

**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 19, 2007**, at 5:30 p.m. at its District administrative office located at 5300 Sixth Street, Carpinteria, California.

Directors Present: Jeff Moorhouse – President
Lin Graf – President Pro-Tem
Michael Damron – Secretary
Doug Treloar – Secretary Pro-Tem
Patricia Horwitz – Treasurer

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

Legal Counsel
Present: Anthony H. Trembley

Public Present: None

President Moorhouse called the meeting to order and asked Director Horwitz to lead the Pledge of Allegiance; Director Horwitz then did so.

President Moorhouse asked if there were any modifications and/or changes to the agenda. Legal Counsel added a Closed Session item to the agenda regarding possible litigation, and the Board will be asked to pass a motion prior to going in that Closed Session to allow for an agenda item, since an item came up after the agenda was posted. This item was added as 3.A.6. on the agenda. Director Horwitz made a motion to approve the modified agenda; Director Graf seconded the motion, and the motion was approved by a 5-0 vote.

Minutes of the June 5, 2007 Board Meeting: The following correction was made to the June 5, 2007 Minutes: On page 4, first paragraph, the sentence, *Director Graf said whether President Moorhouse is appointed by the Board or volunteered, the District's level of liability would not be any different* **was changed to** *Director Graf said if President Moorhouse served on the CASA Legislative Committee, the District's level of liability would not be any different.* Director Treloar made a motion that the Board approve the minutes of June 19, 2007 as modified; Director Damron seconded the motion, and the motion passed by a 5-0 vote.

Public Forum. None

Resolution No. R-197 – Commending and Thanking Lou Becker for 36 Years of Dedicated Service to the District. President Moorhouse read Resolution R-197 for the public record. Director Horwitz made a motion that the Board adopt Resolution R-197; Director Graf seconded the motion. Resolution R-197 was adopted by the following 5-0 roll call vote: Director Treloar voted aye, Director Horwitz voted aye, Director Damron voted aye, Director Graf voted aye, and President Moorhouse voted aye.

Director Damron said Lou would be dearly missed and thanked Lou for his service with the District. Director Treloar said Lou was hired by this District to replace his father when he retired, and he was very pleased to see that Lou stuck it out all these years and did such an excellent job. Director Graf congratulated Lou and thanked him for his dedicated service. Director Horwitz thanked Lou and told him he had done a wonderful job.

President Moorhouse presented Lou with a plaque and commented, “You are a stellar man of this community and a lot of people look up to you and respect you. This District is a much better District because of your involvement over the years.”

Legal Counsel, Tony Trembley, said he had the privilege of being affiliated with the District since 1990, and had worked with Lou on many occasions for the last 17 years. Legal Counsel said Lou had always been extremely professional, gracious and patient in dealing with a lawyer. Legal Counsel Trembley said Lou was instrumental in helping the District when John Miko passed away, and he thoroughly enjoyed working with Lou and wanted to thank him.

Lou said he would like to thank the Board. Lou said it had been a long ride, but a good one and some things worked out well. Lou said he would like to thank the staff. Lou commented that Mark was very good at what he did, and Mark Rogers was going to be good. Lou said he'd like to thank all his co-workers, and in particular, Craig who helped him out through some tough times.

Mark Bennett, Operations Manager, said it had been a pleasure working with Lou all these years. Mark said Lou taught him everything he knows, but not everything Lou knew. Mark said he'd be using Lou as a resource.

General Manager, Craig Murray, said before he came to work for the District he had worked with Lou. General Manager said Lou gave him the confidence to apply for the General Manager position, and he was indebted to Lou. General Manager said in the three years working together for the District, Lou had taught him a lot about the District, management, and people in general. General Manager said Lou was a smart man, and it had been his pleasure and honor to work with Louie for a short time. General Manager said he hoped Lou would keep in touch and come back often to visit.

Proposed Salary Schedule Modification. General Manager said this was an item that staff had been working on for the last six to eight months. This was an item that had gone through the Personnel Committee several times and had been reviewed and discussed with the Finance Committee. General Manager gave some background information to the Board. Currently the District's salary matrix in the current and prior years budget has twenty-five different lines with an A-E range and an extended range was added in the mid-90's. The end result is a very complicated salary structure making it difficult to compare to other agencies. General Manager said it was a salary schedule that rewarded employees for longevity instead of their performance. General Manager said in 2006 the District undertook a comprehensive salary and benefits survey. The results of the survey found that our benefits were in line with other public agencies from San Luis Obispo County through Ventura County. In looking at the District's salary table and comparing with other districts,

we found the base structure (A-E structure) was behind other agencies, and our intent was to normalize and simplify the District's salary structure with the proposed 5-step schedule. The schedule was developed with input from District management, the Board Personnel Committee and employee representatives. The base salary or "A" step is the average base wage from the pool of surveyed agencies, plus five percent. The five-percent escalation is intended to reflect the high cost of living in the local area as compared to the entire Tri-Counties region. General Manager said the proposed schedule would put the District in line with other agencies, and more importantly, General Manager said there would be a change in the District's approach to performance reviews and advancement to the next step on the salary schedule. Staff would be placed on the proposed schedule at the step closest to their current salary. Advancement from initial placement would be based on performance. General Manager said the supervisory and management staff would development clear and measurable goals for the employee to advance to the next step. General Manager said it was staff's recommendation that the Board review and approve the updated salary schedule.

