked District staff and the Board Finance committee for their input. Finance Director, Hamid Hosseini, provided the Board with an overview of the Budget document and highlighted key information. General Manager reviewed the proposed capital improvement projects.

Director Moorhouse said that in anticipation of additional legal expenses in the coming fiscal year he suggested that the Legal Counsel budget line item be increased from the proposed \$30,000 to \$40,000 and have rationale added to page 35 under Professional Services.

General Manager said, at the suggestion of President Modugno, he is proposing to modify the text on page 50 related to the Administration Building Design Capital Project to include an option to renovate the existing modular building.

After Board discussion, there was general consensus to change the Legal Counsel budget line item to \$40,000, add rationale to support the increase to the Professional Services section on page 35 and to update the text on page 50 related to the Administration Building Replacement Design.

Director Graf made a motion, seconded by Director Moorhouse that the Board adopt Resolution No. R-277 adopting the fiscal year 2014/15 Budget as modified with expenditures totaling \$10,858,500 including the revisions made to increase the total Legal Counsel Budget line to \$40,000, to add language to Professional Services section on page 35 to support the increase and to add the proposed language to page 50 related to the Capital Improvement Project. The motion carried by the following roll call vote:

AYES:	4	Velasco, Graf, Modugno, Moorhouse
NOES:	0	None
ABSENT:	1	Damron
ABSTAIN:	0	None

5. Employment Contract – General Manager

Legal Counsel said the Board is receiving a copy of the form of employment agreement between the District and Craig Murray as the General Manager. The changes to the current agreement are in the introductory paragraph noting the contract date, being today, June 17, 2014, with an effective date of May 2, 2014. Also changed was section one, the contract period May 2, 2014 through May 2, 2016 and section three regarding annualized compensation.

Director Moorhouse made a motion, seconded by Director Graf that the Board approve the employment agreement with the General Manager, Craig Murray, effective May 2, 2014 as presented. The motion carried by the following vote:

AYES:	4	Velasco, Graf, Modugno, Moorhouse
NOES:	0	None
ABSENT:	1	Damron
ABSTAIN:	0	None

6. 2014 General Election

General Manager said this item was on the agenda to provide the Board with information related to the upcoming election.

7. CSDA 2014 Board Election

The Board reviewed and considered candidates for the CSDA 2014 Board Election.

President Modugno asked the Board if there were any recommendations to fill the open seat on the CSDA Board of Directors.

After Board discussion, Director Graf made a motion, seconded by Director Moorhouse, that the Board vote for Elaine Magner to serve a three-year term on the CSDA's Board of Directors. The motion carried by the following vote:

AYES:	4	Velasco, Graf, Modugno, Moorhouse
NOES:	0	None
ABSENT:	1	Damron
ABSTAIN:	0	None

VI. BOARD ITEMS

A. COMMITTEE REPORTS

Standing Finance Committee

Director Moorhouse reported that the committee met on June 16th and reviewed the proposed FY 2014/15 Budget.

Standing Personnel Committee

None

Standing Public Relations Committee

Director Graf reported that the committee met on June 10th.

Standing Utilities Committee

None.

Ad-Hoc Facilities Planning Committee

None.

B. GENERAL ITEMS

CASA Legislative Committee Report

Director Moorhouse reported on several bills.

LAFCO Report (Jeff Moorhouse)

None.

SBCSDA (Santa Barbara California Special Districts Association) Report

None.

CSRMA Report (Jeff Moorhouse)

None.

Board Member Vacation Dates

None.

Future Agenda Items

None.

VII. ADJOURNMENT

There being no further items to discuss, President Modugno adjourned the meeting at 7:17 p.m.

Mike Modugno
President

Michael Damron
President Pro-Tem

Gerald Velasco
Secretary

Lin Graf
Secretary Pro-Tem

Jeff Moorhouse
Treasurer