

**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 18, 2013**, at 5:30 p.m. at its District administrative office located at 5300 Sixth Street, Carpinteria, California.

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

Public Present:

President Moorhouse called the meeting to order and asked Director Velasco to lead those present in the Pledge of Allegiance.

President Moorhouse noted for the record that Director Damron would be absent from tonight's meeting.

**Board Approval of Agenda** - President Moorhouse asked if there were any modifications and/or changes to the agenda. Item I, Approval of Minutes, will not be heard as there were no minutes submitted for approval. President Moorhouse said the agenda was approved as modified.

**Public Forum** – None.

**General Manager's Status Report** – General Manager reported on the following:  
**SCAP Meeting** – General Manager said he attended the Southern California Alliance of POTW Board of Directors meeting on June 17<sup>th</sup> at Hyperion Wastewater Treatment Plant. The meeting included a tour of their new Environmental Learning Center. **APCD Meeting** – General Manager said on June 18<sup>th</sup> District staff and APCD staff met to discuss potential

monitoring requirement changes for our odor control scrubbers. Through internal monitoring staff has determined that under our current permit requirements, scrubber media may be indicated for replacement when capacity still exists. District staff will be submitting a proposal to APCD for consideration. **Maintenance Management Software** – General Manager said district staff met with a representative to discuss the upcoming capital improvement project regarding an upgrade to our computerized maintenance management software program. **LAFCO Update** – General Manager said he attended the LAFCO hearing held on June 6<sup>th</sup>. The commission voted unanimously to approve the Rincon Beach Park parcel annexation. Testimony from a Rincon Point resident in opposition was heard. The application package for the West Padaro Sewer Main Extension Project was submitted to LAFCO. **Rincon Point Septic to Sewer Project Update** – General Manager said both the Rincon Beach Septic to Sewer Conversion and the Offsite Improvement Projects are currently out to bid. A mandatory pre-bid conference will be held on July 19<sup>th</sup> for the offsite improvements and on July 20<sup>th</sup> for the onsite septic to sewer project. The public bid opening for both projects will be held at the District Administration office on July 2<sup>nd</sup>.

**Resolution No. R-262 –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-262, 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 Moorhouse opened the hearing and asked General Manager to call the roll. Answering “present” were Directors Graf, Modugno, Velasco, and President Moorhouse. 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 Moorhouse 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 Graf.

President Moorhouse noted for the record there were no members of the public present. General Manager said there was no majority protest. President Moorhouse said since there was no majority protest, the hearing was declared closed.

President Moorhouse asked for a motion on the resolution. Director Velasco made a motion that the Board adopt Resolution No. R-262, ordering the filing with the County Auditor of a report of sewer service charges for FY 2013/2014 to be placed on and collected by the County Assessor’s Rolls; Director Graf seconded the motion, and the motion was approved by the following 4-0 roll call vote: Director Graf voted aye, Director Modugno voted aye, President Moorhouse voted aye, and Director Velasco voted aye. General Manager said the Resolution passed with the required 4/5’s affirmative vote.

**Resolution No. R-263 – Setting Appropriations Limits for FY 2013/14** – Finance Director, Hamid Hosseini, 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. Finance Director said the appropriations limit represented the maximum amount that a municipal entity or other local governmental entity may collect from property tax revenue. Finance Director said the District’s appropriations limit for FY 2013/2014 was \$3,334,474, and the projected property tax revenue for this period was \$454,600, well within the established limit.

Director Graf made a motion that the Board adopt Resolution No. R-263 setting the appropriation limit for FY 2013/14 as presented; Director Modugno seconded the motion, and the motion was approved by the following 4-0 roll call vote: Director Graf voted aye, Director Modugno voted aye, President Moorhouse voted aye, and Director Velasco voted aye.

**Resolution No. R-264 – Adoption of the FY 2013/14 Annual Budget** – General Manager submitted for Board review and adoption the Fiscal Year 2013/14 Budget for the Carpinteria Sanitary District. General Manager thanked District staff and the Board Finance committee for their input.

General Manager said the “Budget Snapshot” on page 1-4 provides an overall summary of the anticipated revenues, operating expenses and capital improvement projects for the upcoming fiscal year. The transmittal letter that accompanies the budget document provides an overview of significant changes from the prior year’s budget.

General Manager said the Board should keep in mind the basic purpose of the budget was to provide the District with a financial guideline for the upcoming year. Operation and maintenance cost projections were carefully calculated using the most current information available. The budget, as presented, was reviewed by the Board Finance Committee.

General Manager said a 5% increase in sewer service charge revenue was projected, along with an overall revenue increase of 14.5%. This increase includes \$1.2M in grant revenue that will be appropriated to the Rincon Point Septic to Sewer Project.

General Manager said that this budget is inclusive of staff’s recommendation to add a full time equivalent position to the District’s organizational chart. A comprehensive workflow analysis was conducted within the collection system department and it was determined that more resources were needed to address new regulatory compliance requirements. The District’s workers’ compensation insurance premium significantly increased over last year’s rate due to past claim history affecting the ex-mod factor. We also anticipate a modest increase of 4% for health insurance premiums. Through direction from the Public Relations committee and the Board Workshop, additional resources have been designated in the0 public outreach account to bolster the District’s commitment to increase public awareness in the coming year. The District recently completed several energy efficient projects but those projects have been offset by SCE increasing their rates 18%.

General Manager reviewed each of the Capital Improvement Program (CIP) projects with the Board. General Manager said the District would continue implementation of the Board approved CIP, which primarily addresses infrastructure and equipment needs at the treatment facility and within the wastewater collection system.

General Manger said Resolution No. R-264 would officially transfer necessary funds from the General Fund into the CIP Fund, and it was staff’s recommendation that the Board adopt Resolution No. R-264.

Director Graf made a motion that the Board adopt Resolution No. R-264, approving the FY 2013/14 Annual Budget as submitted with expenditures totaling \$9,070,700; Director Velasco seconded the motion, and the motion was approved by the following 4-0 roll call vote: Director Graf voted aye, Director Modugno voted aye, President Moorhouse voted aye, and Director Velasco voted aye.

**Finance Committee** – Director Graf reported that the committee met on June 17<sup>th</sup> and reviewed the proposed FY2013/14 Annual Budget.

**Personnel Committee** – Did not meet.

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

**CASA Legislative Committee Report** – President Moorhouse reported that he participated in a conference call on Friday, June 14<sup>th</sup> and discussed several active bills.

**LAFCO Report** – President Moorhouse reported that he attended the LAFCO hearing on June 6<sup>th</sup>.

**SBCSDA Report** – None.

**CSRMA Report** – None.

**Board Member Vacation Dates** – None.

**Future Agenda Items** – None.

**CLOSED SESSION** – 6:20 p.m.

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

**CONFERENCE WITH LEGAL COUNSEL — ANITICIPATED LITIGATION:** Pursuant to Government Code Section 54956.9(d)(2): one case. Concerning April 24, 2012 “Frac-out” incident in Carpinteria Creek as part of the Bluffs Sewer Relocation Project.

**RECONVENE OPEN SESSION** – 6:25 p.m. President Moorhouse reconvened the open session and stated that there was no action taken on the closed session items.

**Adjournment** There being no further items to discuss, President Moorhouse adjourned the meeting at 6:25 p.m.

---

Jeff Moorhouse  
President

---

Lin Graf  
Secretary

---

Mike Modugno  
President Pro-Tem

---

Gerald Velasco  
Secretary Pro-Tem

---

Michael Damron  
Treasurer