President Moorhouse asked how long this had been studied by the Personnel Committee. Director Graf said the Personnel Committee got the salary survey results last year, and had ongoing committee discussion and input. Director Graf said the schedule had taken various shapes, and the one presented was the approach recommended by staff and the Board Personnel Committee.

President Moorhouse asked if any member of the public wanted to comment on this item. Hearing none the item was brought back to the Board. Director Damron, also a member of the Board Personnel Committee, said this was an item of discussion for the past year, and it looked completely different in the beginning with some incentive programs. Director Damron said what was proposed accomplished a goal of consistency for comparison with other agencies. Director Damron said this would allow the Board to look at the cost of living each year and adjust the whole matrix, based upon an appropriate cost of living. Director Damron said the focus would be on meaningful reviews and meaningful goals set so employees know what they need to do to achieve the next step on the salary schedule and that movement would not be automatic each year.

Director Horwitz said it was brought to the Finance Committee and she found the idea much easier to follow and liked the goal incentive program tied to the salary great. Director Horwitz said she thought it was good that the Personnel Committee worked on this with staff and it was brought to the full Board. Director Horwitz said she appreciated the hard work of the committee and staff.

Director Graf made a motion that the Board approve the updated salary schedule as proposed; Director Damron seconded the motion. President Moorhouse asked if there was any further discussion. Director Treloar said when he first saw this item on the agenda for the Finance Committee, he was ready to be opposed to the idea. Director Treloar said when the committee met and General Manager presented the item and talked about the effort and thought that went into the proposed schedule, he was thoroughly behind it.

President Moorhouse called for the vote, and the motion passed by a 5-0 vote.

Resolution No. R-198 Setting Appropriation Limit for Fiscal Year 2007/08.

General Manager said Finance Director, Hamid Hosseini, would make the presentation on this item. Finance Director said Section 7910 of the Government Code requires 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 municipality or other local governmental entity could collect from property tax revenue. Section 7902 of the Government Code established the procedure for calculating the appropriations limit each fiscal year. Finance Director said the process was basically an

escalation from a baseline year (FY 1979/80) that was a function of population and per capita income within the areas served by the agency. Finance Director said the District's appropriations limit for FY 2007/08 was \$2,761,700, and the projected property tax revenue for this period was \$410,000, which was well within the established limit. Finance Director said Resolution R-198 would formally adopt the appropriation limits in accordance with state law and that it was staff's recommendation that the Board adopt Resolution No., R-198 setting the appropriations limit for FY 2007/08.

Director Horwitz made a motion that the Board adopt resolution R-198; Director Damron seconded the motion, and the motion passed by the following roll call vote: Director Treloar voted aye, Director Graf voted aye, President Moorhouse voted aye, Director Horwitz voted aye, and Director Damron voted aye.

Resolution No. R-199: Adoption of the FY 2007/08 Annual Budget. General Manager said Finance Director, Hamid Hosseini, would be presenting this item. General Manager said Finance Director did the bulk of the work on this budget. Finance Director said the Board and public had been provided with a complete FY 2007/08 Budget for the Carpinteria Sanitary District. Finance Director said the budget contained all the details, but he reviewed the "Budget Snapshot" that provided an overall summary of the anticipated revenues, operating expenses and capital improvement projects for the 2007/08 fiscal year. Finance Director during his presentation pointed out there was a new line item in the revenue column for the Safety Officer. Finance Director said approximately 75% of the Safety Officer position is subsidized by other coordinating agencies. Finance Director said the total revenue was projected to be 4.8 million dollars.

Finance Director said operation and maintenance cost projections were carefully calculated and reviewed by the Board Finance Committee with input and recommendations from the Committee incorporated into the budget.

Finance Director said the District had ten open projects in the Capital Improvement Program (CIP) that would be carried over to Fiscal Year 2007/08, and six new CIP projects were included in the FY 2007/08 budget.

Finance Director said it was staff's recommendation that the Board adopt the Fiscal Year 2007/08 Budget through adoption of Resolution No. R-199.

Director Horwitz said it was a pleasure working with Hamid on the budget. He was available and went the extra mile and came through. Director Horwitz said the Finance Committee reviewed the budget and did not see anything out of the ordinary that needed to be brought to the full Board.

Director Horwitz made a motion that the Board adopt Resolution R-199 adopting the Fiscal Year 2007/08 Budget as submitted with expenditures total \$7,180,478; Director Graf seconded the motion, and the motion was approved by the following 5-0 roll call vote: Director Treloar voted aye, Director Graf voted aye, President Moorhouse voted aye, Director Horwitz voted aye and Director Damron voted aye.

General Manager's Status Report: Collection System Rehabilitation Project Update – A proposed change order was prepared that Insituform is considering for an additional \$300,000 in unit price work into the contract. A sample project was completed on Via Real close to the Polo fields this past week. Pro-Tech Coatings of Santa Barbara completed the epoxy lining of a manhole. Staff was comparing their product and performance with other contractors and methods previously used by the District. General Manager said Pro-Tech did a good job. Staff is securing permits and approvals to relocate a manhole on Chaney Avenue; **Annual Independent Audit** – Teaman, Ramirez & Smith completed the preliminary phase of the District's annual audit. The final audit and exit

interview are scheduled for the first week in August; **Staff Recruitment Status Report** – The District conducted interviews for the Operator in Training position on Friday, June 15th and Monday, June 18th. All fifteen candidates were interviewed. A second interview was set up for four of the candidates; **South Coast Beach Communities Septic to Sewer Project Update** – The District's annexation proposal for the project will go before the SB LAFCO at a hearing on July 5th at 2:00 pm. President Moorhouse asked if one of the Board Members needed to attend the hearing. General Manager said they did not need to attend, but were welcome if they wanted to participate. Consent requests for assessment district formation were sent to both Santa Barbara and Ventura counties. Each county will need to pass a consent resolution before it comes back to our Board to start the balloting process and pass a Resolution of Intention. General Manager said he would make another presentation to the Rincon Point HOA on July 7th at their annual meeting. A detailed grant application was submitted to the SWRCB Division of Financial Assistance; **Operations Update** - The WWTP is operating in full compliance with the NPDES Permit. The Collection system is operating fine with no SSOs to report. There is a mainline extension going on at 3960 Via Real. District staff has been inspecting. Director Treloar asked about the anticipated date for completion of the project. General Manager said they were out of the street, and some groundwater issues were not present that were anticipated, so the project was progressing. General Manager said warranty repairs were completed successful on the primary clarifier coating. District staff changed the drive chain concurrently. Three staff members attended the CWEA Plant of the Year workshop in Oxnard on 6/13. Three staff members attended the mandatory DigAlert mark-out training at Goleta SD. Director Treloar asked what a Plant of the Year workshop was, and General Manager said each year CWEA gives out a Plant of the Year award. This year it was Oxnard. General Manager said the Carpinteria Sanitary District had not entered in the past.

Closed Session: Legal Counsel said based on written communication received by the District after the Agenda for this meeting was posted; there was an item that needed to be added pursuant to Government Code Section 54954.2 (b) with a need to take immediate action. The item should be listed as Conference with Legal Counsel: Anticipated Litigation – Initiation of Litigation pursuant to Government Code Section 54956.9 (c). Legal Counsel said the Board would need to approve a motion consenting that this item be placed on the agenda.

Director Horwitz made a motion that the Board approve adding the Closed Session item as detailed by Legal Counsel to the Agenda; Director Graf seconded the motion, and the motion was approved by a 5-0 vote.

The Board adjourned into Closed Session at 6:22 pm.

The Board reconvened into Open Session at 6:32 pm and reported there was no action taken during Closed Session.

Board Committee Reports.

Finance Committee – Director Horwitz said the Finance Committee met on the 13th and went over the Budget reports, looked at the Salary Matrix, and got some information about insurance coverage. Director Horwitz said she wanted to commend the staff on keeping on top of health insurance. Director Horwitz said the Committee went over the FY 2007/08 Budget.

Personnel Committee – Director Graf said the committee met and went over the Salary Matrix.

Public Relations Committee. Did not meet.

Board General Items:

Future Agenda Items: President Moorhouse talked about the EIR that will be released shortly pertaining to the Venoco project. President Moorhouse said the Board might not want to make this an agenda item, but might want to let the City know if there were funds available, the District has projects. Director Horwitz asked if the staff should research this to see if it would be appropriate for the District to be involved. Legal Counsel said if the Board wanted to have this as an agenda item for discussion, it would be appropriate.

Adjournment. There being no further items to discuss, President Moorhouse adjourned the meeting at 6:36 p.m.

Michael Damron
Secretary

Lin Graf
President Pro-Tem

Patricia Horwitz
Treasurer

Jeff Moorhouse
President

Douglas Treloar
Secretary Pro-Tem